

Identifying and Capitalising on the Value Created by the Non-Profit, Social Enterprise

An Exploration of INDEX : Design to Improve Life



Copenhagen Business School
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Identifying and capitalising on the value created by the non-profit, social enterprise

An exploration of INDEX: Design to improve life

Aleksandra Maria Ozga - 107582

Anca Nistor - 107677

Goda Gurcinaite - 106165

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Abstract

This thesis focuses on assessing and analysing the multi-stakeholder, non-profit organisation INDEX:, with the aim to improve and stabilise the achievement of the organisation's mission goals and thereby derive a strategy for sustainable value creation. Our endeavour to uncover and gain insights into the organisational culture of INDEX: has been attempted through direct and participant observation, semi-structured interviews and the analysis of INDEX:' reports and publications within the larger context of national culture.

The organisation's co-dependent community for creatives and business professionals brings design recognition and serves as a preliminary selection tool for impact investors. INDEX: has been conceived as a network organisation and that is mainly due to its NPO status; founders and the Team have always known that INDEX:' network is vital for its further development. The carried out research supports the essential role of the network structure of INDEX:, not only for itself, but for its stakeholders as well. Investors, buy-into INDEX: due to their strong organisational network capital.

The data analyses are based on an online survey which among others, describes how the performance metrics are perceived by the Award participants. The majority of respondents indicated that they participated in the Award looking for design recognition. Several of the contacted companies have indicated that impact on their business model, business growth and financial resources was very low. INDEX:' networking activities are also perceived as insufficient, while the strongest identified impact has been on the personal development of the participants and on their perception of design. Furthermore, there is a correlation between the results of the survey and those of the semi-structured interviews.

Additionally, the tight relation with the Danish State and the associated grant, limits the organisations' possibility for autonomy. Thus, this thesis concludes with a proposal in the form of a network-based solution that will help INDEX: address their stakeholders' needs as well as become more self-sustainable and less dependable on external factors. For the strategy to succeed, all INDEX:' business units need to be aligned to support one another as each of INDEX:' business activities are highly dependent on the others.

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List of Abbreviations

BMC - Business Model Canvas

BSC - Balanced ScoreCard

CSR - Corporate Social Responsibility

DDC - Danish Design Center

DS - Design Society

EVA - Economic Value Added

INDEX: - **I**nternational **D**esign **eX**hibition

KPI - Key Performance Indicator

MIT - Massachusetts Institute of Technology

MMC - Mission Model Canvas

NPO - Non-profit Organisation

SBSC - Sustainability Balanced Scorecard

SE - Social Enterprise

SNA - Social Network Analysis

SROI - Social Return on Investment

PR - Public Relations

ROI - Return on Investment

We cannot solve our problems with the same thinking we used when we created them.

Albert Einstein

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Chapter 1

Introduction

More than any previous generation, we grew up in a world that is becoming increasingly aware of the negative impact our products, processes and behaviours have on the planet, the climate and populations, be they animal or human.

As service management students, we are deeply passionate about the untapped and unlimited potential of services to solving current and future human issues if designed and implemented appropriately. We believe embedding well thought of services in everyday-life processes can increase not only comfort and efficiency but also sustainability and effectiveness in all areas of human activity.

After having Kigge Hvid as a guest lecturer in one of our Strategic Management classes, we fell enamoured with the idea of Design to improve life and knew immediately that we want to dedicate our master thesis to it. We got in touch with Kigge and were warmly welcomed to start our journey into discovering INDEX:, the Danish non-profit organization (NPO) that tries to save the world one design at a time. As a social enterprise (SE) with diverse service offerings and extremely limited financial resources, INDEX: was struggling to identify the value it brings to the world as well as the ways to optimise its offerings and thus impact

without becoming a sell-out; we were sold on helping them out!

1.1 Problem Area

NPOs have been and still are a well acknowledged contributor to the economy and society at large. NPOs guide their activities by a mission to fulfil a societal, environmental or human need that is not pursued by for-profit or public organisations due to lack of financial attractiveness or simply capacity. By very definition, NPOs cannot rely on profit to conduct their activities and are thus dependent on funds, grants and donations, the majority of which are traditionally provided by governments. However, the public fund is not always stable or sufficient, forcing NPOs to look for alternatives, adding to their multiple stakeholders as well as activities needed for survival.

The last decades' new public management initiatives as well as the booming trend of SE have been altering NPOs' relationship with governments while adding massive competitive pressure. Simultaneously, the constantly growing number of NPOs contributes to the increasing volatility of support from private donors that are now faced with competing choices. Therefore, NPOs are faced with the necessity of not only operating effectively and efficiently in pursuit of their social mission but also of being able to justify their decisions, performance and impact in order to secure funding.

Assessing the performance of NPOs is believed to be a difficult task by both practitioners and academics, the main reason being the inherent intangibility and subjective value of NPOs' offerings. The actions of NPOs are driven by their chosen social mission and thus perceived as being much more valuable for those affected most by said mission. The operational model of NPOs is unique in its dependency on multiple stakeholders, each with their own perception of value, performance and success. Additionally, it has been argued that too much emphasis on performance and profitability can potentially alienate NPOs from their mission. Due to

their extremely limited financial resources, NPOs cannot entertain both the attainment of their mission and the measurement of their operational efficiency.

1.1.1 Problem Formulation

Due to the limited resources available to INDEX: as well as the intangible nature of the services it provides, the organisation has been unable to properly grasp or express with confidence the value and impact it delivers.

INDEX: is primarily funded (40%) by the Danish state which not only adds to the list of stakeholders the organisation has to cater to, but it also diversifies the range of values and benefits the organisation has to supply through its activities. Additionally, two of INDEX:’ three main business activities (namely INDEX: Education and INDEX: Investment) make a profit that goes into furthering its vision and thus the organisation is regarded as being a hybrid between NPO and SE [Haigh et al., 2015].

The ability to assess the performance and impact of the NPO is paramount not only for its main supplier and beneficiary: the Danish state, but also for INDEX: itself to be able to make better strategic decisions for all its other stakeholders.

Furthermore, the NPO is currently undergoing a transition in terms of executive management, namely the stepping down of 17 years CEO and founder Kigge Hvid and the appointment of Liza Chong. This only adds to the importance of a thorough and up-to-date value and strategy assessment.

Therefore, we formulate the following research question as the centre of our thesis:

How would one assess and analyse the performance and strategic positioning of the multi-stakeholder, non-profit organisation INDEX: in order to improve and stabilise the achievement

of their mission goals¹ through sustained value creation?

In order to be able to answer the above question, we must first unpack and understand the main concepts composing it, namely:

- *What are the key characteristic of INDEX: as an organization?*
- *What are the different stakeholders, customers and beneficiaries of INDEX:?*
- *What is INDEX:’ value? Is it different for its different stakeholders?*

1.2 Delimitations

Due to the scope of this thesis and the lack of relevant resources, some delimitations have been made.

Firstly, the main focus of this research is on the Award and Investment activities of INDEX:. Education is only briefly analysed through the report due to the intangibility and lack of relevant sources on the subject. The value and impact of education becomes apparent only after a considerable time period, being thus currently, impossible to measure or evaluate. In addition, the number of those that took part in INDEX:’ education program: is too small to draw objective conclusions.

Secondly, the data analysis only addresses companies that have won or have been in the finals of INDEX: Award. Nominees that have not been selected to the finals are not included. This is due to the lack of data provided by INDEX:. To better understand the global reach of INDEX: it would have been interesting to analyse all the companies that have been nominated for the Award. It could have been useful to check how many designers have been nominated more than one time and how many of them got to the finals. This would have allowed creating

¹INDEX:’ mission goals are to Inspire, Educate, Engage

a more valid return rate since it can be assumed that the more companies and designers are coming back, the better the engagement rate of INDEX: is.

Thirdly, it would have been useful to determine all the contestants' business life-cycle stage before the award and analyse how it changed after that. This would have given us a chance to discover if INDEX: has an impact on participating companies' business growth. However, this has not been done due to the scope and time limitations of the project. Such data has never been collected before, and therefore, requires a lot of resources and time (it has to be collected over the years).

Furthermore, media analyses do not include non-digital publications as we do not have access to traditional media archives. It could have been interesting to analyse how traditional and digital media coverage has been changing over the years.

Seeing that the conducted interviews correlated with the survey results as well as with each other, eight were actually carried out. However, more interviews with INDEX: Award winners and finalists might have provided a better overview of the customer experience.

Network theory is described at a conceptual level rather than topologically laid out for the specific networks of INDEX:. More detailed and applied representation of the network could have been used at predicting changes over time. This has been delimited from the research due to lack of the necessary extensive knowledge on the subject.

The section analysing the "Leadership and Culture" only focuses on the previous CEO Kigge Hvid. The current CEO Liza Chong has taken over the organisation at the end of the thesis writing process and therefore, the influence that she has on INDEX: can only be determined in the future.

Finally, it could have been useful to have a more in-depth analysis on the CSR topic. This would give us a chance to discover what motivates companies to support CSR initiatives and what are the key aspects of this concept. However, this was far removed from our initial

area of research. Thus, even if its appeal and viability became apparent to us throughout the research process, we were unable to cover this direction of study to its full extent. We strongly believe that pursuing this area would have brought added valuable insights if time resources would have been sufficient.

1.3 Structure

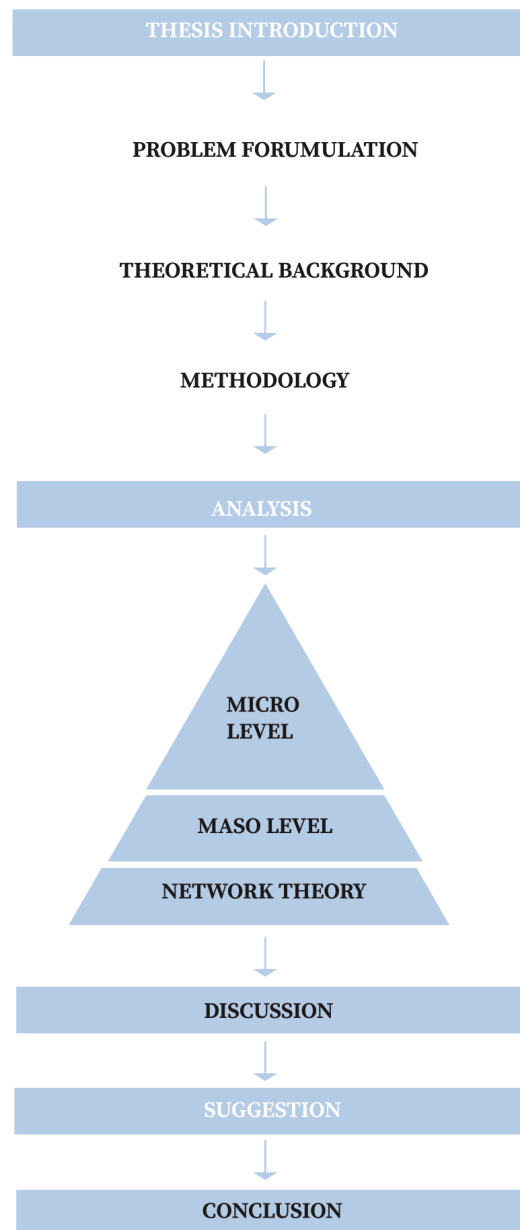


Figure 1.1: Thesis Structure

Chapter 2

Theoretical Background

Before anything else, the foundation of this report must be laid out by understanding the relevant definitions of keywords such as value, impact, the social sector and to review extant literature on non-profit organisations, leadership, impact investing, systems thinking and other related topics to the research question.

The following pages are made as a narrative review that aims to investigate the social business sector and its external and internal components. Firstly, the gross list of relevant theories is built to better understand the master thesis topic. Afterwards, the most applicable theories and models are further explored. Obtaining knowledge is the justification and the background of the following research.

2.1 Understanding the Social Sector

Yunus [2009] claims that one of the leading reasons why many problems in the world remain unsolved is a narrow interpretation of capitalism. This point of view creates a one-dimensional role of entrepreneurship to create profit, and isolates other crucial parts of life

such as religion, emotions and political concerns. These businesses are supported by masses of investors who share the same capitalistic mission.

However, over the last twenty years, the focus on solving social issues has grown and transformed tremendously. It has shifted from pre-modern to competitive and entrepreneurial [Drayton, 2002]. The growth of the recognition and the scale of emerging markets and impact investing is disrupting how traditional enterprises, charities, and investments are organised. Participants start to realize their collective power and adapt existing methods to supply new demands and achieve maximum economic performance [Bugg-Levine and Emerson, 2011].

The traditional models of philanthropy have been changed to a more investment related philanthropy that aims to maximize the impact, and total social value created from the donor's invested capital [Anheier and Leat, 2006]. The definition of blended value focuses on the idea that all organisations can pursue financial, environmental and social return regardless of whether they are non-profit or for-profit [Bugg-Levine and Emerson, 2011]. Therefore, social organisations have started implementing profitable business solutions and income strategies to engage in the competitive market. Such an industry change has led to a new business model creation that allows businesses to pursue a social mission while obtaining financial profit [Nicholls, 2009].

2.1.1 Major Trends that are Transforming the Social Sector

According to Mulgan [2008], three trends have contributed to the growth of the social business. (1) The change has started with the development of governmental authorities: in most of the Western world, governments are not perceived as being commanding, state monopolizing systems any more. (2) Consumers and employees in the commercial sector have become more demanding about ethical standards and sustainability. More investors are keen on pursuing shareholder value, investing in not-for-profit organisations and acknowledging a

different kind of value. The vision of capitalism has shifted to being based on long-lasting relationships rather than on monetary transactions. (3) Finally, due to the aggressive critique on paternalistic charities, social movements have influenced more modern and democratic types of charities that focus more on the beneficiaries' needs [Mulgan et al., 2008].

Another strong market trend that drives the development of the social and commercial sector is servitization [Avlonitis et al., 2014]. A study made by Sheehan [2006] proves that services (in both commercial and public sectors) have become the main drivers of economic growth and productivity in the Western society. Similarly to NPOs and SEs, the developments in the service industry are influenced by increasing emphasis on knowledge management, focus on intangible values and the need to innovate.

The final trends are Cooperation and Co-creation; nowadays traditional businesses are seeking to find new ways to engage with their communities and create greater social impact, whereas the social sector lacks funding and the institutional capacity to address all social needs [Austin, 2000]. To achieve greater impact and successful market development, a cross-sector collaboration between corporations, government and social enterprises needs to be implemented [Austin, 2000]. Brandenburger [1996] suggests that all companies should start to think in terms of "Compliments". This approach focuses on the idea that organisations should collaborate to make the operating market bigger and more advanced rather than compete in it. The author proposes that the definition of "competitor" should be changed to "complementor" and therefore, organisations should start working together with competitors to develop common benefits and achieve mutual success.

2.1.2 The Emergence and Development of Social Enterprises

Social entrepreneurship has become an important topic both in the business environment and in the academic literature. Even though its roots can be traced long back in history,

entrepreneurship as a process to foster social change has only recently become of interest in the scientific world [Mair and Martí, 2006]. A variety of studies indicate that social organisations have an impact on innovation of welfare, environmental policies, employment and reduction of poverty [Nicholls, 2009].

There are different definitions of SE. Some scholars outline that the purpose of it is to generate change by creating social, natural or cultural value and by exploiting innovative solutions with processes, markets or products [Folta, 2007]. Others describe SE as an innovative set of actions made by networks, organisations or individuals to reconstruct or enhance current institutional methods [Dees, 1998].

The SE business concept is driven by visionary, innovative and pragmatic activists that form a vast network of like-minded people. SE combines practices from regular for-profit business, charities and social movement models to provide solutions to community problems and to create new social and sustainable value. It focuses on delivering a systemic change that disregards organisational norms and institutional boundaries. It is a dynamic and multi-dimensional process between public, private and social sectors [Nicholls and Cho, 2006].

Social organisations can be distinguished from one another based on their adopted funding model to achieve their social objectives (Figure 2.1). SE focus on becoming independent from grants by creating income streams that act as self-sufficient funding solutions. The goal of SE is to become as sustainable as possible in the operating market [Nicholls and Cho, 2006].

Through the past years, SE has emerged as a global phenomenon due to the high social and environmental demand and supply side's developments [Nicholls and Cho, 2006]. SE delivers a broader perspective on democratization allowing people to take control over their lives, the economy, and society. The growing interest in this area disrupts the idea that institutions are limited by the traditions and proposes a new perspective of a business that is adaptable, plastic and malleable [Mulgan et al., 2008]. However, there are still many barriers challeng-

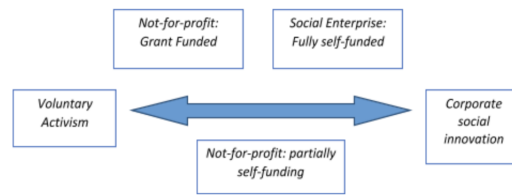


Figure 2.1: Funding dimensions of Social Organisations - Adopted from "Social Entrepreneurship: The Structuration of a Field" by A. Nicholls and A. Hyunbae Cho, 2006. *Oxford: Oxford University Press*

ing SEs. Issues such as lack of adequate legal forms, unaffordable tax rules, a close-minded political and legal environment, high bureaucracy and others are preventing the even faster development of the social sector [Mulgan et al., 2008].

2.1.3 Key Aspects of Non-profit Organisations (NPO)

According to Kramer [1979], there are four key roles of NPOs that set them apart from other organisations. Firstly, they have a "Vanguard Role": NPOs innovate by creating new programs, processes and approaches in service delivery, and therefore, act as change agents in their field. Secondly, NPOs are "Value Guardians": they promote and guide social values and promulgate views, interests and preferences of various religious, political, ideological and social groups. The third role of NPOs is "Advocacy": they represent and give voice to minorities and monitor governments with the purpose of assuring change and improvements in social policies. Finally, NPOs act as "Service Providers": usually, the primary service providers in industries where neither businesses nor government are able or willing to operate [Kramer, 1979].

The two most common types of NPOs are "Member-Serving Associations" and "Public-Serving Organisations" [Toepler and Anheier, 2004]. Member-serving NPOs (e.g., Advocacy groups, credit unions, sports clubs) aim to maximize the benefits of their members. Such organisations usually have diffused and complex goals, informal structure and are motivated by solidarity. Public-serving NPOs strive to maximize the benefits of their specific client

group (e.g., Environmentalists, homeless people). They usually have a more formal structure, clearer goals and are motivated by purpose. Furthermore, the public-serving NPOs are in most cases service providers and have the greatest similarities with for-profit businesses and public institutions [Toepler and Anheier, 2004].

NPOs have a distinctive nature of finance, combining donative and commercial revenues from private and public sources. These revenue streams are usually derived from public grants, third-party payments, private donations, and commercial loans [Toepler and Anheier, 2004].

Kaplan [2001] notes that increasing competition for funding is pressuring NPOs to adopt accountability and performance measurement techniques. A study made by Forbes [1998] pointed out that due to their amorphous and intangible goals, NPOs have difficulties implementing quantitative measures. Furthermore, financial reports only evaluate past performance and do not showcase long-term value creation. Therefore, financial considerations can only be used for enabling or constraining purposes. The success of NPOs should be measured by how efficiently and effectively they are able to meet the needs of their constituencies [Kaplan, 2001].

2.1.4 Understanding the Nature of Services

As mentioned above, NPOs are usually service providers. To better understand NPOs it is important to look at the characteristics that drive service organisations. Bitner [2008] describes the service as a process and experience that is based on human and interpersonal delivery systems. A service is dynamic, intangible, fluid, delivered over time and often co-produced with employees, customers and technology [Bitner et al., 2008].

Businesses are no longer able to provide superior value only through their products and therefore customer experience is becoming a key element in sustaining competitive advantage. As Bitner [2008] affirms, "companies need to focus on creating long-term, emotional bonds with their customers through the co-creation of memorable experience" [Bitner et al., 2008]. Bitner

argues that meaningful customer experience that results in the emotional bond between the brand and the customer is the key element in creating customer loyalty in service organisations.

Gouillart [2010] on the other hand, finds that it is not enough to focus on the customer experience. He believes that companies should address their stakeholders' needs first. Customer experience directly or indirectly depends on stakeholders (employees, distributors, suppliers, government) and therefore, companies should aim to co-create with their stakeholders to design a better service that matches everyone's needs.

Finally, a variety of researches proved that measuring service quality is an essential part to win and retain customers [Jerônimo and Medeiros, 2014]. However, this is highly challenging due to the intangible nature of services. To provide better results, service organisations need to (1) link their objectives to the organisation, (2) improve the sophistication of their measuring tools, (3) better address customer feedback, (4) acknowledge problems and (5) create performance measures for each of their service function [Likierman and Likierma, 2006].

2.2 The Meaning of Value

The concept of value is plagued by terminological confusion, mainly because of the highly ambiguous nature of the term. The confusion goes across a number of disciplines, including economics, sociology, psychology and marketing. Graeber [2001] presents the main definitions to the term of value: (1) the concept of value as something of ultimate good in human life, (2) from an economic and business standpoint, value is understood as a willingness to pay the price of a good in exchange for a product or service, (3) value as meaning and meaningful difference, and (4) value as an action [Graeber, 2001].

The methodology of economics is based on handling monetary value [Mulgan et al., 2008]. In the traditional for-profit business, the value is determined by well-established and globally

accepted methods such as financial profits, ratios and traditional bottom lines. Nicholls [2013] perceives value as an objective fact that is derived from supply and demand and is managed within the enterprise. "Economical value" comes from consumers and their willingness to spend their money on offered goods or services. Such offerings are usually fast-changing and tightly dependant on subjective influencing factors such as taste, trends, etc. [Young, 2012].

"Social value" focuses on doing good and more specifically, creating benefits for others [Ormiston and Seymour, 2011]. Social value is subjective and depends on real-life experiences and its effects on stakeholders [Young, 2012]. "Natural value" is usually used in economics to refer to ecosystems where valuable goods and services are floating to business activities that support it [Ormiston and Seymour, 2011]. According to Bourdieu [1984] "Cultural value" comes from the individuals that are processing cultural capital, whereas "Creative value" can be found in objects without any particular use but with abstract relations, uniqueness or beauty [Godelier, 1999].

Furthermore, value can be understood as a conversation between different stakeholders. In the case of traditional business, value is a conversation between divisions, managers, and shareholders; in the case of social entrepreneurship, it is a conversation between foundations, philanthropists, investors, and public agencies [Nicholls, 2013].

Finally, value can also be viewed as a symbolic "sign" [Veblen, 2001]. People tend to value objects, not for their utility or their aesthetics but their subjective meaning (e.g., gifts). Veblen's [2001] concept of "conspicuous consumption", for instance, values goods because they serve as an index of social status (Ibid.). Bourdieu perceives such correspondence with goods as a means of accumulating capital, primarily of a symbolic and social nature (i.e., in regards to one's network of interpersonal connections) [Bourdieu, 1984]. Thus, value arises from the user's subjective perspective. Hence, it does not dwell on the object's tangible qualities, but in the message it carries [Boztepe, 2007]. "User value" emerges from the correlation of the object's qualities and user's intake and their local contexts when interacting with the object

(Ibid.).

As Holbrook [1996] claims, "value resides not in the product purchased, not in the brand chosen, not in the object possessed, but rather in the consumption experience(s) derived there-from" [Holbrook, 1996, : 8]. "Value as an experience" is the core of Pine and Gilmore's [1999] premise that what people desire is not products, but the provided experiences [Pine and Gilmore, 1999]. Experiences are believed to be context and situation dependent and similarly, value changes when external factors such as culture and norms change [Overby et al., 2005].

"User experience" resembles design in both theory and practice. Design intends to create value, and it has the characteristic of influence [Buchanan and Margolin, 1995]. According to Cagan and Vogel [2001], design creates "value opportunity classes", such as emotional and aesthetic appeal, identity, ergonomics, impact, technology, and quality, which make up for the whole product experience and relate to its value. The higher the objects scores, the greater the value it has for users [Cagan and Vogel, 2001]. Heskett [2002] views design as "the interplay between designers' intentions and users' needs, perceptions, and goals" [Heskett, 2002, : 54]. Therefore, the design's role in value creation can be interpreted as the capacity of objects and services to develop value [Boztepe, 2007].

Outdated approaches to value creation have undermined competitiveness and slowed down economic growth over the past few decades [Porter and Kramer, 2011]. Many organizations consider value too narrowly, focusing only on the optimization of short-term financial performances while ignoring other influencing factors that deliver long-term success (e.g., the well-being of their customers, the economic environment, the viability of suppliers, etc.). The concept of shared value [Porter and Kramer, 2011] suggests that economic value has to be created in a way that also addresses social needs. Business success has to be reconnected with social progress. Shared value is created by (1) recreation of products and markets, (2) reformulation of the value chain productivity, (3) and by enabling local cluster development.

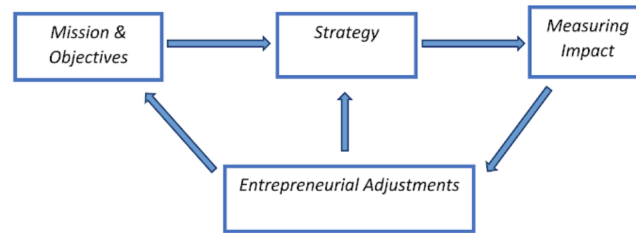


Figure 2.2: Understanding the value creation process - Adopted from "Understanding Value Creation in Social Entrepreneurship: The Importance of Aligning Mission, Strategy and Impact Measurement" by J. Ormiston and R. Seymour, 2011. *Journal of Social Entrepreneurship*

J. Ormiston and R. Seymour [2011] have developed a framework to understand how value is created. The purpose of the framework depicted in Figure 2.2 is to develop a deeper understanding and a more holistic view of value regarding social entrepreneurship. The authors highlight that in order to create value, an integrated strategy that aligns mission, resources, and external environment has to be adopted. The model points out that the creation of value is a periodic and cyclical process.

2.2.1 The Correlation between Mission and Value

Social entrepreneurship is defined by its focus on social impact and innovative solutions to achieve its mission [Nicholls and Cho, 2006]. Therefore, the mission of all social organisations is central. SEs aim to identify new social value creation opportunities and to address unmet social needs. Social mission is defined by the operational context of the organisation, its outcomes and impacts and operational process (Ibid.).

Several authors argue that mission is the starting point in value creation and it constitutes the background of the corporate strategy [Ormiston and Seymour, 2011]. The importance of a clear and cohesive mission statement has been highlighted in a variety of business studies. The book "Strategy, an International Perspective" [Wit, 2017] argues that the mission statement identifies the core reasons of the company's existence, determines the common

understanding between stakeholders, provides the direction in which business develops and sets the core values of the organisation (Figure 2.3).



Figure 2.3: Elements of a corporate mission - Adopted from "Strategy An International Perspective" by B. De Wit and R. Meyer, 2014. *Fifth Edition*

The strategy literature claims that if an organisation strives to be successful, it has to create a distinctive value proposition that sufficiently addresses the needs of their customers [Porter and Kramer, 2011]. Competitive advantage is achieved by the configuration of the value chain and activities involved in the life-cycle of their product or service.

Also, to be able to formulate a social mission, companies need to answer the following questions: (1) What does our value mean? (2) How will this value be measured? (3) What would the entrepreneur do? (4) What is unique about it? (5) What determines our success? [Ormiston and Seymour, 2011].

After the purpose of the organisation is identified through a mission statement, the strategy has to be developed on how to create the value [Quarter and Richmond, 2001, Dees, 1998]. One of the tools for doing so is to build a business model canvas. The purpose of the framework being to understand and describe how an organisation captures, creates and delivers its value. Furthermore, it helps an organisation to align its business strategy and implement it through different structures, systems, and processes [Osterwalder et al., 2010].

2.2.2 Leadership and Value Creation

Another dimension of the social element in SE comes from the personality traits of the social entrepreneur. Typically, an entrepreneur of commercial businesses is usually defined as a uniquely skilled leader with significant personal qualities and is perceived as a "business hero" or the innovator of the organisation [Nicholls and Cho, 2006].

This can be adopted by the social organisations too. Many leaders in this industry are characterized as individual social change-makers. Even though they share similar traits as the commercial business leader (vision, drive, opportunism), they are also very different from regular entrepreneurs due to their "socio-moral motivation" and social mission focus [Nicholls and Cho, 2006].

Bornstein [1998] points out that the unique ethical drive and make-up of the entrepreneur towards a social mission are crucial to the organisation's success and operational processes. The literature on entrepreneurship points out that discovery, creation, and development of opportunity originate from the cognitive and creative capacities of the individual [Teece, 2007]. Recognition of opportunities comes both from individual capabilities and external knowledge. To achieve the highest growth, companies have to embed interpretative, scanning and creative processes into the organisational processes and culture [Teece, 2007].

2.2.3 Culture and Value Creation

In anthropological and sociological terms, culture is seen as being a basic institution of society [Parsons, 1967]. In terms of business organisation, culture is the glue that "holds an organisation together" [Cheney et al., 2010, : 78] .

Organisational theorist Gareth Morgan defines culture as "an active, living phenomenon through which people create and re-create the worlds in which they live" [Morgan, 1997, :

131]. Dynamic and complex, organisational culture establishes and reinforces itself through a variety of means (such as beliefs, specific language, dress code, rituals, internal and external communication and messages, to mention just a few). Culture not only creates value by perpetuating and transposing itself into the creation of goods and services, but it is also necessary in the interpretation of value as it has the power to change individuals' perspective of the concept.

2.2.4 Measuring Value and Impact in the Social Sector

Over the last decades, the resources landscape has been changing significantly which led to new social impact reporting methods and practices. Governments, investors, foundations and other stakeholders have been demanding more reliable monitoring of their investments and better evaluation of the derived social outcomes [John, 2006].

Market orientation is a universal concept that improves the performances of both SE and commercial business [Polonsky et al., 2016]. To be competitive, SEs have to provide the highest quality services and create significant social returns. Even though SEs usually do not consider themselves as competing against each other, they need to communicate their competitive advantage to sustain current investors and attract new donors [Polonsky et al., 2016]. The pressure from the industry is pushing SEs to shift from the traditional ways of working and implement new business tools and practices. Such change aims to improve performance and create a long-lasting impact. Furthermore, diversification of the social services and broader market reach can help SEs expand and strengthen their mission and impact [Alter, 2006].

Alter [2006] argues that social value is driven by the mission which is generated through NPO's projects, where economic value is driven by market opportunities and financial needs delivered through business models. Therefore, money and mission should go alongside. On the other hand, Dees [1998] claims that social organisations' worth is not determined by profit as

far as there is constant improvement in efficiency and effectiveness. Even though numbers play an important role, the social element and the story are the criteria that qualify the investment [Bugg-Levine and Emerson, 2011]. The measurement should be focused on creating a dynamic information system that helps to improve the performance (Ibid.).

Most of the social organisations compete directly or indirectly with state agencies and private companies. Research made by Mulgan [2008] has pointed to the fact that NPOs' performance compared to SEs' is usually less responded to the customers and less innovative. This is mainly due to the fact that NPOs spend fewer resources on evaluating and measuring their value and therefore are more slow at adapting to market changes [Mulgan et al., 2008].

2.3 Understanding Impact

Organisations that operate with a social purpose have been given an immense level of trust in their missions and objectives rather than being judged on their performance indicators. Historically, the impact of such organisations was considered self-evident and therefore detailed performance reporting and measurement practices were not integrated and adopted by the social sector. This had resulted in several consequences in the market [Jepson, 2005]. Firstly, it decreased accountability and trust in public-sector organisations. Donors have started to require evidence on how the invested money is spent, how organisations are learning and how well they are achieving their goals and objectives. Secondly, lack of accountability has enabled unreliable corporations, markets, and inter-government parties to become overly dominant in dictating policies and values of everyday life [Jepson, 2005]. Finally, the lack of accountable proof has threatened to undermine the performance of organisations' created impact [Nicholls, 2009]. Jepson [2005] argues that social organisations need to debate and develop accountability methods that would define and strengthen their role in the society. The governance should ensure that companies' assets are developed and managed in a way

that delivery of a mission is maximized.

Measuring impact is crucial for making managerial decisions, attracting investors and composing internal and external reports. Furthermore, it is needed for the communities and governments to acknowledge change and market development [Bevan and Hood, 2006]. Some authors argue that the project's or organisation's existence and development is impossible without well-founded and compelling impact measuring. It helps project managers to foresee what impact the company seeks to create, helps to increase efficiency during the project and adjust the strategy [Maredia et al., 2014]. Nicholls [2009] describes measuring and reporting impact as a dynamic and emerging phenomenon that processes, innovates and reshapes itself over time. Measuring practices provide social organisations with the "moral obligation" to perform better, increase competitiveness and independence in the market [Nicholls, 2009].

2.3.1 Value and Impact Measurement Techniques

The mission measurement paradox implies that the failure to evaluate social impact is due to unclear social missions. Even though value creation is recognized as a central concept for SEs, most of the organisations have little knowledge of what value is and how it can be attained [Grieco et al., 2015]. Therefore, before measuring value, companies first should define which values and why they are essential to their specific organisation.

According to Young [2012], understanding social value is a highly complex process that cannot be measured with a single matrix or ratio. Therefore, while evaluating social value, organisations should align different approaches as well as shared knowledge and practices to achieve a more realistic goal.

Qualitative metrics (e.g., triple bottom line, social reporting, balanced scorecard) are helping organisations to achieve mission alignment, however, they are difficult to compare, benchmark or use to attract funding. Furthermore, using only scientific methods poses the

risk that stakeholders will start using the measurements to describe reality instead of as a tool to communicate about it [Nicholls, 2013].

Following some of the most used methodologies and frameworks retrieved from the studies of Graham and Anderson [2015], Mulgan [2008] and Polansky [2016] we describe:

The Balanced Scorecard's purpose is to help companies be more specific, knowledgeable and in control of their strategic and financial objectives as well as clarify the ways how these objectives can be achieved [Graham and Anderson, 2015]. This method is usually employed for individual organisations. It is challenging to use the Balanced Scorecard to capture value around community projects [Mulgan et al., 2008].

Social Return on Investment (SROI) has the purpose to manage and understand social, environmental and economic outcomes created by organisations [Graham and Anderson, 2015]. It is a useful tool to understand the indirect effects and values of projects. However, the numbers involved in the measuring process are often open to the interpretation. The method is creating the risk that the final number got from the SROI calculation can create inappropriate consistency about the complex picture due to the rugged reliability of numerical values used to create this index [Mulgan et al., 2008].

Value Maps are an alternative tool for the single matrices by creating visual diagrams that depict the graphical relationships between qualitative and quantitative aspects of value [Mulgan et al., 2008]. The purpose of the value map is to combine easily measured data (capital values, market returns) with more difficult to measure social outcomes. Such graphs strive to show different dimensions of value and similarly quantify them so that different opportunity costs and range of options could be addressed [Mulgan et al., 2008].

Result Based Accountability focuses on reporting performance within a specific period. The framework allows organisations to compare their results internally against specific periods of time. The method requires a significant amount of qualitative data. The bene-

fit is that organisations can choose specific indicators that match their strategic objectives [Graham and Anderson, 2015].

None of the approaches mentioned above can capture all aspects of social value. These measures are highly subjective and are based on an individual organisation's social goals. Therefore, there is limited comparability and replicability across issues [Polonsky et al., 2016]. Furthermore, the author suggests that enterprises should collaborate on defining impact variables, inputs, outputs and outcomes based on the sector they operate in. This would ease the data collection process and would allow companies around the sector to better address targeted social issues [Polonsky et al., 2016].

As indicated before, in most cases NPOs and SEs are service providers. The value they create is complex, intangible and experiential, thus a service. Therefore, several practices used in the traditional service business can be implemented and adjusted to measure their value.

Customer Satisfaction is considered to be a baseline of performance and excellence standard in all types of businesses [Grigoroudis and Siskos, 2009]. Measuring customer satisfaction provides organisations with analyses, improvements and a better understanding of the customer's needs. This measure is also considered to be one of the most reliable feedback that provides direct, practical, objective and meaningful insight into customers' expectations and preferences. Furthermore, it gives the ability for companies to evaluate their position against competitors. Several researchers have identified that there is a direct correlation between customer loyalty, satisfaction and a company's profitability [Grigoroudis and Siskos, 2009]. The Service Gap gives a chance for organisations to identify the difference between customers' expectations and the actual service delivered by the company [Grigoroudis and Siskos, 2009].

Customer Brand Equity provides insight into the knowledge that customers have on the brand and about the company's marketing efforts. It tracks customers feelings, thoughts, perceptions and beliefs linked to the brand and their response to different organisations' marketing activities. This, in turn, it allows organisations to measure the long and short-term impact

they have on customers and assess the return on the marketing investment [Keller, 2008].

The Happiness Index is a popular measure used in a variety of industries to showcase the degree to which a person judges their quality of life. Several types of research suggest that there is a correlation between happiness and economic performance [Gwyther, 2018].

2.3.2 The Sustainability Balanced ScoreCard (SBSC)

Traditionally, the Balanced ScoreCard is a strategic performance measurement and management tool designed for the private sector to support organisations in communicating their current state of operation and the path of development that they aim to follow [Kaplan and Norton, 1996]. One of the critical characteristics that defines BSC is the combination of financial and non-financial data (Ibid.).

The BSC model has been severely adjusted to fit NPOs. In the Sustainability Balanced ScoreCard (SBSC), the starting point is the pursued mission, which is directly connected to the two main categories of stakeholders: the donors and the customers. SBSC can be used to focus and align activities towards the achievement of the mission incorporated by an organisation [Grieco et al., 2015]. Meadows and Pike [2010] partially modified the initial four categories: internal business processes, financial, learning and growth, customer; replacing them with: business model, financial return, organisational development, and social return on investment. For a valid implementation, the tool must be applied three times in a time-frame of 10 years in order to assess the situation in the short, medium and long-term, and avoid the criticisms aimed at the BSC about unclear temporal links between the analysed variables. It is important to note that the model does not include employee, supplier or community perspective on an organisation's performance [Meadows and Pike, 2010].

2.4 Challenges and What Remains Unknown about Value and Impact Measuring

Young [2012] claims that every organisation and business, no matter the industry they operate in, tries to create value. There are a lot of different methods to analyse and measure value: hedonic pricing practices in economics, contingent valuation approaches, cost methodologies and ecological schemes. Despite the fast growth of the social sector, entrepreneurs need new skills to be able to deliver their vision and achieve their objectives. Having a shared language would allow entrepreneurs to easier achieve their goals, legitimize work, educate the market while helping businesses move from margins to the mainstream by replicating already proven models [Young, 2012].

One of the main difference between the for-profit and non-for-profit measuring tools are standardization and recognition. The commercial sector has well-established ways to determine how, when and where do they create value for their business. Due to standardized and globally accepted methods, companies can easily compare and evaluate their economic situations between competitors, markets, and sectors [Bugg-Levine and Emerson, 2011].

Even though efficiency is similar for both SE and commercial businesses, most of the measuring methodologies do not consider social aspects regarding organisational objectives [Polonsky et al., 2016]. Most of the NPOs do not have the knowledge or integrated systems to collect information needed for performance evaluation. Furthermore, social organisations struggle to identify relevant outcomes, assessments, and indicators, as well as they are slow at adapting quantitative evaluations and rigorous analyses as well as making nuanced judgements. [Mulgan et al., 2008]. It can be highly challenging for NPOs and SEs to link short-term performance matrices to long-term impact [Polonsky et al., 2016].

Accountability techniques can also create several threats and barriers for social organisations. Jepson [2005] claims that metrics and reporting can occur under pressure in social

organisations. Companies will start using their scarce resources to implement costly bureaucracy rather than focus on sustaining their business. This can lead to "bureaucratic drag" with very low enhancement on impact and efficiency [Jepson, 2005]. Another threat is that the government will propose one-size fits all regulations that will be very hard or even impossible to implement. Finally, accountability methods will expose the weaknesses of the organisations. This can make it harder for social organisations to sustain donor funding in a highly competitive market [Jepson, 2005].

For the market to achieve a speedier growth, several factors have to be addressed and better understood. Firstly, it is essential to understand the motivation and personae of the social entrepreneurs and analyse whether there is a typical pattern of leadership traits leading organisations to success. Secondly, for the same purpose, the chemistry and the culture of the teams behind the social projects have to be taken into account. The core skills that leads the company's growth have to be highlighted to achieve higher innovation and development. It is vital for the organisations to define what is the innovation and what are the factors and skills leading them to it [Mulgan et al., 2008].

Thirdly, it is crucial to understand organisational growth and individual patterns influencing it. However, this concept is hard or even impossible to apply in the social organisations. Therefore, it is essential to evaluate the routes of organic growth and determine what practices can be transplanted between organisations to achieve more significant market development [Mulgan et al., 2008].

The fourth factor concerns the role of governance. To be able to survive, social organisations have to handle the interests of different parties: donors, beneficiaries, contractors. Better involvement of different stakeholders could allow SE to achieve higher innovation. However, in many cases, such organisations have a lack of expertise and resources to do so [Mulgan et al., 2008].

Furthermore, social networks have to be analysed to provide insights into how organ-

isations achieve their impact. Systemic thinking has to be adopted by the organisations to reinforce advocacy, policies and the changing roles of business. Finally, better cross-national comparison methodology has to be implemented to achieve global social sector growth [Mulgan et al., 2008].

2.5 Systems Theory of Organisations

Researchers of organisational studies have adopted the systems metaphor of biological organisms and key terms of General Systems Theory as soon as it emerged, at the beginning of the 20th century [Miller, 1972, von Bertalanffy, 1972].

Daniel Katz and Robert Kahn [1978] were pioneers in utilizing systems theory concepts in their pursuit to gain a richer understanding of the workings of organisations. At the time, systems theory was an alternative to the classical management approach that regarded organisations as machines with goals and specific best ways to achieve them. In turn, it enabled a more comprehensive view of organisations as wholes rather than a series of pieces, with goals attainable in multiple acceptable ways.

As described by Katz and Kahn [1978], and similar to biological organisms, organisational systems are open to their environment, meaning the flow of information and resources is bidirectional and essential for the healthy survival of the system. Furthermore, the unpredictability of environments, requires constant scanning and boundary spanning.

Regarding organisations as systems implies having a holistic view of the whole, rather than seeing a collection of separate parts [John Kuhn, 2009, van Loon, 2006, Wilson, 2013]. By definition, a system is composed of interdependent and interrelated elements, but is greater than the mere sum of its parts. A system's parts and subparts relate to the environment through dynamic and interconnected processes and any change in either part of the system

directly or indirectly influences the other parts. Systems are generally composed of interconnected subsystems whose degree of autonomy, connectivity, adaptation and diversity dictates the degree of complexity of the overall system [Katz and Kahn, 1978].

Opposing the linear and mechanistic approach of the industrial age, the goals of a system are contingent and negotiable allowing for much more effective adaptation in a highly uncertain environment. Additionally, the principle of equifinality points to the existence of multiple ways to achieve a desired state [Katz and Kahn, 1978, von Bertalanffy, 1972] although not all ways of organising are equally effective.

Finally, substantial efforts have to be channelled against systems' intrinsic tendencies for entropy and towards reaching and maintaining a state of homoeostasis [John Kuhn, 2009, Lengnick-Hall et al., 2004]. Negative and positive feedback seeks to correct and reduce deviations or to enhance desirable present processes respectively [Katz and Kahn, 1978].

Systems theory of organisations has been regarded as a cornerstone in organisational studies, being the first attempt to turn away from the atomistic and reductionist approach that was plaguing organisational research and design [Grobman, 2006]. A series of more specific, complex and tightly related organisational research theories sprung from systems theory and the following sections will discuss the ones relevant for the subject of this research.

2.5.1 Complexity Theory

Complexity theory is a multidisciplinary ramification of systems theory that applies complexity to strategic management and organisational studies. Focused on uncertainty and non-linearity, it sees organisations as complex adaptive systems that dynamically interact with each other and the environment, self-organise, and adapt [Grobman, 2006, Gupta and Anish, 2015, Schneider and Somers, 2006].

Complexity is at the centre of the dichotomy between order and chaos [Snowden, 2005]

being neither constrained nor random. Complex systems constrain and are constrained but not in a manner that permits predicting outcomes or the future [Snowden and Boone, 2007, : 3]. Indeed, a key assumption of complexity theory is that some events are completely unknowable until they occur [Schneider and Somers, 2006, : 354].

Schneider et al. [2006] summarize complexity theory as being comprised of three interrelated elements: non-linear dynamics, chaos theory and adaptation and evolution. Non-linear dynamics are best described by the "butterfly effect": a fluttering of a butterfly's wings on one side of the world can change the weather in a completely opposite part of the world. Chaos theory shares the non-linear behaviour of complexity in a much more disorganised way but not entirely random [Schneider and Somers, 2006]. Finally, the capacity to adapt and therefore evolve is only common to systems that are complex enough to have new emergent features but not too chaotic and thus unstable for the new features to survive.

Other key elements describing complex systems are: - a large number of interacting elements; - dynamism stemming from the fact that the whole is larger than the sum of its parts and solutions emerge naturally rather than being imposed; - the past is integrated with the present and the environment and evolution is irreversible; - because of the rapidly changing external conditions, hindsight does not lead to foresight [Snowden and Boone, 2007, : 3].

Management consultant and researcher Dave Snowden has, for the last two decades, focused on and contributed to the development of systems theory and complexity theory within the context of organisations. Snowden's contribution to the field stems not only from differentiating between ordered, complex and chaotic systems but by placing systems and situations on a continuum between 'order' and 'chaos' [Williams and Hummelbrunner, 2011, Snowden, 2005].

Collaborating with Cyntia Kurtz as well as private and public organisations, Dave Snowden developed Cynefin [Williams and Hummelbrunner, 2011, : 163], a framework that helps identify four behaviours of a situation, namely: simple, complicated, complex and chaotic.

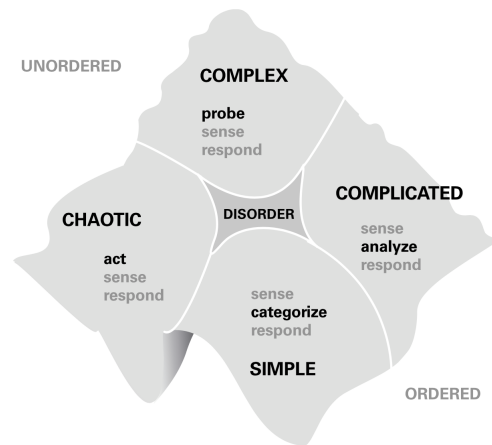


Figure 2.4: The Cynefin Framework - Taken from "A leader's framework for decision making" by D. Snowden and M. Boone, 2007 *Harvard Business Review*

The Cynefin framework distinguishes between two main domains of order and four ontologies: visible or hidden order and complex or chaotic un-order [Snowden, 2005, : 50]. Disorder' is the fifth domain of the framework, central to all the other four as its minimization is a goal common to all.

The two ontologies characterized by order are based on clear cause and effect relationships. The ease with which these relationships can be identified and known distinguishes between simple and complicated contexts. Simple contexts are the cases in which one best practice is available and recommendable, whereas complicated contexts might contain multiple right answers and thus an expert is needed to choose the best and most appropriate practice [Snowden and Boone, 2007, : 2].

The un-ordered ontologies are not described by a lack of order, but by a different type of order. The un-order of complex and chaotic contexts makes observing them without interfering (either by managing or creating patterns) impossible [Snowden, 2005, : 50]. Complex contexts, even if governed by cause and effect relationships as well, have no right answers or solutions. This is due to the dynamism and ongoing emergence that characterizes them as well as their unknown nature. Chaotic contexts have no patterns or identifiable cause and effect relationships

and cannot be managed unless transformed into complex contexts [Snowden and Boone, 2007, : 5]. The Cynefin framework has been found appropriate for the assessment of INDEX: because it relies on systems and complexity theories as well as network theory, learning theory and advanced knowledge management [Williams and Hummelbrunner, 2011, : 164]. Also, having had emerged from practice, Cynefin allows and encourages movement away from difficult to manage contexts and situations to more orderly ones.

2.5.2 Network Analysis

Drawing on mathematical, biological, statistical and computer science theories and methods, networks are widely accepted as the way of organising and conceptualizing non-linear complexities [van Loon, 2006] and systems [Fredericks and Durland, 2005]. Within the management field, network research has been steadily growing throughout recent years, its focus on the relationship between actors rather than on the actors themselves making it unique within the social sciences [Fredericks and Durland, 2005, Moretti, 2017].

Two main approaches to network studies have surfaced throughout the last decades, namely social network analysis (SNA) and network governance approach. The two approaches differ in the level of their focus on the network being analysed but converge and overlap in terms of general network theoretical concepts [Moretti, 2017, : 3].

Nearly half a century old, contemporary SNA is the result of the combined influence of sociometric analysis, graph theory, applied mathematics as well as anthropology [Fredericks and Durland, 2005]. Inherently flexible, network analysis has been employed for a variety of applications ranging from the analysis of ties between private businesses and profitability to political networks and even the spreading of diseases. SNA is conducted with the aid of a glossary of concepts describing the individual elements of a network, the ties between them as well as the overall structure they form [Borgatti and Foster, 2003, Moretti, 2017,

van Loon, 2006]. Although a complete list of concepts related to the study of networks do not constitute the scope of the current study, *Appendix A* lists and describes the essential concepts, without which a discussion of networks would not be feasible. Even if they address different levels of the network, all concepts of SNA are ultimately intended for the study of the relationships within a network as well as the overall shape, strengths and weaknesses of its structure [Fredericks and Durland, 2005, : 19].

In her comprehensive and synthesizing overview of the studies on networks within the organisational context, Moretti [2017] identifies three main theories that characterize the field of SNA: balance theory, the strength of weak ties theory and the theory of structural holes [: 7-9]. Balance theory is derived from social psychology and posits that actors prefer balanced ties not just in the sense of reciprocity but also with regards to the quality of each of their attitudes towards a third element [Newcomb and Heider, 1958]. The strength of weak ties theory is consequential to the balance theory and argues that the latter is true only if the ties between the actors are strong. If ties are weak, balance is not required, instead, one actor bridging the relationship is sufficient [Granovetter, 1983, : 201-233]. Lastly and closely related to the theory just described is that of structural holes that describes the same bridging function but from the perspective of actors' search for these strategic placements [Burt, 2001].

The network governance approach places network organisations outside the dichotomy of markets and hierarchies and recognizes their own specific logic and features to be "relationships, mutual interests and reputation" [Powell, 1990, : 300]. Being at the boundary between sociology and organisational studies, this approach takes the network organisation itself as the unit of analysis and seeks to explain network outcomes by investigating governance approaches such as coordination mechanisms, processes and practices [Moretti, 2017, : 12].

The main criticism of SNA is that it overlooks agency and potential intentions of actors [Ahuja et al., 2012]. However, the network governance approach directly confronts the issues of actors' strategies, thus, if used in conjunction with SNA it has the potential to mitigate

this shortcoming [Moretti, 2017, : 13].

2.5.3 Learning Organisations

The multiple points of reflection and feedback of a network (its nodes) are thought to be the main reason for which networks support faster and broader intelligence and knowledge creation and dissemination [van Loon, 2006, : 309].

American systems scientist and senior lecturer at the MIT Sloan School of Management Peter Michael Senge, dedicated a significant part of his career to the concept and implications of organisational learning.

Senge posits that in order for an organisation to be a learning organisation, two conditions must be present at all times. Firstly, designing the organisation to fit the intended and desired outcomes; secondly, recognising when the initial direction differs from the desired outcome and taking the necessary steps to correct this misalignment. Organizations that are able to do this are exemplary.

Cabrera et.al. [2018]’s in depth exploration of systems thinking methods and their applicability to groups and organisations concludes with the development of rules that in the authors opinion any group should adopt in order to become adaptive and learning organizations. The rules are simple and approached as pairs: vision- mission, culture/capacity - learning. The concept of social capital is tightly connected to that of the social network, being about the assessment and capitalisation of the value of connections.

2.5.4 Stakeholder Theory

Ackoff [1974] , one of the leading researchers in System Theory, suggests that many social problems in the world can be solved by redesigning institutions with the support of the stake-

holders in the system. Stakeholder Theory claims that the organisation's objectives should be derived by balancing the conflicting claims of different "stakeholders" in the organisation [Freeman and Reed, 1983].

There are two main definitions of stakeholders: "Wide sense" of stakeholders and "Narrow sense" [Freeman and Reed, 1983]. "The wide senses stakeholders" include any group or individuals that influence the achievements of an organisation's objectives or the ones that are affected by those achievements (government agencies, competitors, unions, public interest groups and etc.). "The narrow sense of stakeholders" are the individuals and groups that the organisation's continual survival is dependent on. These are employees, customers, suppliers, financial institutions and other (Ibid.).

There are three levels on how Stakeholder Theory can be used in an organisation. Firstly, it is a management tool. It helps organisations to better understand the needs of each stakeholder and design products and services that fulfil those needs. Furthermore, it allows allocating resources based on the degree of the importance of the stakeholder.

Secondly, it is a tool used to formulate a strategy on (1) "Stakeholder Strategy process" and on (2) "Stakeholder Audit Process" [Freeman and Reed, 1983]. The "Strategy Process" analyses the potential of how stakeholders can help organisations to achieve its objective while the "Audit process" helps to address the effectiveness of current organisational strategies.

Finally, stakeholder analyses can be used as an analytical framework. It helps to identify how relationships between an organisation and its stakeholders would change if certain policies would be implemented. Furthermore, the analytical framework identifies what "power" (Formal, Economic or Political) and what "stake" (Equity, Economic or Influencing) stakeholders have on the organisation [Freeman and Reed, 1983].

Chapter 3

Methodology

After having explored the theoretical background necessary to support answering the research question central to our study, it is essential to explicitly define our stance on the nature of knowledge and its creation.

The current chapter discusses the commonly unseen but always foundational constituents of any scientific endeavour, namely, the research philosophy, the operational paradigm, the research approach and strategy, as well as the choice of methods, data collection techniques and analysis procedures. Finally, the chapter will address the issues of reliability and validity of the chosen methods, and data collected as well as raise points of critique.

3.1 Research Philosophy

Saunders et al.(2006)' research onion is a widely popular tool that aids in visualising and better grasping the multiple and elusive concepts of research methodology.

The outermost layer of the 'onion' is home to the most abstract and most essential categories of the field: epistemology, ontology, axiology and research paradigm.

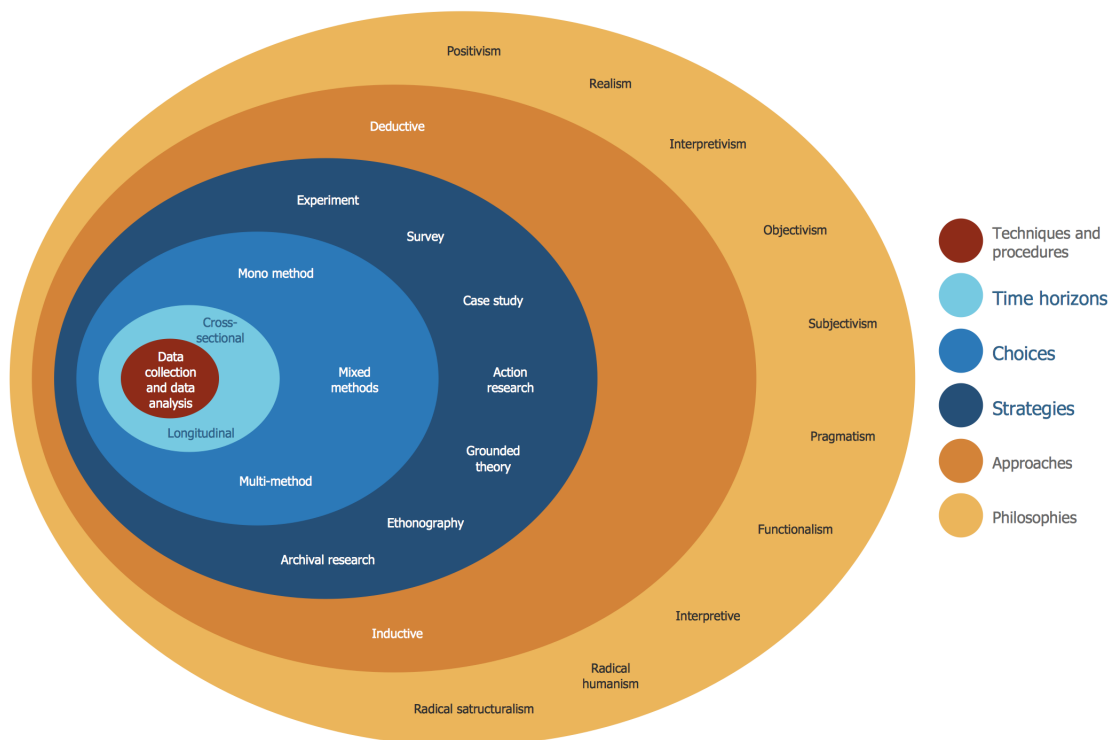


Figure 3.1: The Research Onion - Adapted from "Research methods for business students" by M. Saunders, P. Lewis and A. Thornhill, 2006. *Pearson education*.

Starting from the top down, the epistemological perspective adopted by the authors has been the interpretivist one, mainly due to the highly complex and unique circumstances being investigated throughout the report. Guided by the necessity to understand the underpinnings of INDEX:’ organisational characteristics as well as those of its stakeholders required an empathetic approach to people as social actors, inherently unpredictable and different from each other [Saunders et al., 2006, : 107].

The subjective perspective on organisational reality and the individuals composing it was the natural ontological progression into understanding human motives by exploring "the subjective meanings motivating the actions of social actors" [Saunders et al., 2006, : 108]. Foundational elements of the current study (such as social enterprises, organisational culture, leadership, etc) required the ontological perspective of subjectivism to fully unravel their dynamic complexities to the inquirers.

The epistemological and ontological perspectives of this study are not only consistent with each other, but also with regards to axiology. As the study of judgements about value, axiology brings into focus the importance the researcher's values have on the study and the way is being conducted" [Saunders et al., 2006, : 110].

3.1.1 Research Paradigm

Standing on all of the concepts pertaining to research philosophy while bringing its own contribution to the field, [Burrell and Morgan, 1979, : 22]' four paradigms (Figure 3.2) of social research conclude the onion's outer layer as well this methodological level.

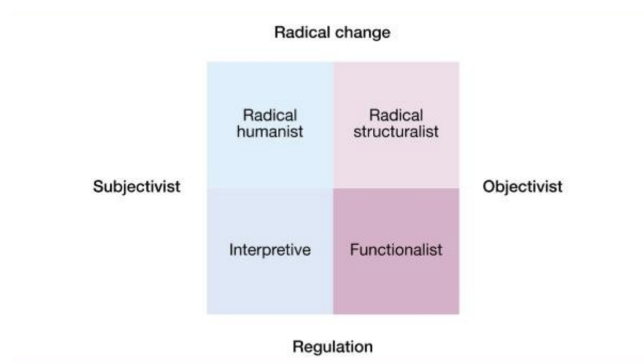


Figure 3.2: Four Paradigms for the Analysis of Social Theory - Adapted from "Sociological Paradigms and organisational Analysis - Elements of the Sociology of Corporate Life" by G. Burrell and G.Morgan 1979. *Sociological Paradigms and organisational analysis*.

Having already embraced our subjectivist view of reality, the only choice remaining to be made in order to navigate the 2x2 paradigm matrix is between the vertical dimensions of radical change versus regulation. Each of the two dimensions' inherent view on business and management is heavily implied by their highly descriptive names. The choice best fitted to the nature and intention of our study was the less critical and judgemental one, namely the regulatory approach.

Thus, the operational paradigm of the current study is interpretative and concerned with understanding and explaining the status-quo rather than changing it.

3.2 Research Approach

The second layer of the 'onion' raises a new set of methodological considerations between deduction and induction. A deductive approach entails the testing of theories while an inductive approach entails the building of theories from data [Bryman, 2012, : 26]. Although significant differences exist between the two approaches, they should be regarded as complementary rather than opposing [Bryman, 2012, Saunders et al., 2006].

The current study employed predominately an inductive approach. Because of the novelty of the field as well as the niche nature of the studied organisation, the beginning of our research process relied mostly on inductive reasoning. This allowed us to explore and understand concepts that led to theories and theoretical frameworks.

3.3 Research Purpose & Design

Mirroring the purpose underlying the problem formulation, the current study's research purpose is to explore and describe concepts and theoretical frameworks related and relevant to maintaining performance and competitive advantage.

One of the most obvious implications of the collaborative nature of the thesis at hand is that of it becoming a case study. Following Yin [2003], we further delimited the research design to being a single and holistic case design.

After committing to the case of INDEX: we started our research process by first critically reviewing relevant academic literature to help us better grasp the breadth of the topic. The theoretical background of our study was mainly based on secondary literature in the fields of business strategy, organisation and management. However, primary literature such as INDEX:' and Design Society's reports has been utilized as well. We continued by conducting semi-structured interviews with INDEX:' leadership, management and key stakeholders.

Simultaneously, a survey was being developed and distributed amongst the largest and most homogeneous of stakeholders, the INDEX: Award participants. The two main rationales behind this strategy were to gain new information as well as to narrow down some of our intuitive assumptions.

A combination of both qualitative and quantitative data as well as multiple data collection techniques were used in order to mitigate the potential shortcomings of each if used independently. Detailed descriptions will be available in the following sections.

3.4 Reasons for Choice of Models and Theories

This chapter discusses the key models and concepts that will be used going further to build the analysis and answer each of the research questions. The following models have been selected from the previously discussed gross list of theories as being the most relevant for the INDEX:’ case. Furthermore, this chapter outlines the strengths and the weaknesses of the models in regards to INDEX:.

Firstly, to understand INDEX:’ organisational culture, frameworks for cultural analysis of Geert Hofstede and Edgar Schein are adopted. Geert Hofstede’s [2004] cultural dimension theory describes, explains and compares national cultural differences between countries [Cheney et al., 2010, : 81]. Even though it is a powerful tool to examine working culture of an organisation or country, some researchers argue that the information displayed in the Geert Hofstede’s theory is outdated and does not give sufficient value.

To better grasp INDEX:’s culture and factors that influence it, Edgar Schein’s [2006] organisational culture model is implemented. The model that was originally created in the 1980s classifies organisation culture in three levels: (1) Artifacts and behaviours, (2) Espoused values and (3) assumptions (Ibid.). The purpose of the model is to explain the culture and to

identify the ways how that culture affects the organisation.

Secondly, the Mission Model Canvas is made to showcase how INDEX: brings value to its stakeholders. It will identify different business processes and will present how they are being managed and aligned together. The used model is adapted from "Business Model Generation" book [Osterwalder et al., 2010]. The Mission Model Canvas is specifically created for the organisations that work with a primary goal to fulfil the mission rather than increase revenue [Osterwalder et al., 2010], and therefore, it is the best match for INDEX:. However, as INDEX: has a very complex organisational structure, it is challenging to showcase a holistic overview in one business model.

Thirdly, the stakeholder analysis is used as an addition to the Mission Model Canvas to identify different stakeholders that directly or indirectly affect INDEX:. It is a powerful tool that helps organisations to recognize the most significant stakeholders and adjust their strategy and resources (such as time, money and people) to meet their needs [Freeman and Reed, 1983]. A stakeholder map is created to exhibit key stakeholders and their needs to INDEX:. It is important to mention that INDEX: has a very high variety of stakeholders. Therefore, the model can be used only to identify and analyse the most significant ones.

Afterwards, Porter's five forces addresses INDEX:' competitive position in terms of operating industry. Originally created for the for-profit sector to analyse competition of the business, it gives an opportunity for companies to understand the competitiveness of the industry and helps to determine the most profitable strategies. Furthermore, it encourages organisations to look beyond their competitors and address other factors that influence their business environment - suppliers, buyers, substitutes, new entrants and competitive rivalry [Porter, 1991]. The report uses the NGO adaptation of the model that focuses on the five forces influencing mission achievement.

Systems Theory of an organisation [Miller, 1972, von Bertalanffy, 1972] is an alternative to classical mechanistical view to business. Systems theory in case of INDEX:, tries to see a

bigger picture, identifies elements and actors involved in it and analyse how those elements and actors interact with one another while recognising that there exists a strong interrelation that can threaten the survival of the organisation.

The adapted Balanced Scorecard is used to better understand INDEX:’ design value. The adapted model that is specifically designed for NPOs, helps organizations to describe their value and asses their performance.

McKinsey 7-S Framework that was developed by T.Peters and R.Warnerman in the 1980s is employed to conduct the organisational analysis. The model indicates that if an organisation wants to perform well and be successful, seven hard and soft elements - Strategy, Structure, Systems, Shared values, Skills, Style, and Staff - need to be aligned [Hayes, 2014].

Finally, the 7 P’s of Marketing Mix are applied to re-evaluate the new INDEX: strategy. The model examines different factors and showcases what needs to be realigned to improve the performance of INDEX:. The extended Marketing Mix that was developed by Booms and Bitner in 1908 addresses seven factors (product, price, place, promotion, people, process and physical evidence) needed for the business strategy to succeed.

McKinsey 7-S Framework and 7 P’s Marketing mix serve as a conclusion to the conducted analysis, examining different factors and showcasing what needs to be realigned to improve the performance of INDEX:.

3.5 Data Collection

To compensate for any potential weakness of the data collection process, a methodological triangulation approach has been utilised [Bryman, 2012] using several quantitative and qualitative methods. Three different primary and secondary methods have been used to gather the data: interviews, survey and desk research. The following section will discuss how this

data was collected and analysed. Furthermore, we will address the validity and reliability of our methods and data.

3.5.1 Interviews

To set off the primary data collection we applied a qualitative, exploratory method. For a more flexible approach to the interview process that can deal with emotionally charged topics and nuanced data, we decided to conduct semi-structured interviews.

Before the interview process, the most crucial actors related to INDEX: and impact investing, were identified. To have the most representative sample, we interviewed both the the previous and current CEO of INDEX:, an INDEX: AWARD finalist, two of INDEX: AWARD winners, a member of INDEX:’ board of directors, an investor from INDEX: venture capital fund, two impact investors not involved with INDEX:, Design Society’s CEO, and a BCG consulting group representative.

An interview guide was prepared for each of the interviewees with an aim to follow the script during the interviews (*Appendix B*). To set a clear focus, the interviewee’s background investigation started prior to the interview to address more specific issues concerning personal experience with INDEX:, impact investing, and individual expertise.

The semi-structured interviews along with chosen methods served as the basis for the analysis’ background section. This method provided fewer chances for misunderstanding questions and ambiguity. Any doubts were resolved during the interviews. Similar wording has been used from interviewee to interviewee for accuracy reasons. The prior identification and background investigation bear relevance to the subject [Bryman, 2012]. Each interview has an individual quality, therefore, it is not possible to make any direct comparisons of the interviews. It is also significant to note that the interaction between the interviewer and the informant might have affected the outcome of the conducted research. In some instances,

the interviewer might have influenced the interviewee's views through biased and close-ended questioning. Thus, it might be hard to process data subsequently and consequently generalise findings. To increase the validity of the research for each interviewee, we outlined a user profile template to frame the personal insights obtained from the interviews (*Appendix C*). All of the interviews were recorded with permission granted from the interviewee.

3.5.2 Survey

The self-administrated questionnaire was chosen as a quantitative tool to collect data about Winners' and Finalists' experience and the value retrieved from INDEX: Award. The survey was used alongside the desk research to identify INDEX: value and impact for the award participants. This method gives an opportunity to reach a higher number of participants despite their global distribution. Another benefit of a web survey format is that it can be designed to have more complex and relevant questions (it allows to filter, automatically skips irrelevant questions, etc.) [Bryman, 2016]. Moreover, it is the most structured and fastest way to receive quantitative data (*Ibid.*).

The survey was made as an attached email questionnaire where respondents arrived at the survey after a brief introductory email about the case and the purpose of the study. The questions were sent only to the winners and finalists of the award to ensure the highest relevance of the sample.

The questionnaire had sixteen closed-ended and three open-ended questions. Furthermore, it was divided into four main parts. The first part consisted of closed-ended drop-down questions regarding the background of the respondents. We have asked which year they were nominated, whether they won, how did they hear about INDEX: and who nominated their project (*Appendix K*).

The second part of the questionnaire inquired participants to rate the impact that IN-

DEX: had on their project/company regarding five aspects: "Brand recognition," "Sharpening business model," "Financial resources," "Networking" and "Business growth." The participants were required to rate the impact from the scale 0-5 where 0 was no impact, and 5 was high impact.

Afterwards, a similar question to rate "To what extent did INDEX: influenced you personally" was asked. The respondents were provided with the same rating system (0-5) and had to evaluate the impact regarding "Network development," "Changed perception of design" and "Motivation to design with a purpose." Both parts were finished with an open answer option: "Other", where respondents could indicate another type of impact that they retrieved from INDEX:.

The final part of the survey inquired about participants' current business status and asked to evaluate post-award communication. The section was finished with two open-ended questions: "suggestions for improvement" and "the name of the project".

The survey was sent through email addresses provided by INDEX:. The list consisted of 541 emails that represented around 300 companies. The list included only a few contacts from 2005 Award show. It is important to mention that after the survey was sent, a high majority of emails have returned as invalid. This is understandable seeing the large number of contacts of all those that participated to the award throughout the last 17 years; people could have left the company or the company could simply not be active any more.

LinkedIn was used as another platform to distribute the survey. 15 out of 40 profiles contacted have accepted the invitation to connect and participated in the survey.

Data Quality

Bryman's [2016] advices were used to create the most effective questionnaire. Prior to sending the survey, we have made sure that there would not be any leading, double-barrelled

or too long questions. The respondents were provided with the relevant knowledge about the study and the purpose of the survey. Furthermore, we have focused on the questions that indicate the level of intensity rather than yes/no questions [Bryman, 2016].

INDEX:’ previously conducted surveys were used as a guideline to build our questionnaire. We have used similar wordings and layouts so that the respondents would feel more familiar and would need less guidance to understand and complete the questions.

However, it is vital to mention that there are several factors that could be influencing the results of the survey. Firstly, a possibility that participants misinterpreted the meaning of the questions has to be taken into account. Words such as "value" and "impact" are highly subjective and very broad. Furthermore, respondents, especially those not from the traditional business world, might understand concepts such as "network", "brand recognition", and "business growth" differently.

Secondly, the objectivity of the answers could have been affected because participants were aware that the final results would reach INDEX: management. Usually, respondents tend to be more honest and opened when they are not tied to their answers [Bryman, 2016]. Also, the past positive/negative experiences in regards to INDEX: could have influenced the objectivity of the answers. To reduce such risks we have provided the respondents with a possibility to submit the survey anonymously.

Finally, the sample of the data is not big enough to make relevant statistical conclusions.

Data Analysis

The data analysis focused on finding relationships between different components and measuring impact. While examining the data, we have looked whether there is a correlation between the answers and the background of the contestant (country of origin, award year, nominated category, etc.).

The scaling system was used to evaluate the results. Ratings 0 and 1 were identified as "low or no value," ratings 2-3 as "average" and 4-5 as "high value." Afterwards, the average numbers of answered questions in those categories were compared.

The percentage values were used to compare results between respondents. Finally, the feedback identified in open-ended questions was used to build further analyses and conclusions.

3.5.3 Secondary Data

The desk research focused on better understanding INDEX: Award and the background of its contestants. All the secondary data has been collected from publicly available sources. General statistics have been retrieved from INDEX:' media publishings and reports. All the data about INDEX: Award winners and finalists have been gathered from INDEX:' website - *designtoimprovelife.com*.

Further online research was made to better understand the business concepts and growth of the finalists and winners between 2005-2018. We have researched every winner and finalist and gathered data on their country of origin, year of the award and media coverage. Furthermore, we looked whether the organisation has got established after the award and if it is still active at the moment. On the global analyses, European countries have been divided based on United Nations geoscheme for Europe.

The "Media Coverage" section analysed how many times projects were mentioned together with "INDEX: Design to improve life" and "INDEX: Award". The mentions include all the available online sources that Google search recognise. Google web search engine traces text in all publicly available sources offered by web servers. According to Statista¹, Google is the most advanced search engine in the world with a global market share of 86%.

¹Statista is a market research, business intelligence and online statistics portal
<https://www.statista.com/statistics/216573/worldwide-market-share-of-search-engines/>

Data Quality

It is important to mention that there are several inconsistencies in how INDEX: displays the data about winners and finalists. Therefore, there could be slight differences between the information collected by us and the facts that INDEX: displays on their online sources. For example, on *designtoimprovelife.com* it is mentioned that in 2005's award show there have been 116 companies selected to the finals, however, there are only 114 winners' and finalists' data displayed online. This could be due to internal administrative mistake or privacy reasons. Only the data available online is considered in secondary data analyses.

Furthermore, over the years INDEX: has been using different methods to display information about winners and finalists online. In some years the assigned categories to the finalists are not indicated online. The missing categories in the data analyses have been assigned based on the industry tag and description of the category².

For the media coverage analyses it is important to mention, that during the first years of INDEX: Award, the current social media channels were present yet, therefore, it was more challenging to get digital recognition than nowadays. The media coverage analyses do not cover physically published data in local news channels, newspaper, and other non-digital media channels. Therefore, it can be argued that the data collected does not showcase the full image of the global media coverage.

The finalists' business status was checked based on the information available online. Due to the scope of this project, no extended search was made (phone calls, reports, governmental data) to prove that the organisations are still active. However, because the majority of the companies come from North/West Europe and the US, where technology and internet use is part of daily life, it can be assumed that active companies should have at least a minimal digital presence (website, company details provided online, etc.).

²*designtoimprovelife.com*:- INDEX: Award categories

Data analysis

The data gathered through desk research was used to make basic statistical comparisons. Tables and graphs were used to display and compare different factors (geographical distribution, recognition, solution type and etc.)

In the analyses, we have calculated how many different countries have participated in the award and have evaluated how that number was changing over the years. Furthermore, we have determined countries that have been dominant in the award and have won the most times. We looked into both: global and European changes. Also, we have calculated the average of which category was the most popular over the years.

While addressing companies' success rate, we measured how many companies have got established after the award and how many are still active. The gained number was compared with the industry "average" to see how successful INDEX:' chosen companies are.

Finally, we determined how design trends were changing over the years between contestants. We have categorised all solutions into three fields: service based, product based or project. We have displayed collected data into the graph to identify industry changes.

3.6 Source and Methodology Criticism

The following section is a conclusion to the chosen theories addressed in the literature review, as well as models and data collection methods applied in the analysis.

Through the duration of the process, the authors have relied on careful literature review with regards to information concerning listed topics, attempting to ensure that the documented knowledge conveys as transparent, authentic, and recent data as possible. However, the market understanding of the social sector has changed significantly over the last decade. Thus, some

of the material gathered on social enterprises and non-profit organisations contains a new interpretation of old literature. Organisation theory could have been further explored through additional interviews with the Team and INDEX: Board of Directors.

Furthermore, we cannot entirely rely on reports produced for marketing purposes by INDEX:. As already exemplified there are a few data inconsistencies. Models such as the Mission Model Canvas and Porter's Five Forces, applied in the report have originally been created for the for-profit businesses and their not-fully documented adaptation for the non-profit organisations may not be as reliable as the one for for-profit companies. The applied Balanced ScoreCard (BSC) doesn't carry additional value to the strategy creation. We propose to use the strategic performance measurement tool to develop a future strategy. Given the extent of hands-on data evaluation, it is assumed that the information gathered is the best possible; however, the authors acknowledge that the collected data must be treated with a critical perspective.

As for the primary data collection, instead of using less structured methods we could have conducted structured interviews to quantify the gathered data and compare findings. Even though the sample of the rather subjectively interpreted interviews can be considered as insignificant the fact that they are complementary to the conclusions reached from the survey allows us to consider them as valid. S Without circumstantial context, the survey sample can be considered too small and presenting tentative results. Additionally, data analysis should have been carried out for everyone who has ever participated in the award. As a result, more precise statistical analysis could have been made which consequently would allow for finding more accurate correlations between the identified performance metrics. Lastly, the limited focus on INDEX:' education business unit narrowed down the problem solution. Broader focus and discussion on the program could have brought us to different conclusions.

All in all we believe that the applied theory and models are favourable to INDEX: and hold enough valuable findings to propose beneficial strategic advices.

Chapter 4

Analysis

The following chapter along with its subsequent sections aims to address the sub-questions posed in the problem formulation. Micro-level analyses are used to answer the first research sub-question. The Organisational Culture and Mission Model Canvas identify the key characteristics of INDEX: as an organisation.

Stakeholder analysis together with Mission Model Canvas explore the second research sub-question. These analyses look at the Meso-level factors influencing INDEX:’ success and outline the most important actors involved in the organisation’s business processes.

Finally, the third research sub-question, that focuses on identifying INDEX:’ value, is explored by Data Analysis, Porter Five Forces, Network Theory, and Balanced ScoreCard. These models analyse INDEX:’ value creation process from different perspectives and outline the key issues that will be addressed later on in the discussion and suggestion sections.

4.1 Introduction to INDEX:

INDEX: Design to improve life is one of the three subsidiaries of the Design Society founded by the Danish Ministry of Industry, Business and Financial Affairs in the year 2000. The intention was to brand Danish design internationally as well as to attract investments and tourism¹.

The non-profit, non-governmental nature of the Design Society and its subsidiaries required employing the best design professionals to act as founders and leaders for the future branches of the holding organisation. Therefore, Kigge Hvid was approached to organise an international design award to be for Denmark what the Cannes Film Festival is for France².

After associating with Wickie Meier Engström, Kigge Hvid commenced the brainstorming process of discovering the global tendencies of design and what would constitute the best design award. The beginning of the millennium was starting to direct attention to the unforeseeable but undeniable global consequences that industrialisation coupled with the unprecedented levels of consumerism of the West have brought about. During the one year of travelling the world and interviewing thousands of designers, thinkers, academics, artists and influencers, the co-founders distilled their most valuable findings in what to date still is the organisation's credo: Design to improve life.

INDEX: Award is the foundational activity of the NPO, being the largest design award in the world, unique in its focus on sustainability in alleviating pressing social issues and challenges. Worth 500,000, the biennial award has been constantly gaining popularity since it has first been awarded in 2005. Participation has been made as simple, accessible, and democratic as possible: contestants from all over the world (72 countries for the 2017 INDEX: Award) can be nominated online by anyone including themselves into one of the five design

¹'NO MORE WHITE TEA CUPS!' by INDEX: Design to improve life, retrieved in May 2018 from <https://designtoimprovelife.dk/history/>

²'Da tidsanden indhentede Kigge Hvid' by Christina Zemanova, retrieved in May 2018 from <http://pleasure.borsen.dk/design/artikel/11/165097/.html>

categories (Body, Home, Work, Play and Community) completely free of charge.

A pioneer in the field of innovation and sustainable change, INDEX: recognised the importance and need that society has for design education. Design to Improve Life Education has thus, become an important pillar adding financial stability to the delivery of the organisation's vision. Designed for children and young adults, the educational programs benefit all those involved, from students, facilitators, teachers, decision makers, and society at large. Just like the INDEX: Award, access to the Design to Improve Life Education's tools are available online and free of charge.

The pressing need for autonomy and extended freedom were the main reasons for the emergence of Danish Ventures in 2016. The venture capital prototype was created with the goal of investing DKK 300 million in sustainable design, capital raised from Danish investors³. Cultural misalignment as well as the image crisis that INDEX:' partner, Dansk OTC, were facing at the time resulted in the "fast failure of Danish Ventures"⁴ but not in the abandonment of the idea and need of an investment fund to support and deliver the NPO's credo.

INDEX: strives to "Inspire, Educate and Engage in designing sustainable solutions to global challenges" in order to achieve its vision of "a world of far better solutions designed to improve life for people". The NPO inspires through INDEX: Award and its natural extension INDEX: Award Exhibitions, educates through Design to Improve Life Education, and engages Design to Improve Life Investment and Design to Improve Life Partnerships.

4.2 Organisational Culture

Studying the specific organisational culture of INDEX: is of paramount importance in the understanding of the overall inner and outer workings of any organisation. Our endeavour

³'ITERATING ON A DESIGN TO IMPROVE LIFE INVESTMENT FUND' by Liza Chong, retrieved in May 2018 from <https://designtoimprovelife.dk/iterating-on-a-design-to-improve-life-investment-fund/>

⁴Ibid.

to uncover and gain insight into the organisational culture of INDEX: has been attempted through direct and participant observation, semi-structured interviews and the analysis of INDEX:' reports and publications within the larger context of national culture. This triangulation of methods has been chosen in order to compensate for the potential subjectivity or lack of reliability of either method if used individually.

In order to achieve a clearer overview, the renowned frameworks for cultural analysis of Edgar Schein and Geert Hofstede are employed as guidelines throughout the following subsections to progressively explore all three levels of INDEX:' culture, starting with the Danish national work culture and concluding with the organisation's leadership.

4.2.1 Danish Work Culture

A comprehensive analysis of organisational culture is derived from the connections between the larger culture in which the specific organisation unfolds its activities, their specific organisational practices as well as individuals' identities [Cheney et al., 2010, : 83]. Thus, we must commence our analysis by first identifying the main characteristics of the macro environment in which INDEX: primarily unfolds its activities.

Geert Hofstede's (1980) dimensions of national identity differences, even if first developed in the early 80s, are still a valuable and widely accepted tool used to describe and explain national cultural orientations towards work [Cheney et al., 2010, : 81]. Initially containing four dimensions of culture (power distance, collectivism- individualism, femininity- masculinity and uncertainty avoidance), Hofstede's model has been expanded by an additional two dimensions⁵ (long-term orientation and indulgence) and it is this 6-D model that will be employed for this analysis.

⁵Michael Minkov advanced Hofstede's Four dimensions of Culture model in his book "Why we are different but similar" (2007). <https://geerthofstede.com/culture-geert-hofstede-gert-jan-hofstede/6d-model-of-national-culture/>

On the first dimension defined by Hofstede, power distance, Denmark scores very low⁶ in regard to other countries. This low ranking translates in a high employee autonomy as well as in an egalitarian mindset. This cultural influence is easily noticeable in INDEX:’ way of managing and conducting its activities in an open office setting that imposes no hierarchies and with strong interdependence between staff members as well as with outside collaborators.

On the individualism/ collectivism dimension, Denmark ranks as an individualist culture where people are expected to care mainly for themselves and their immediate families. On this dimension INDEX: is arguably not typical for the Danish tendencies. The very credo of the organisation as well as the way in which it develops and maintains its network stands as proof of its underlying collectivistic beliefs. INDEX: built their vision and mission on the desire to care for the extended family that is the human population rather than individualistic goals.

When it comes to the dimension of masculinity versus femininity, the Danish culture is considered to have strong inclinations towards femininity⁷. This is expressed by a tendency to include and balance all sides of life as well as by a need for consensus and compromise and all of these tendencies are reflected in INDEX:’ approach to problem solving and networking.

Uncertainty avoidance is another dimension on which Denmark ranks rather low⁸. This makes Danes, if not more comfortable, easier adaptable to sudden changes and unpredictable events. This adaptability is essential when working in a NPO such as INDEX: where investments are not a guarantee and tight budgets make the future appear insecure. Testimony for INDEX:’ alignment with the larger Danish culture on this dimension are the very sixteen years of activity and success under highly uncertain circumstances.

The long/ short-term orientation describes how societies maintain links with their past while tackling present and future challenges. On this dimension, Denmark scores as a norma-

⁶Country Comparison of Denmark on Hofstede’s cultural dimensions, retrieved in May 2018 from - <https://www.hofstede-insights.com/country-comparison/denmark/>

⁷Ibid.

⁸Ibid.

tive society meaning that Danes have great respect for traditions, a low propensity to save for the future and a focus on quick results⁹. INDEX: is, arguably, both long-term and normatively oriented: long-term in that its vision of improving the world through education, design and innovation is aimed at the present and future and normative in its business operations.

Last but not least, indulgence is the last cultural dimension that has been added to Hofstede's initial model and it defines "the extent to which people try to control their desires and impulses"¹⁰. Having a relatively high score, Denmark has an indulgent culture that values leisure time, optimism and a positive attitude towards spending money and having fun. INDEX: seems consistent with this national inclination indulging in holidays for the entire team or picnics.

4.2.2 Organisational Culture

Professor Emeritus at the MIT Sloan School of Management, Edgar H. Schein has advanced the field of organisational culture and leadership by developing a three-tiered view on culture [2006, p.25-37] and by placing leadership at the very centre of it (1983). Schein's seminal work provides a valuable and approachable abstraction of culture and thus, an effective framework for the analysis of culture. Schein theorizes organisational culture as a phenomenon on three different concentric layers: the outermost layer comprised of artefacts is supported by espoused beliefs and values that in turn relay on the innermost core layer of underlying assumptions [2006, p.25-37].

Artefacts

Artefacts constitute the most noticeable and tangible of the layers of culture and can constitute anything from office space to logos, rituals, traditions, stories and reports. Easily

⁹Ibid.

¹⁰Ibid.

identifiable even by those external to the culture, artefacts are not also easily understood or interpreted since they are rooted into much deeper beliefs and underlying assumptions [Schein, 2006, : 26].

Analysing the entire plethora of artefacts of INDEX:’ culture is seen as beyond the scope of this thesis and, realistically, virtually impossible. Therefore, only the most prominent elements of this layer will be discussed and further related with the deeper layers of culture.

An essential and powerful communication tool for connecting externally is the organisation’s website that further expresses INDEX:’ deep passion for design, functionality and effectiveness. *designtoimprovelife.dk* offers a systematised overview of INDEX:’ activities, design tools and publications while simultaneously reinforcing the mission to inspire, educate and engage. The deeper value that INDEX: places on sharing and cooperation is indirectly expressed by the free access to educational tools and processes designed by the team. Additionally, the blog section is an impressive resource for uncovering and understanding the organisational and personal values, beliefs and assumptions behind INDEX: and its endeavours. The blog entries are written by a large number of team members, starting with the CEO, and they express in a highly engaging and characteristic rhetoric the lessons, visions, beliefs and dreams of the organisation.

INDEX:’ publications are at the borderline between the outer and a middle layer of the model and will be discussed in both contexts. As artefacts, they, once again, express the red thread of design permeating the organisation as well as its egalitarian and inclusive worldview. The reports are beautiful and simple yet powerful in the message they express on a language accessible to everybody.

Finally, the strong focus on positive impact and change that is communicated in all of INDEX:’ publications reveals the organisation’s idealism and their deeply rooted belief in the possibility of the well-being of society as a whole, while simultaneously being an important constituent part of the value the organisation has to external stakeholders. Online presence

and expression is vital for any organisation of the 21st century and even more so for a SE that relies on external financial support.

Espoused Beliefs and Values

The second layer of cultural elements is discussed and rationally adopted by founders and members of an organisation as beliefs, values, norms, rules of behaviour and philosophies [Schein, 2006, : 25]. INDEX:’s self-proclaimed values are formulated as organisational mottos rather than ”self-evident” words and are descriptive of valued attitudes¹¹.

”Always look for the stars of tomorrow” is an inducement towards looking forward towards the future and all its newness; embracing innovation and potential success, and never settling for the status-quo. INDEX:’s ever developing strategy and its ability to foresee and capitalise on future trends are great indicators of the degree of internalisation of this value.

”Listen to others but decide for yourself” encourages communication and being opened and at the same time empowers individuals to be reflective and autonomous. This belief stems from having thousands of conversations with people all around the globe and understanding beyond doubt the necessity of learning by listening while maintaining integrity.

”Always find the human” points to seeing everyone as equal despite the differences in wealth or social status. Although overtly intended as a stress reliever when interacting with powerful global actors, this motto is also indicative of the human-centred approach that INDEX: fosters.

”Be more professional than they expect” expresses a belief in having to prove oneself through excellent performance. Indeed, innovators stand the risk of having to fight the traditional to establish the new, thus exceeding the expectations of others works as a behavioural norm for increasing support.

¹¹15 Years of Design to Improve Life’, 2017, p.45

"Keep out the assholes" underlines the value placed on enabling team members to weed out sub-quality collaborators or partners as well as the high value placed on the team members, their work environment and the integrity of the larger network of INDEX:.

Last on the list of organisational mottos, but in no way similar, is the statement: *"we run an organisation where we prioritise trust over control and delivering over reporting on actions and deliveries."* This two-folded declaration not only emphasises trust and results as organisational values but also lets transpire a degree of defiance towards bureaucratic evaluation and reporting methodologies.

Underlying Assumptions and Beliefs

The last and most central layer of culture as described by Schein consists of values and assumptions that are rarely explicitly discussed or considered and very often taken-for-granted. Actions and approaches that repeatedly prove to be successful are, in time, adopted as the right actions and approaches [Schein, 2006, : 30]. These actions are usually related to the survival of the organisation and deeply entangled with the leader.

A core tenet of INDEX:' culture is the belief that "when you have the ability to respond, then maybe you also have the responsibility to do so." [INDEX:, 2009]. The conviction that design has the ability to respond and alleviate social and environmental issues has been foundational for the organisation since its inception [Flyvbjerg, 2013] and it permeates its entire culture and line of activity.

Before INDEX: was established, the founders dedicated a year to travelling the world and having "conversations with more than 1000 design professionals, scientists, artists, companies, decision makers, etc" [INDEX:, 2013, : 2]. This extensive research not only laid the basis of what was to become the INDEX: network, but seeded the belief that valuable ideas come from talking to others and sharing knowledge. Throughout the years, this process has been

reiterated and diversified by numerous partnerships, strengthening the underlying belief in the massive potential of cooperation.

The conviction that disruption is necessary on the path to improvement is another key characteristic of the organisation's culture and consequently, its endeavours. "There are enough white teacups!!" is a powerful message aimed at challenging the formal view and definition of design that divulges a predisposition towards disruption as a catalyst for change. Tightly woven into the concept of disruption, a certain degree of disobedience reveals itself in INDEX:' culture with respect to the holding organisation and its requirements. Even if the terms disruption and disobedience are generally thought to have negative connotations, we argue that in INDEX:' case the opposite is true. These tendencies only exist because of the true and honest belief that positive social change is critically necessary repeatedly collided with refractory well-established systems of power.

4.2.3 Leadership

Schein describes culture and leadership as being "two sides of the same coin", the former being not only embedded in an organisation's leader but also strengthened by them and their missions, goals and ways of doing things [Schein, 2006, : 10].

Kigge Hvid's involvement as co-founder, CEO and spokesperson of INDEX: makes her influence over the organisation's structure, culture and performance irrefutable while at the same time inseparable from INDEX:' larger leadership, namely the board of directors. Thus, the current section's exclusive focus on Kigge's leadership despite her passing on the role of CEO to Liza Chong¹².

At INDEX:, the board of directors is "responsible for overseeing the overall strategic development and running" of the organisation and is comprised of seven Danish "leading public

¹²Kigge Hvid stepped down from the role of CEO in march 2018

figures”¹³ that hold extensive corporate and entrepreneurial experience. With chairman Jens Wittrup Willumsen (former Senior Vice President of SAS), chairman of financing committee and senior advisor Flemming Lindelv (former CEO of Carlsberg A/S, Royal Scandinavia A/S and TULIP Amba and Executive Vice President of COOP Danmark) and board members Felicitas von Peter (Founder and Managing Partner of Active Philanthropy), Teddy Zebitz (President and CEO of Jet Time A/S), Camilla Bredholt (Founder of Medecins sans Frontieres Denmark and award-winning humanitarian), Pil Ayoe Paltorp (Principal at Niels Brock Business College, the department for innovation and entrepreneurship), Torben Moger Pedersen (CEO of PenasionDenmark), INDEX:’ board is diverse and highly competent in all of the organisation’s areas of interest and not only.

Closely liaising with the board of directors, INDEX:’ CEO supervised all projects and activities as well as those who run them. For seventeen years Kigge Hvid has been the CEO of INDEX: as well as the organisation’s spokesperson, ambassador and leader. While acknowledging the heavy influence of the board of directors on INDEX:’ progression and development, we see Kigge Hvid as having been the leader of INDEX: both within the core team and most importantly, within the larger network that is the organisation.

The phenomena of leadership has been fascinating humans since the beginning of time and has made, during the last century alone, the subject of tens of thousands of books and millions of publications [Storey, 2004, 7]. However, the field of leadership studies remains highly fragmented due to the multitude of different frameworks developed and the lack of consensus between them. New leadership styles such as ”charismatic”, ”transformational”, ”authentic” or ”visionary” leadership are placed under a definitional ambiguity and while differences are outlined amongst them [Yukl, 1999], charisma appears to be at the core of all of them [House and Howell, 1992, Waldman and Yammarino, 1999]. Going further, we will use the term charismatic leadership as described by Conger and Kanungo [1994] , to be interchangeable with that of transformational leadership.

¹³Retrieved May 2018 from- <https://designtoimprovelife.dk/board/>

Kigge Hvid not only has an extremely charismatic personality but the framework of charismatic leadership seems to perfectly describe her style and practices. Charismatic leaders are theorised to differentiate themselves by "their ability to formulate and articulate an inspirational vision" and "by behaviours and actions that foster an impression that they and their mission are extraordinary" [Conger and Kanungo, 1994, : 442].

From the most incipient stage of developing INDEX:, Kigge Hvid has had a bigger vision for the organisation and the very concept of design. Her reluctance to award and acknowledge design simply for its aesthetics together with her determination to see design as a solution and response to human crises have not only made her vision inspiring but also placed INDEX: at the forefront of the movement seeking to alleviate social issues. Kigge's vision of "Design to improve life" engages by painting a big picture' of the world at large and the ongoing changes and crisis is facing as well as motivates and inspires by instilling the belief that *we* have the power to improve this picture by designing collaboratively.

Besides articulating a compelling vision of the future, charismatic leaders also build credibility and commitment to said vision and create emotional challenges and encouragement [Javidan and Waldman, 2003].

Although without a formal higher education Kigge Hvid's credibility is solid and it stems from the various awards and titles she has received throughout the years. Kigge holds two honorary doctorates from the Art Center College Pasadena (California) and from the University Of Huddersfield (England), a Design Leadership Award (awarded by the Commerce and Economic Development Bureau of the Hong Kong SAR) as well as multiple memberships and board positions internationally. These achievements coupled with the former leader's immense levels of energy and enthusiasm for the cause of improving human lives, initiated a ripple-effect of commitment and dedication from those that came into contact with her.

Kigge's discourses, either public or private, were highly engaging and charismatic, making use of symbolic, and metaphoric language that lended credibility to the communication

[Conger and Kanungo, 1994]. Through her speeches, Kigge Hvid exuded authenticity and a self-confidence that was rooted in moral conviction, past achievements and the steady belief in positive change. Her constant appeal to ideological values such as fairness and the alleviation of humanity's shortcomings throughout innovation and creativity are inspiring and motivating beyond the level of short-term reward and incentives.

4.3 Mission Model Canvas

The following section will present and analyse INDEX:' business model, identify various stakeholders involved in the organisation's mission hence, attempt to answer the first sub-question. Considering the past, continued growth of INDEX: Design to Improve Life, it is safe to assume that the visionary organisation will grow even more and the value of having an established brand and a structured business model will only be favourable.

A complex concept such as networking organisation requires a broad strategy. It cannot be directed solely with one stable business plan. The scarcity of investment into the INDEX: vision and hence, approach is only a symptom of a more firm diagnosis.

It is profound to remember that INDEX:' vision requires a global mind shift among public servants otherwise sustainable innovation will only resonate as a buzzword. However, INDEX: cannot solve the overall challenge of securing impact on sustainability on its own. The organisation needs its programs and partners to continue growing.

Hence, we framed INDEX:' current business model and applied to it the Mission Model Canvas that visualises the most recent state of INDEX: business case. It shows how INDEX:' approach to design thinking is holistic and unique, beneficial for parties all involved and embedded in all of the NPO's business units (the Award, Education and Investment). It is crucial to state that INDEX: has two business models.

Firstly, the education program based business model that offers design thinking courses, tools, and consulting services to private institutions as well as to municipalities that want to provide innovative schooling (*Appendix L*). The program is fee-based, rising both private capital and capital from the cities (*Recording 7*). Second business model is based on the award ceremony, INDEX: being government subsidiary, that promotes Denmark on the international stage (*Appendix L*).

The Mission Model Canvas is an adaptation of the original Business Model Canvas which was presented in the INDEX: Award-winning book Business Model Generation in 2011. The altered model was made to support the vision of organisations that value impact over profit.

4.3.1 Social Value Proposition

The core value of INDEX: Design to Improve Life is its award. The design recognition is one of a few prizes appreciating the sustainable approach to design. All of the winning solutions bring value and ease lives of 'end users' in different categories. The outcome of the award for finalists and winners (all nominees) is an organised network of investors, designers, innovators, NGO's and other business professionals.

The pay-off for investors is naturally different. INDEX: acts as a preliminary selection tool for investors and as confirmed in the data collection process, it excels at doing so. The evolving trend of investing in environmental, social and governance issues gives investors a chance to become involved and create long-term value. Moreover, enterprises that address global challenges tend to attract employees who equally care about working in a sustainable type of businesses.

Students participating in the education program are introduced to design thinking methods and active learning techniques by a trained facilitator. They are taught to think like problem-solvers which will be increasingly important in their future lives. INDEX: follows

an open-source approach to all of its methodological inspirations, therefore, all the media is available online.

4.3.2 Buy-in & Support

INDEX: is an ever-growing network organisation launched to enable a global mind-shift towards sustainable development. The unique community of creatives and business professionals is codependent with each party strongly relying on one another. The organisation cannot exist without its partners, the field experts who highly contribute to the development of INDEX:, the investors who financially support the initiatives, and finally the designers who create sustainable solutions. The non-profit establishes connections all over the world in various business fields and maintains relationships with individuals to support other already existing customers. The circular approach of the already extensive network helps to grow an even more prominent one.

4.3.3 Deployment

INDEX: maintains a vast network of individuals around the world who care for various causes. The non-profit attends and organises public events to connect with individuals and match them with partners around the world.

Further, INDEX: updates its website to share recent news and its portfolio. Every two years a webpage for nominating improving life solutions and giving votes for award nominees is created. The team at INDEX: then calls the nominees themselves and shares the news. Because of its strong business culture, the organisation is deeply involved in engaging with individuals personally, often identifying good projects in early life stages.

4.3.4 Beneficiaries

The beneficiaries of the multi-sided market are all the parties involved with the non-profit. Naturally, each of the parties receives different benefits. Nominees receive access to knowledge, network, and hence recognition in the industry and finally a chance to become a finalist and win a world-known design prize. The award finalists get in touch with Boston Consulting Group's employees to sharpen their business model and prepare for investors. The investors get a chance to donate to common-good projects and be a part of companies with high growth potential. Yet, before all the partners receive its benefits INDEX: needs to be involved. The team maintains the connections, categorises nominees, matchmake individuals with similar drivers before the customers can begin to explore the network and its benefits.

The Danish State and municipality of Copenhagen benefit from INDEX: award by increased flow of tourism hence, additional financial resources to spend on improvements, new businesses and solutions established on design thinking education, and new generation of problem-solving employees. Finally and most importantly, society as a whole benefits from any of the sustainable solutions created or supported by INDEX:.

4.3.5 Mission Achievement

INDEX: achieves its vision only once sustainable solutions are delivered to the end beneficiary. However, the supporting missions of engaging, inspiring and educating about employing design in creating sustainable solutions are achieved by various activities, at different stages like knowledge sharing, providing design thinking courses to businesses and schools, collaborating with impact investment network to mention a few.

The non-profit's services are part of a more extensive complex system of technology advancements and interdisciplinary approaches meant to disrupt traditional practices while resolving social issues. The world economic forum, is, for example, such a larger system.

4.3.6 Key Partners

INDEX:’ vision for investment is to develop and expand a network of Global Partners and Global Partner Cities around the world. The non-profit aims to achieve this through sharing large-scale public events, education programs, investment initiatives, network, and communication infrastructure with partners around the world.

INDEX: is supported and partnered by a host of critical government bodies, foundations and corporations and hence beneficiaries who leverage their business model.

The Ministry of Industry, Business, and Financial Affairs and the Capital Region of Denmark are the primary fund’s sponsors. The Danish government and its financial support for INDEX: make up for a strategic alliance. The public grant is making up for approximately forty per cent of INDEX:’ income.

The Design Society is an administrative organisation that mediates funds between the four subsidiaries. Each year the amount of money donated is negotiated, however, the grant has been stable for the past three years. The organisation is also in the process of investigating overlaps between the subsidiaries with the aim of possibly joining their skills and competencies (*Recording 10*).

Recently, the Capital Region of Denmark decided to terminate the agreement and will no longer sponsor the fund. A new solution has not been identified yet (*Recording 2*).

At the same time, the Danish state is one of the major customers of the organisation. Its year to year requirements are identified in the performance contract [Design Society, 2016]. INDEX: has to prepare for the Award show, identify new actors in the international design scene, share learnings in articles and interviews and during organised meetings with Danish investors. The criteria may be partially or fully fulfilled (*Ibid*). The amount of public ties makes it impossible for INDEX: to separate its mission from fulfilling the requirements of the government.

Another one of INDEX:’ customers is represented by philanthropic foundations whose purpose is to ensure the common good for everyone in Denmark (*Recording1*). One of the organisations collaborating with INDEX: is A.P. Mller Foundation, that partially sponsored an educational project in Aarhus.

The Boston consulting group (BCG) engages several consultants on a voluntary basis to support INDEX: with some of its programs. During the Design Orbit program, the consulting firm offers its advice to award finalists to create initial business models that they can sequentially present to investors (*Recording 11*). Apart from these activities, BCG offers strategic advices concerning the venture capital.

INDEX: is under the patronage of Her Royal Highness Crown Princess Mary of Denmark. In past biennials - from 2005 to 2015 - the organisation was under the patronage of His Royal Highness, The Crown Prince of Denmark. This Royal advocacy proves to be mutually beneficial since INDEX: receives public trust and perceived value added while the Danish royal family receives an image boost on the international stage due to the involvement in global social issues.

Municipalities are yet another vital part of INDEX: network. One of the partner cities, Elsinore, funds the INDEX: Award to promote itself and fulfil its vision of becoming ”North Zealand’s most attractive municipality for families with children” [INDEX:, 2017]. The project adds to the ”Design to Improve Life Education” initiative to integrate the concept of sustainable innovation into any academic subject. However, the education programs are not funded by the Danish State and hence, not required by the performance contract.

Private investors make up for yet another crucial part of strategic alliances. It’s because of them, INDEX: can support rising businesses, develop its education and investment programs, and finance a venture capital fund.

INDEX:’ board of directors consist of seven members who act as advisers to strategic

choices but also as a link to INDEX:’ network both nationally and internationally.

Some of INDEX:’ partners such as the jury are kept ”relatively close” to the organisation at all times (*Recording 1*). The international jury is composed of twelve designers, design scholars and thinkers, business people and curators who add their insights and expertise to choose finalist and winners from all of the nominees. INDEX: utterly relies on the intellectual capacity of judges and their experience (*Recording 1*). The jury’s main responsibility is to select Award finalists which indirectly screens for investment attractive candidates to participate in the investment program (*Recording 2*). Other partners such as current trend spotters or investors are held at a variable distance and only reached out to when a need arises.

4.3.7 Key Resources

One of the most crucial resources of INDEX: is the almost limitless network of individuals who are not indifferent to global challenges. The human resource is also carried by the deep organisational culture both on an organisational and industry level. The intellectual support which builds on the previously described factor enables the sharing of knowledge among network participants, the development of the education program, the framing of business models and the improvement of ideas and solutions.

Financial resources are naturally of immeasurable value and allow for support of the global initiatives.

4.3.8 Key Activities

The core activity for INDEX: is its biannual award. The free to nominate, world’s most lavish design prize is equally shared between five winners each belonging to a category. The now five categories make up for quite a competitive market.

The main promoting activity is the touring exhibition which acts as the ambassador of the award and aims to inspire and spread awareness about the sustainable innovations and contributes to promoting Denmark as a design base.

One of the activities not involved in the performance measurement contract with the Danish State is the didactic education program teaching design thinking for resolving global issues. INDEX: was, in fact, the first mover in offering quality services to train and direct the upcoming generations, business leaders, and children to create innovative solutions to solve complex problems in Denmark. The organisation has an open-access approach to sharing its knowledge and resources. Unfortunately, as a non-academic institution, it cannot be accredited as such. As of recently, the education program no longer provides significant profit to INDEX: (*Recording 1*).

The investment program employs the network to connect interested parties and develop mutually beneficial relations. One of the initiatives, Design Orbit, with its acceleration program aims to pitch-train and directly matchmake investors with small and medium businesses, an activity that has not been documented before (*Recording 1*). INDEX: also supports some of the award finalists through its venture capital fund. The pool of investors is mainly based in the Nordics (*Recording 11*) which may result in investors preference in businesses with Nordic origin since this is where the investors have the largest base of resources. At last, an essential core activity is the continuous addressing of potential beneficiaries and nurturing of the growing network.

4.3.9 Mission Budget

INDEX: receives a five million yearly budget from the Danish government additional to the means intended for the design prize every two years. This makes up for approximately half of its budget. The activity is measured on a performance contract basis (e.g. creating a

number of press releases in the English and Danish press) [Design Society, 2016]. The spendings cover, among others, press and communication calls to nominees, jury processes, website maintenance, investment, a fund for building business cases and an acceleration program. INDEX: is exceptionally efficient at keeping strict budgets, saving money and running expenses (*Recording 1*). The venture capital fund is envisioned to be provided by a network of international impact investors, that are given access to curated investment opportunities distilled through the INDEX: pipeline. The organisation has access to two per cent of the fund at all times.

4.4 Stakeholders Analysis

"It is about the dispositions, mindset, and behaviours which sustain relationships with family, friends, customers, the community [] the environment and with nature"

[Den Ouden, 2012, :54].

The following sections refers to the second posed sub-question, namely the one inquiring about INDEX:’ value for its different stakeholders.

Any business model should be built on the interest of stakeholders and the related exchange values [Evans et al., 2017]. Identifying internal and external stakeholders and their needs helps to acknowledge both intended and unintended constraints that their actions place on any business activity [Jeffrey K. Pinto., 2010].

Sustainability requires that all stakeholders involved in the organisation agree on the use of resources which consequently requires long-term management. Successful system management also requires making the system adaptable to change [Jeffrey K. Pinto., 2010].

INDEX:’ internal stakeholders are represented by the INDEX: staff, jury, and board of

directors. The external stakeholder group is composed of the Ministry of Industry, Business, and Financial Affairs and the Capital Region of Denmark, that act as customer and supplier; contestants, partners, Danish royal family, and an intervenor group of the Design Society and Design Center.

The following visual illustrates INDEX:’ stakeholders based on their importance for and influence on the organisation.

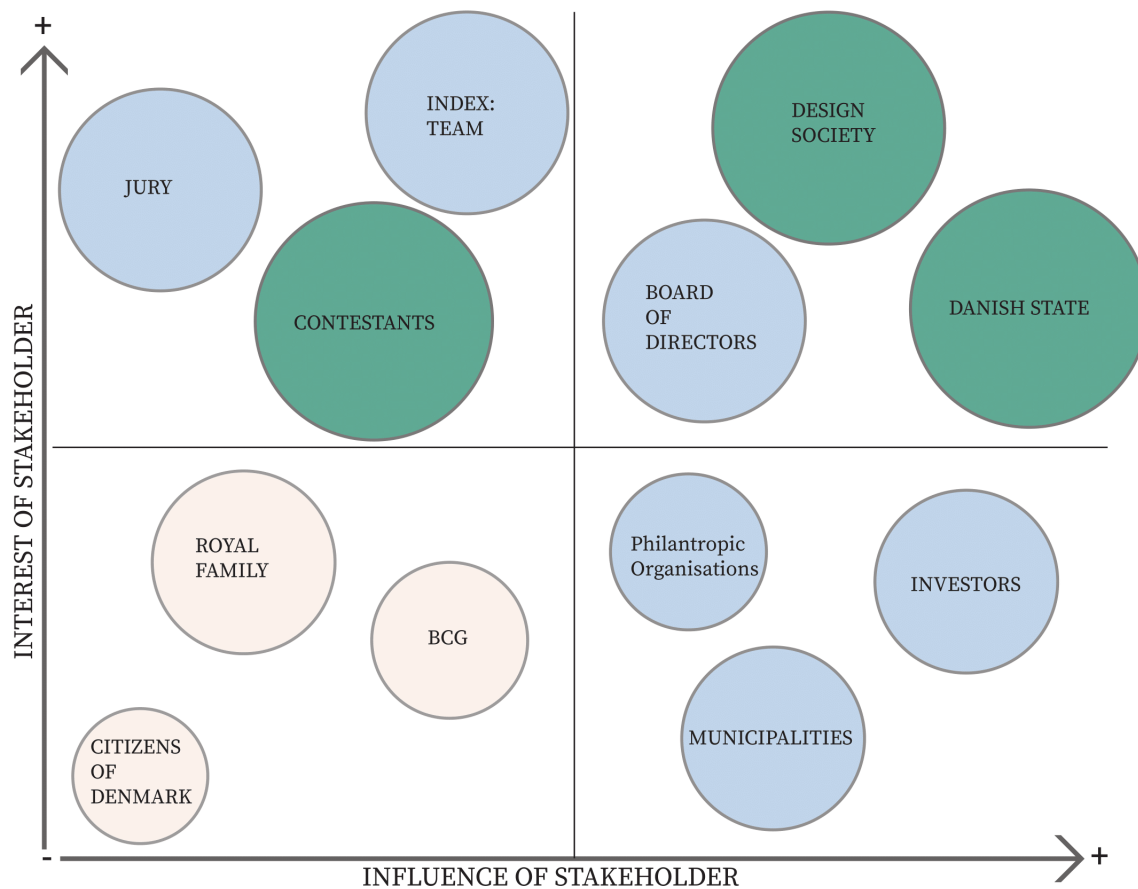


Figure 4.1: INDEX:’ Stakeholders

The issue lies in the fact that even though the organisation receives a limited budget from the government, it also receives a time-to-time donation from private investors making it difficult to make improvements to its business processes. Donations and other revenues are a determining component in the sustainability of the organisation. The non-profit programs such as the award exhibitions have a determined lifespan, yet the overall business units are

designed to be sustained over time with or without changes done to the business model.

Thus, INDEX: needs to have a clear and distinct value proposition to donors and other key beneficiaries which in turn can result in revenues and impact achieved.

4.5 Data Analyses

The data analysis has been conducted to answer the third research question that tries to identify the value that INDEX: creates for its stakeholders. The current section analyses the results gained from the desk research, the survey and the interviews with the INDEX: Award finalists and winners.

4.5.1 INDEX: Award

INDEX: Award was established in 2005. Until now, there have been seven Award shows where more than 6,100 solutions were nominated and 516 got selected for the finals. The nominees came from 120 different countries. Over the years the global reach and popularity of INDEX: have been significantly increasing, making 2017 a record year with 1401 nominees and 85 participating countries¹⁴.

As seen in Figure 4.2, the steady growth in nominations and countries participating indicates that the perception of INDEX:’ value, impact, and the network is flourishing. The decreasing number of finalists and the increasing number of nominees suggests that the requirements for the participants are multiplying and competition is increasing.

The growing number of participants creates a ”fear of missing out” effect and motivates more organisations to join. Humans are constantly influenced by other humans, and social

¹⁴<https://designtoimprovelife.dk/past-winners-finalists/>

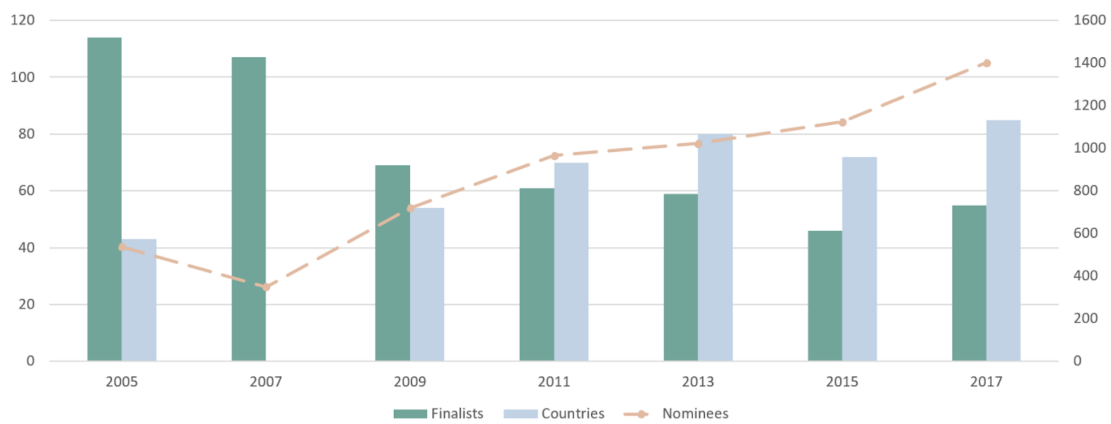


Figure 4.2: Number of Nominees, Finalists, and Countries that have Participated In INDEX: Award 2005-2017

change is usually achieved through a small social nudge [Thaler and Sunstein, 2011]. This means that the more companies and designers that participate and support INDEX:, the more other companies will feel the need to be part of INDEX: community as well. Furthermore, the more INDEX: Award will be accepted and recognised, the more value participants will retrieve from being part of that community. INDEX: Award has a high potential of becoming a new social trend in the design industry that delivers significant social change.

According to INDEX:, between 2005-2015 [INDEX:, 2017], the organisation had a global media reach of 2,5 billion (TV and radio), a local reach of 4,3 million and 5400 articles published worldwide. The constant growth of the media covering INDEX: Award indicates that in the future the organisation will become even more globally accessible.

All the participants are divided into five categories based on the nature of their solution. Over the years, the highest number of finalists were in the "Community" category while the least participants were from "Play".

Out of the 516 companies that have been selected to the finals, nine have been finalists more than once. The Google and IDEO solutions have been nominated four times while other well-known companies like Apple, Coloplast, and Testa have participated two times. All the companies that have been selected more than once are well-established businesses,

potentially because they can hire the best design teams and therefore create design solutions that are more developed than others. Furthermore, INDEX: has indicated that they have a significant amount of designers that applied to the award more than once with different solutions (*Recording 7*). It is beneficial for INDEX: to have designers and companies returning as it motivates people to design with purpose and improve their product/solution's excellence. Furthermore, it creates a sense of loyalty.

The Business Maturity of the Finalists

Many companies that are nominated to INDEX: Award are in the design or development stage. Therefore, it is essential to analyse how many organisations have achieved growth or maturity after participating in the award. This helps us to better understand whether INDEX: has any impact on participants' business development.



Figure 4.3: Maturity of finalists, INDEX: Award 2005-2017

Figure 4.3 visualises the maturity of projects and companies that have participated in INDEX: Award. The data measures whether the solution has been implemented, if it is still active and how many companies are still active from the ones that have got established.

The graph does not show any clear trend between the companies that got established after the award. The percentage has been fluctuating with the most established companies

being in 2007 and the least in 2005. This can be due to the nature of the solutions and the choice of finalists. Even though 2007 had the highest number of established companies, the difference between those established and those still active is also the largest.

The percentage growth of active companies is directly correlated with the year they got established. According to the Bureau of Labor Statistics¹⁵, new business survival rates are significantly dropping with every year of activity, and most of the startups fail to survive in the first ten years of operation. This explains why the percentage of the active companies (Figure 4.3) of the latest three years are much higher than for the ones between 2005 - 2009.

The percentage of active companies from the ones that got established is relatively stable with an average of 85%. This means that the majority of the solutions that managed to get funding and get established tend to sustain themselves. A high percentage of established companies in the finals proves that INDEX: is good at nominating the most successful, capable and valuable projects. The activities that INDEX: has been doing next to the Award show (summer school, investment fund, education) have considerable value for the participants as it can help them attract relevant investors and become more self-sustainable. Furthermore, the rate of the established companies is a beacon for investors for both INDEX: and the companies that participate in the award.

Global Reach

Looking into the finalists' and winners' global distribution, a clear dominance of the European countries becomes apparent. However, over the years, the percentage of European finalists have decreased while participation of other continents (mainly North America and Asia) has increased (*Appendix D*).

Since 2005 there have been companies from 85 countries applying for the award and

¹⁵'Entrepreneurship and the U.S. Economy' retrieved April 2018 from - <https://www.bls.gov/bdm/entrepreneurship/entrepreneurship.htm>

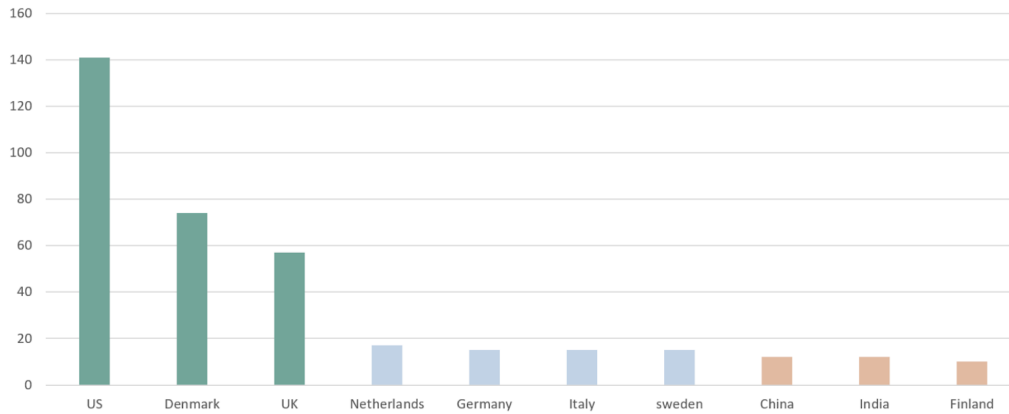


Figure 4.4: The Number of Winners and Finalists Participating in the Award per Country Between 2005-2017

total of 51 different countries around the world being selected to the finals (*Appendix D*). Such number indicates that INDEX: has become a global organisation and its recognition has been growing worldwide over the years.

The most participants came from the US with a total of 141 winners and finalists (Figure 4.4). Based on the Global Entrepreneurship Monitor data [Kelley et al., 2015], all the top countries that have participated in the INDEX: Award the most times (Figure 3) are described as being 'innovation-driven economies'. Furthermore, 5 top countries on the list are also recognized as the most innovative economies in the world that share similar cultural attitudes on innovation and entrepreneurship (*Appendix E*). The largest part of the entrepreneurial interest in such economies is on information, education, health and other services [Kelley et al., 2015], similar to INDEX:’ focus and mission. It is, therefore, plausible to deduce that INDEX:’ increased impact and recognition in innovation-driven economies are at least partially reliant on cultural similarities and general perspectives on SE.

Furthermore, innovation-driven economies tend to have the highest internationalization, due to their focus on countries that have less competitive markets. According to Global Entrepreneurship Monitor [Kelley et al., 2015], increasing competition and challenges to differen-

tiate in the local market is motivating innovation-driven economies to focus on less developed markets. This explains why many companies, participating in INDEX: Award, are creating solutions that operate in foreign markets.

Looking at the European ecosystem, most of the participants have been Nordics. Since INDEX: has originated in Denmark, with the Danish Government as one of the core sponsors, local and neighbouring organisations have a higher incentive to participate as well as easier access to the actual knowledge of INDEX:. Most of the European participants have been originating in Denmark (74 total between 2005 and 2017) and UK (57) following with Netherlands (17), Germany (15), Italy (15) and Sweden (15) (*Appendix F*). This suggests that INDEX: Award is highly recognised in nearby countries that share cultural similarities. Furthermore, as mentioned above, this could also be due to the higher living standard and richer economies of the Northern European countries that allows them to innovate and look for sustainable solutions.

Hofstede's Cultural Compass is an online tool that compares selected countries based on six aspects: Power Distance, Individualism, Masculinity, Uncertainty Avoidance, Long-Term Orientation and Indulgence. All top countries of INDEX: Award mentioned above share very similar scores on Individualism, Long-term orientation, and Uncertainty avoidance. It can be argued that such similar cultural qualities are the reasons motivating organisations to participate in the award show and design with purpose.

This specific global distribution can also be explained by the fact that often INDEX: nominate companies for the award themselves (*Recording 1*). INDEX: nominate projects that fit with their knowledge, beliefs and culture. Furthermore, It can also be assumed that INDEX: is the most aware of the companies and design solutions that are in nearby or culturally similar markets.

The dominance of North and West is significant within Europe. Despite the economic and ecosystem reasons, this can also be due to network, word of mouth and marketing activities

done by INDEX:.

The number of Danish companies in the finals has been declining inversely to the participation of other countries (*Appendix F*). This implies that INDEX: has become more recognised and valued internationally over the years and the Danish market has not been focal for the organisation. It can also be an indicator of growth in the international SE sector. Fluctuating number of Danish participants in the finals indicate that results are not biased and centred around Denmark.

It can be argued that the more diverse representatives of different countries will be nominated and get to the finals, the more global INDEX: will become. However, even though in 2017 there have been 85 different countries nominated, only 19 different countries have been selected to the finals. Most of the finalists have originated from the same countries as in the previous years. This indicates that even though INDEX: is becoming more known globally, the maturity of the participants is probably not high enough to get them to the finals.

Media Coverage

Media Coverage analyses how many times projects have been mentioned together with the terms "INDEX: Design to improve life" and "INDEX: Award". The mentions include all the available online material that Google search recognizes.

The ways we communicate with one another, as well as the media channels we use, have significantly changed over the last decade. Under the influence of the internet, the media has merged and expanded the classic categories [Picot et al., 2005]. With the Facebook platform being launched in 2007 and other social media platforms being established shortly after, communication and news sharing became easier and faster. Therefore, word-of-mouth marketing became more powerful and valuable of a tool. As INDEX:' marketing activities rely on word-of-mouth (*Recording 1*), this change was favourable for the organisation.

As seen in the Figure 4.5, INDEX:’ media coverage has been significantly growing since 2007 with the highest peak being between 2013 and 2015. The 2017 award is the most recent, and therefore the number of publications covering it is not yet as large as the other awards. However, it can be assumed that by the time the next INDEX: Award will take place in 2019, the media reach will be the same or higher as in 2015.

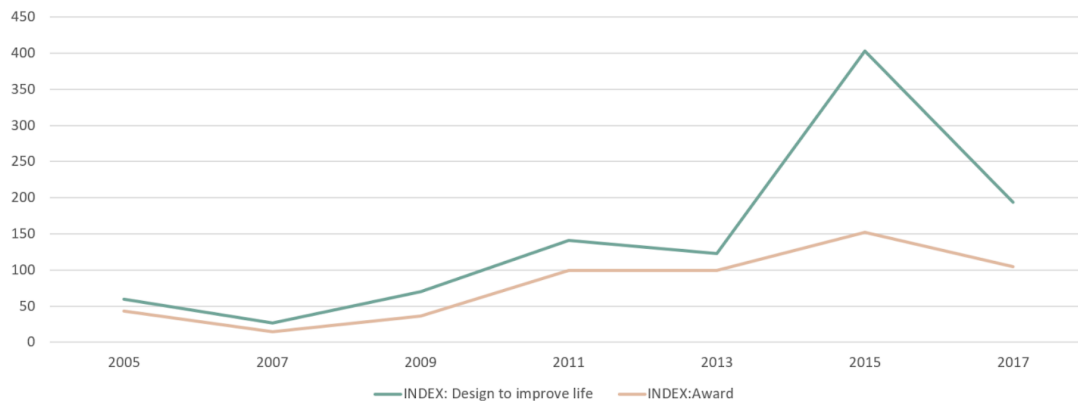


Figure 4.5: Average Online Media Coverage for Finalists and Winners of INDEX: Award 2005-2017 per Article/mentions Available Online

A similar trend can be seen while looking into the "INDEX: Award" media coverage over the years (*Appendix G*), indicating the organisation has become better known. The ever more versatile publications of the NPO prove that INDEX: itself has matured together with their marketing communications.

INDEX: is present and relatively active in the most popular social media platforms such as Facebook, Twitter, Instagram and YouTube (*Appendix H*). The organisation is using social media channels not only to market themselves but also to inform their audience about the contestants. Over the years INDEX: has become more active on their social media platforms which allows them to have a stronger influence on retention, visibility, and motivation to participate.

Looking into the media audience, on Facebook INDEX: has 100,521 followers, Twitter 4027 and Instagram 2086 followers. Compared with other design awards in the industry

(*Appendix H*), INDEX: has one of the highest numbers of subscribers on Facebook. However other social media channels (Twitter, LinkedIn, Instagram) have lower or relatively the same number of followers as other awards.

As an NPO, INDEX: has an extremely limited marketing budget, having thus to rely on word-of-mouth. However, with social media becoming the main news channel, it is important to be present and active in order to achieve higher global recognition. Furthermore, social media can allow INDEX: to better demonstrate the impact and value they create in design communities and therefore, achieve higher exposure for both participants and investors.

Currently, INDEX: has a relatively low brand recognition on well-established and running organisations. Rabalder Parken, Danish finalist of 2013 award, currently has 13,900 mentions/articles available online. Together with "INDEX: Design to improve life" or "INDEX: Award 2013" there are only over 200 articles/mentions. Even though significant, this figure is not large enough to create brand recognition and traction for the project. For companies like Tesla, Google or Apple, that are worth millions, INDEX: media coverage is irrelevant.

On the other hand, for the companies that are at a very early business stage or have not been established yet, the recognition attained from INDEX: Award can have significant effects. Another Danish finalist of 2015, Yellowone Handsafe, has currently 352 results on Google where 20% of them are mentioned together with INDEX:. Ideally, participants should use the label "INDEX: Award finalists" themselves as a guarantee for a quality outreach. This would spread the word about INDEX: with the use of minimum internal resources. However, for that to happen, INDEX: needs to become more prominent on the global market as well as to become better at nurturing individual participants.

Media Coverage by country (*Appendix G*) exhibits the highest average media reach to be in the US, Denmark, Netherlands, and Sweden followed by the UK, China, and India. The broad media-reach in Asian markets indicates that INDEX: is increasing their global market share and strives to strengthen their visibility. Media reach by category of the award is alike

between the categories. However, the highest average is in the Play category. This could be due to the fact that the majority of this category's products are easily accessible and more attractive for a large number of people around the world and therefore it receives higher public and media attention.

Moving from Product to Service

INDEX:' intention has always been to change mindsets, by challenging the traditional understanding of design. Oxford dictionary describes design as a drawing or a plan used to showcase the look and function of an object before it is made. From day one, INDEX: focused on encouraging people and companies to address the burning issues of the world and use a design as a tool to improve life¹⁶.

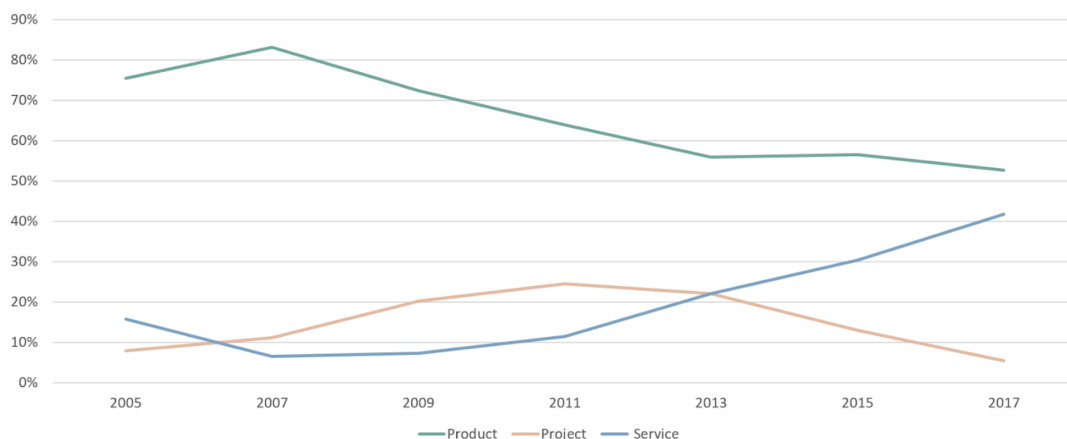


Figure 4.6: Variations of Finalists Solutions Divided into Service, Product and Project Categories between 2005-2017

Over the last decade, the interest in servitization has been growing rapidly. Products and services have started to be mixed together in order to improve the value created. Servitization motivates manufacturers to innovate together with users in order to achieve mutual benefits [Raddats et al., 2016].

¹⁶'ABOUT US' by INDEX: Design to improve life, retrieved June 2018 from - <https://designtoimprovelife.dk/about/>

The servitization trend is also noticeable amongst the INDEX: Award finalists (Figure 4.6). Even though product-based solutions have always been dominant, over the last ten years the curve has been steadily decreasing and since 2011 the number of service solutions has been significantly growing. Traditionally, design solutions have been focusing on product development. However, parallel to the increase in technology use, more service solutions have been established. The internet and information technology developments have created new industries as well as more useful, accessible and advanced solutions to serve human needs.

The highest peaks for projects (as seen in Figure 4.6) have been before the servitization trend and have been decreasing ever since. This could be due to the limited scope or lack of solution excellence. With increased competition between finalists, it has become more difficult to be selected into the finals and therefore, the requirements for the participant solutions have increased. This is a truly positive trend for INDEX: as the better the solutions that are selected into the award, the greater will INDEX:’ brand reputation and value be.

Based on the award categories (*Appendix I*) the highest amount of service solutions always have been in the Community category. Since 2009, the dominance of participating product based solutions has been significantly decreasing giving place to an equally rising of services. Servitization is highly crucial in this category as it allows to reach bigger networks and develop more complex solutions to serve them. Dealing with issues such as infrastructure, cities or communication requires a high level of co-creation with different parties. Therefore, service-based solutions and technology involvement allow companies to develop designs that have a significantly higher impact.

The Body and Home categories (*Appendix I*) had clear dominance of product-centred solutions over the years. In most of the cases, this is due to the fact that the solutions focus on solving niche issues that haven’t been properly addressed by other businesses before (e.g. LifeStraw). Even though the service use is minimum in these industries, with the help of the internet and technology, the products in the last years are more complex and fall more and

more under the category of services.

The increased variation of the different type of solutions participating in the INDEX: Award proves that the organisation is successfully fulfilling its mission to change the understanding of design. All the design solutions have higher, mission driven purpose and complexity than the traditional perception of design. Variation between product, project and service-based solutions indicates that there are no clear boundaries to the way INDEX: interprets 'design'. The yearly growing number of participants indicates that INDEX: 'perception of design is highly accepted and adopted globally.

The INDEX: Award Winners

Looking at the winners of INDEX: Award, the countries that have won the most times coincide with the ones that have been nominated the most times: US (12 time won), UK(5), Netherlands (4), Denmark (4), Switzerland (3). However, the winning frequency ratio (number of times won/number of times participated) indicates that there is no direct correlation between the amount of time the country has been nominated and the number of times they won. Switzerland, Canada, Chile, Netherlands, and Australia have the highest score, while the US, UK, and Denmark much lower scores (*Appendix J*).

The Global Competitiveness Report [2017-2018] has rated Switzerland to be the number one most innovative economy in the world. Other often winning countries like the US, Netherlands, and Denmark are listed in the top ten of the same report. This points to the fact that countries with a strong cultural focus on innovation are also more advanced in creating solutions to improve life and therefore win the INDEX: award more often.

Nearly 100% of the solutions that won have become established businesses and 90% out of all the winners are still active. The media coverage of the winners has been growing over the years. The number of mentions/articles about winners and INDEX: is more than double

as large as that of the finalists. This indicates that becoming a winner has high value for contestants in terms of media coverage.

4.5.2 Survey

The online survey was conducted for better understanding what motivates companies to participate in the award show. Furthermore, the survey analysed post-award experiences and the different values retrieved by the participants.

Background of the Survey Participants

There were 39 respondents of the survey: Winners (61.5%) and Finalists (38.5%). A majority of respondents (28.2%) came from the most recent, 2017 award show and the least amount (7.7%) from the 2005 award show (*Appendix K*).

Most of the participants have been nominated in the "Body" category of the award (38.5%). The least answered questions came from the "Community" category (10.3%). The average satisfaction score between most of the categories is almost identical. However, the "Play" category has the lowest satisfaction score in the survey.

The survey results indicate that majority of respondents got to know about INDEX: Award from their network (37.8%) and after they have been nominated (35.1%). The first number indicates that INDEX: word-of-mouth marketing strategy is effective, and the organisation is widely recognized in the design industry.

Considering the motivation to join the award show, 91.7% of respondents indicated that they participated to get recognition; 33.3% participated looking for network development; and 25% to attain the financial award.

The majority of the companies that have completed the survey are still active and operating. This aligns with the already identified trend that most of the companies participating in the award tend to sustain their business in the long run.

Additionally, contestants have been asked to evaluate what impact INDEX: made on a) their business and b) them personally (*Appendix K*).

Business Impact

Appendix K showcases how participants have evaluated the different values and impacts retrieved from INDEX: Award. The data shows that INDEX: had the most impact on participants' "Brand Recognition" and "Network" whereas the areas they least gained from were "Financial sources", "Sharpening business model" and "Business growth".

Brand Recognition

Most of the companies that have participated in the survey, have indicated that they joined the award to get recognition. However, the study suggests that the level of impact on Brand Recognition highly varies between respondents: 30,8% of the respondents evaluated the impact on this area with the score 4 (in the scale between 0-5 where 5 is the highest). However, 17,9% have mentioned that INDEX: Award had almost no impact on their Brand Recognition (score 1).

The most significant score on Brand Recognition was from the "Community" category and the lowest was from "Play". Furthermore, the score on Brand Recognition is higher among the winners of the Award than finalists. The constant fluctuation between the results indicates that different companies perceive the value gained from INDEX: on their brand recognition dissimilarly.

There is no clear trend between the score on Brand Recognition and the country of origin. Some of the highest scores came from the companies that have originated from Denmark and

UK; however, some of the smallest ratings have also come from the same countries. Therefore, it cannot be assumed that the differentiation between the scores is due to geographical location. Furthermore, there is no correlation between the year of the award and the rating. This means that the value and impact that companies retrieved on Brand Recognition from INDEX: are very subjective and rely on individual reasons.

Sharpening business model

The results on "Business Model Development" are more consistent. A majority of participants indicated that INDEX: Award had meagre (33,3%) or entirely no impact (20,5%) on their "Business Model Development". However, there are eight companies out of the 40 that have participated in the survey, which responded that INDEX: had a high impact on their business model.

Similarly to "Brand Recognition", there is no correlation between the country of origin or the year of nomination to the award. It is important to mention that INDEX:' business development initiatives have started very recently; therefore, its impacts are not significant yet but might become in the future.

Financial Resources

When looking into the financial impact, almost 80% of all participants have indicated that they have gained no or very little value from INDEX: regarding "Financial Resources". Only 6 out of 15 winners have chosen that the "Financial Resources" were significant for them.

Furthermore, five winners pointed out that the financial prize had almost no impact on their business. However, and not surprisingly, winners have gained more in terms of "Financial Resources" than finalists did.

Network Development

The survey showcases that most of the companies evaluate "Network Development" on

the company level with an average score. Positively, all the companies have said that INDEX: had at least some impact on their network. Nevertheless, in the open-ended questions, several participants pointed out that they would have liked to have had more network development related activities after the award show.

Personal impact

Looking at the evaluation of the impact that INDEX: had on participants personally (*Appendix K*), results between categories are relatively similar: 71,8% of all participants have indicated that INDEX: has motivated them to design with purpose; 76,9% correspondents mentioned that INDEX: had a very high or average impact on their changing perception of design. Finally, similar to the business development section, network development was evaluated as "average" between the majority of participants.

Even though the majority of respondents have evaluated post-award communication positively, open answers suggest that participants expect more involvement and updates from INDEX:.

The suggestions for improvement section outlines that participants would like to have more post-award involvement, more network events and newsletters from INDEX:. A vast amount of correspondents claimed that they didn't have enough post-award communication and therefore would like to be better updated on INDEX:' changes, news and stories on how other contestants have progressed over time.

To conclude the survey results, participants generally evaluate INDEX: quite positively. The most significant values that were retrieved are motivation, brand recognition, and networking. However, it is important to mention that the results in each category are highly fluctuating. This means that the value that companies get from INDEX: Award highly varies and is dependent on company, industry and external reasons.

Findings from the Interviews with INDEX: Award Winners and Finalists

Three interviews with INDEX: Award winners and finalist have been conducted in order to get more in depth knowledge about their experience during the Award show and the values they have retrieved while working together with INDEX:. The questions focused on finding out how they got to know about INDEX: Award, what benefits they have received and what improvements should be done to increase the perceived impact they experienced from INDEX:.

Two winners and one finalist that represent very different industries and businesses have been chosen for the interviews. Furthermore, all respondents had a different level of involvement with INDEX: prior to the show.

The first interview was conducted with Eve Blossom, the owner of Lulan Artisan that became a finalist in INDEX: Award 2011. Eve has found out about INDEX: prior to her nomination and worked with INDEX: before the nomination. Her collaboration with INDEX: started after INDEX:' team has approached her and invited her to be a speaker in one of their events. Eve has applied for the award twice, however, only once she was selected to the finals. During the interview Eve said that over the years *"things were getting more competitive", "more knew about INDEX:, more were applying"* therefore competition became fiercer (*Recording 3*).

Overall, Eve's experience working with INDEX: was positive. Eve has mentioned that she is highly inspired by INDEX:' organisation and the previous CEO as well as the external network around INDEX: Award. She pointed out that network development is one of the key values of INDEX:. Furthermore, Eve commented that she would like to be more involved with INDEX:' activities and networking events after the show. She suggests having an alumni network and more activities that would make people return, keep connected, involved and updated after the award.

While asked about other values, Eve pointed out that she didn't gain significant impact in relation to PR and business development. However, she believes that INDEX: Award is

highly valued between industries and winning the prize equals to quality assurance in the design world. She said: *"it was really special thing to get INDEX: (...) I know that Academy awards must feel great, I am sure it is very special but INDEX: seems to be like wow, you better have your ducks in a row, you better be a real deal, you better really have a great model, you better really be scaling, you better be all these things otherwise we don't need to give you the Award. (...) It is pretty tough."*

Another interview was held with Tør Inge Garvik, representative of Mama Natalie Collection that has won INDEX: Award 2011. His company got to know about INDEX: through its own network, media and after they have been encouraged to apply by the INDEX: team. Tør pointed out that INDEX: differs from other design awards due to its unique mission and vision. He said: *"recognition from INDEX: is way more important from us than traditional design awards"* (Recording 5).

The most significant values that the company gained during and after the award was network and recognition within the design community. Tør said: *"A significance for us is definitely being part of a network () and it is good recognition for our work within Design to improve life. It makes people curious about our company and helps us in recruitment"* (Recording 5). INDEX: Award attracted positive attention and increased global recognition for Mama Natalie Collection. Similarly to Eve, Tør pointed out that INDEX: didn't have a significant impact on their business development, however, it expanded professional network within the design community and visibility among young talents.

Finally, the last interview was conducted with INDEX: Award 2017 winner Green Wave. The owner Bren Smith, has mentioned that he didn't know about INDEX: prior to being nominated. However, INDEX: helped him change his perception of his own work and purpose of his company. Bren pointed out that during the award he was greatly influenced both by INDEX: and other participants. The award has helped him to make relevant connections and expand his business. Bren said that "strategic thinking", "communication platform" and

"some media work" was very helpful for his business (*Recording 6*). Furthermore, Bren has indicated that *"INDEX:’s ability to bring together thinkers and strategic networks that are cross-industries and cross-discipline is really really powerful"*. Bren and his company had very positive post-award communication with INDEX: and are currently actively involved in different initiatives.

The results of the interviews are similar to the results of the survey: all the interviewees believe that INDEX:’ value and impact lie in network development and recognition. However, companies expect even more involvement and better post-award communication. As seen in the survey, the benefits that companies gain from the INDEX: Award are very subjective and depend on participants’ needs and business situation.

Industry Trends and Future Predictions for INDEX: Award

The key factors that have been driving change over the last decade were leadership, technology, culture and social finance [Cheng and Mohamed, 2010]. Social change started to be driven by innovation as well as a fusion of ideas and practices used in the private and social sectors. Socially focused businesses have a tendency to focus on networking and co-creating with others [Cheng and Mohamed, 2010]. These trends and factors are expected to remain essential change drivers.

Digitalization is changing the media landscape and how information is communicated between societies and networks. In the long run, the internet will change social, economic, political and communication processes. The use of the internet is becoming an inseparable part of all business sectors, economies and between all populations. Differently, than in the past, new communication and information technologies are being deployed between non-professional organisations to increase effectiveness and efficiency [Picot et al., 2005].

Another prominent trend of the industry is the development of what Zedick [2005]

called Meso-media and described as addressing small target groups between a high number of participants. Low digital production acquisition costs provide new working possibilities. This significantly lowers the barriers to break into new markets [Picot et al., 2005].

As mentioned in the previous section, these trends are also prominently visible with INDEX:’ finalists. More and more solutions are information technology and internet based. This trend is predicted to continue, allowing INDEX: to select even more advanced and accessible design solutions. Using the internet and social media as a primary communication tool will allow INDEX: to achieve higher global reach, recognition and build a stronger network for the contestants. Digital platforms give a chance to connect people from different parts of the world. If INDEX: will be able to utilize them for their benefit, the organisation will be able to create additional value for their participants where people will have easier access to the knowledge, tools, and talents around the world to make their solutions happen. Digital tools can be used to better communicate the value and impact created and attract needed funding.

According to the Global Entrepreneurship Monitor (GEM) [2017 -2018] , social entrepreneurship start-ups are strongly dependent on personal funding and investors. The main challenge for them to get the required funding is because of their focus on social goals rather than financial returns. This contradicts traditional business models. However, over the last decade alternative financial models such as impact investing and crowd funding have become an option [Bosma et al., 2005]. Currently, social solutions have to mostly rely on personal funding, relatives, friends, government, and donations. Growing interest in the social return should provide more stable financing sources. As mentioned before, most of INDEX:’ finalists’ solutions, if implemented, have a very high rate of success. If INDEX: is able to attract more interest from global investors, it can become an alternative funding source for contestants. In this case, INDEX: could deliver more tangible value for the participants.

As seen in INDEX:’ finalists’ analyses, Western European countries and the US tend to get to the finals and win more. According to the GEM [2017 -2018] , these countries have

strong economic welfare and the biggest amount of social enterprises moving from start-up phase to the operational. Another clear similarity between these countries is its high emphases on business education. Entrepreneurs have easy access to the tools and knowledge required to build a successful business. Therefore, it can be assumed that there is a correlation between business education and the success of the company. This also proves that INDEX:’ strong focus on education can provide tangible value for economies - more successful and self-sustainable businesses will be created.

The most internationalization is in Europe and North America [Kelley et al., 2015]. Solutions from these regions usually focus on emerging markets rather than creating solutions for their home market. Due to growing competition, this trend will be continuing in the future where more Western countries will come with solutions to improve the well-being of less developed and less crowded industries.

Nowadays, the main reasons why start-ups fail are lack of market need (42%), lack of funding (29%), fierce competition (17%), solutions without a business model (17%) and poor marketing (14%) [Vic, 2016]. According to the data analysis, INDEX: Award is very good at determining potential business solutions which helps prevent the lack of market need issue. The organisation’s extra activities such as the summer school and investment fund initiative help prevent the other top reasons for failure. It can be assumed that future participants will be facing the same start-up issues and therefore, INDEX:’ focus on strengthening their business opportunities will have higher value and impact. Having a high success business ratio of the finalists will allow INDEX: to become the quality standard for investors.

4.6 Porter's 5 Forces

"The key aspect of the firm's environment is the industry or industries in which it competes"[Porter, 1980, : 4].

The following section aims to review the inherent vulnerabilities of INDEX:’ market position, based on Michael Porter’s five forces framework [1980] and hence, answer the second sub-question concerned with the value INDEX: brings to its different stakeholders.

Porter’s Five Forces is a framework designed for the conventional for-profit sector but with a small adjustment it is equally applicable to the non-profit sector. The NGO adaptation of Porter’s model considers how the five forces impact an organisation’s capability to achieve its mission efficiently [Thorin, 2012].

The competitive industry in which INDEX: is operating is the not-for-profit sector. However, it is paramount to point out that its different business units, meaning, Design to improve life Award, Education, and Investment programs face different kinds of competition.

Over the last couple of years, non-profits have reached maturity level in their life cycle and have become vital to policy making and to fostering civic engagement. Furthermore, in comparison to the initial voluntary organisations based on religious beliefs and political movements, today’s non-profits tend to be neutral in their alliances, more skilled in their operations while at the same time showing integrity in their service delivery and policy-making endeavours [Ironpaper Marketing Agency NYC, 2016].

In Denmark, the highest number of nonprofit organisations is found in the ‘culture, leisure, sports and education’ category which accounts for 57% of the total number of associations in the country [Center for frivilligt socialt arbejde, 2018, 47].

4.6.1 The Threat of New Entrants

There are plenty of barriers for freshly established non-profits, being lack of resources, liability, financial aid, and poor leadership. However, repeatedly, it is the overlooked risk that is the most significant obstacle. Failing to deliver a project can lead to donors and partners withdrawing their support. It is believed that smaller NPOs need to compete more

belligerently, to receive funding. On the other side, larger NPOs experience greater pressure to prove their accountability [Schwenger et al., 2014].

The standardised UN Sustainable Development Goals [2016]¹⁷, unified objectives for all organisations seeking to change the world, increasing similarities and thus, increasing the threat of new entrants. Frequently, non-profits focus their investments on achieving their mission which often leaves little left for the organisation's improvement [Schwenger et al., 2014].

Commonly, innovations are not seen in the non-profit industry until their value on the for-profit market is high [Ironpaper Marketing Agency NYC, 2016]. Since non-profits tend to put the most focus on achieving their program goals, the benefits of innovation are not recognised, and therefore, little investment is allocated to improving the industry.

In some instances, since the organisations are primarily established for helping others, no previous knowledge about how to run a non-profit is demanded, which it turn leads to poor management and weak strategy creation.

4.6.2 The Threat of Substitute Services

Since more and more non-profit organisations are established, attention from investors becomes deeply treasured, making the threat of competition high. It is therefore prominent, that the rivalry is all about gaining a competitive advantage through uniqueness. However, many NPO's decide to join forces and collaborate with other organisations in order to accomplish their stated mission more successfully, and with fewer resources.

Focusing one's mission on a specific area will attract investors from the same circle of interest, making the NPO's business model difficult to imitate. The growing trend of private companies investing in their CSR activities increases substitutes' threat [Schwenger et al., 2014].

¹⁷'United Nations' Sustainable Development Goals' retrieved in May 2018 from <http://www.undp.org/content/undp/en/home/sustainable-development-goals.html>

Additionally, it is believed that the digital presence of non-profits is essential to gaining sustainability. Thus, it is worth considering for INDEX: to identify larger companies that seek to pursue CSR activities to instead cooperate for mutual benefits (*Recording 1*).

A 2017 report on the use of digital technologies in the non-profit sector shows that 95% of organisations have a Facebook page and 75% of them accept online donations through that profile [Ironpaper Marketing Agency NYC, 2016].

4.6.3 The Power of Large Customers and Suppliers

Research conducted on non-governmental organisations shows that competitive environment forces many NGOs to collaborate with larger funding institutions to pursue their mission goals [Schwenger et al., 2014]. For the NPO industry, the majority of its activities are primarily service-based, characterised by soft skills and intangible resources. As a result, the power of suppliers is less significant for non-profits in contrary to a production based company.

However, from the NPO's perspective, the donors and other investors can be considered as both the supplier and customer. They provide the financial aid for the non-profit to perform its mission. Sequentially, the suppliers can claim their share in the NPO's achieved mission. Corporate investors and donors tend to have their agenda focused on execution, and the fulfilled NPO's mission can be added to their CSR portfolio and included in their triple bottom line.

Similarly, the Danish State is both the supplier and the customer, significantly contributing to INDEX:' mission. The funding is granted on a project basis - The INDEX: Award, with the success measure to increase growth in the Danish private sector as stated in the performance contract [Design Society, 2016]. This tight dependence influences INDEX:' strategic choices. On the one hand, the nature of the contract's objective is drawing INDEX: away from its core mission to "[...] Inspire, Educate and Engage in designing sustainable solutions

to global challenges”¹⁸. On the other hand, the public trust INDEX: posses being an institution supported by the Danish Government, to a certain degree attracts donors’ and investors’ interest because of its reliability. Often, private companies strain to gain the public’s and stakeholders’ trust to ”license and operate” [Porter and Kramer, 2006].

Ultimately, the Danish State does not have the capabilities to perform INDEX:’ program at a community level; it requires the NPO to carry out its mission. Similarly, private investors and corporate institutions need a service provider like INDEX: to carry out the social responsibility activities in their name.

What INDEX: and other NPOs are struggling to show clearly is the change they make in exchange for the measurable financial support. The opportunity is to show the value of the impact they make in a more traceable method.

The level of the Danish State’s influence partially depends on the strength of the NPO’s leadership. Nevertheless, funding is vital for an NPO’s existence offering a chance to develop and influence social mindset. The threat of the blurred distinction between customers and suppliers can be mitigated by strong leadership and clear strategic direction.

The great opportunity for INDEX: is to differentiate among other NPOs by presenting a more accountable impact to investors. Documenting the change will make investors and other partners realise the extent of the feasibility of the social improvement projects. It is also worth to consider expanding the contract requirements between INDEX: and government on the broader sector to include other non-profit activities such as education.

¹⁸’ABOUT US’ by INDEX: Design to improve life, retrieved June 2018 from - <https://designtoimprovelife.dk/about/>

4.6.4 The Level of Rivalry Among Organisations in the Industry

Similar to the for-profit industry, competition amongst NPOs is considered healthy and even necessary. Investors tend to choose the best performing organisations through which they can experience the biggest direct impact themselves. Unlike for-profit companies, NPOs cannot improve their offerings under the pressure of competitive situations; consequentially, if investors decide to move their focus to other similar organisation, without the necessary financial support, non-profits will not be able to achieve the previously set program objectives. Since non-profits do not provide the same kind of service, the solution might be to gain competitive advantage through the offered service.

INDEX: faces a lot of competition in the different business units. For one, there are plenty of international design awards appreciating the aesthetics of a project (e.g. Danish Design Award, Good Design). Few consider the sustainable impact and give the prize for a solution to a global challenge (e.g. Service Design Award).

For another, plenty of business incubators provide management support for start-ups. Accelerators offer advancement of existing initiatives and preparation for investors pitch.

Finally, the design thinking education trend is booming. The continued growth of design thinking education can be seen in the Design Thinking in Schools map [d.school & IDEO, 2013]. With precursors such as Stanford d.school and consultancy IDEO, more and more schools and agencies are offering workshops, crash courses, online resources or networking platforms (e.g. IDEO's Teacher's Guild or Design for Change student challenge platform).

Furthermore, there are non-profits established for the purpose of teaching design thinking for instance Project H Design¹⁹ which offers professional development for teachers and design and building programs for students for Berkeley community US.

INDEX: is driven by purpose; the combination of the sustainable design recognition,

¹⁹'Project H Design' retrieved in June 2018 from - <http://www.projecthdesign.org/>

investors matchmaking, and engagement in a global mind shift along with its mission is what makes INDEX: unique. Additionally, the spectrum of INDEX:’ partners reaches internationally from Nordic countries to the US, Asia, and Australia. The enrichment that could sustain this competitive advantage would be to document INDEX:’ impact and benefits of design thinking in a standard, traceable manner.

4.7 INDEX: A Complex System of Networks

The following section will employ complex systems theory descriptively as well as abstractly in the form of network representations in order to better comprehend the organisational structure of INDEX: as well as the environment of which it is inseparably part of. This is vital in the furthering of our understanding of the organisation as well as its value from the perspective of its different stakeholders.

Being a non-profit organisation with a social mission and vision to improve human lives around the globe, INDEX: is a multi-levelled complex, adaptive system. The intricacies of the organisation’s multiple and diverse activities coupled with its international reach and an extensive number of interacting, autonomous individuals are the primary factors that contribute to us defining it as such.

Organisations seeking to alleviate specific social or environmental issues are strongly dependent on collaborating and cooperating various institutions and individuals that can secure their desired impact. When first envisioning INDEX:, the traditional organisational structures seemed outdated and unable to support the founders’ goal to create a global network organisation that would change the world’s perception of design [INDEX:, 2017, 45]. There was a great need for flexibility and fluidity and thus, a network structure was chosen as an organising principle (*Recording 1*).

The Power Flower (Figure 4.7) is a network structure which was chosen because "it allows constant growth and pruning where necessary, close networks to be placed in central petals, and looser networks or short-term projects to be placed in new shoots. Most of all, it allows fluid leadership related to tasks. The entire organisation can, at any time, face towards the individual or team leading an initiative or our development" [INDEX:, 2017, 45].

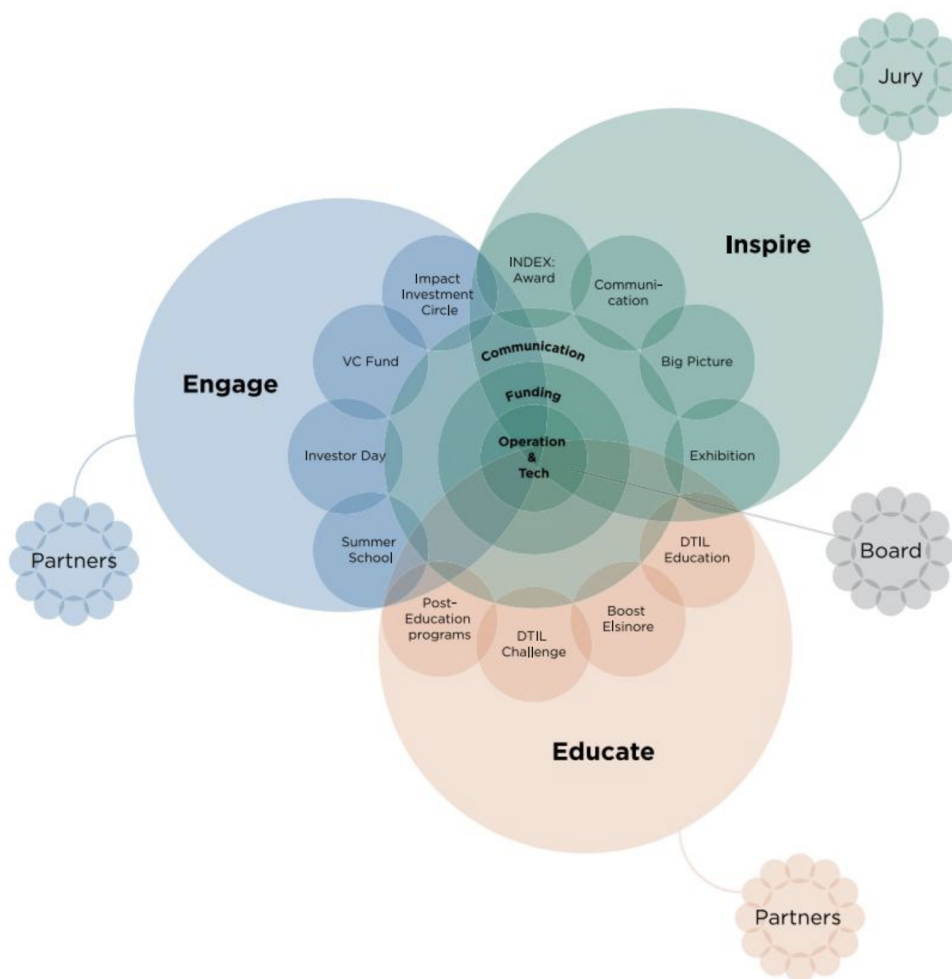


Figure 4.7: INDEX: Organisational Structure: The Power Flower - Taken from "15 Years of Design to Improve life" by INDEX: Design to improve life, 2017: 45

INDEX: is organised as a formal network that connects organisations and individuals by the common thread that is the vision of design as an enabler of positive change in the lives of humans. Characterised by reciprocity and collaboration as guiding principles [Powell, 1990],

the trust established between INDEX: and its partners or other non-profit organisations is nurtured through mutual favours and support (*Recording 1*).

INDEX: is simultaneously, an informal network. From the very inception of the organisation and continuing still, thousands of thinkers, designers, academics and business professionals have contributed to building the knowledge base on which INDEX: rests and grows.

For easier and more thorough understanding, the INDEX: network will be analysed on different levels of granularity [Moretti, 2017] starting from the micro level of the core-team together with the Jury and Board of directors, to the meso level of partners, award participants and influencers and finally the macro level of national economies and societies at large.

The core team of INDEX: is a complex adaptive network of highly connected individuals organised in three clusters (the Team²⁰, the Jury and the Board of directors) intermediated by the organisations CEO. The jury and board of directors could nearly be described as cliques of individuals, being not for the connection all of them have with the CEO. The adaptive nature of the network comes from the uniform distribution of knowledge and information and the loosely defined job descriptions which allow change to occur within the network without catastrophic consequences. Within the INDEX: network, the CEO has the highest betweenness centrality as the cut-point connecting individuals that would have otherwise remained un-tied. The CEO is also the gatekeeper of the network being the one that brings in new influence (by talking to outsiders and adopting cutting-edge ideas) and also the one that outwardly expresses influence (by being the spokesperson, ambassador and representative of INDEX:).

At the meso level of analysis, the Team is the most central actor of the network with the highest closeness centrality. At this level, the network is still displaying a high degree of connectivity but also a higher degree of dynamism and change (partners, investors and collaborators grow closer or further as required by the circumstances of the times - *Recording*

²⁰“The Team” is a term that will be used throughout the thesis to describe the CEO, managers, executives, etc., of INDEX:. A complete list found at <https://designtoimprovelife.dk/team/>

1). Theories pertaining to SNA are appropriate frameworks for conceptualizing INDEX: at this level. The NPO supports all its core activities by creating ties with outsiders and thus growing its network (*Recording 1*).

In its role of governing network, the organisation decides and adjusts the strength of the ties to support its mission and vision: balanced ties within the triad of itself, projects and investors are preferred so that successful match-making can occur; weak ties in the context of education or partner cities are not problematic since they position the NPO as bridge that mediates knowledge.

Consensus in the literature defines network organisations as giving "access to information, resources, and markets, which offer gains in terms of learning and innovation, economic returns, legitimacy and status, effectiveness, and internationalization" [Moretti, 2017, : 33]. Through its network of educators, investors, partners and professionals, INDEX: does indeed open new knowledge and information horizons for companies, organisations, corporations, schools or cities while at the same time closing the geographical, economical and disciplinary gap. Therefore, the Award participants' opportunities for economic benefits increase dramatically, as does the learning and innovation of those following the education and accelerator programs. Status and legitimacy are delivered to both well-established multinationals that partner with the internationally renowned NPO and small emergent companies whose ideas and business plans get curated by the highly prepared and experienced individuals forming the Jury of INDEX:.

Last but not least, being part of the international network that is INDEX: is primarily beneficial to the youngest and smallest of actors that receive recognition and international exposure through their participation as well as support to increase their effectiveness. Investors are also highly incentivised to be part of the network as it gives them access to carefully curated social ventures to add to their portfolios (*Recording 6*). Finally, the seventeen years of experience and network building of INDEX: are impossible to replicate without enormous

costs and therefore the option of partnering with the NPO becomes a much more agreeable and affordable option for large companies that are rushed into CSR by either laws or customers or even potential employees (*Recording 1*).

The centrality of INDEX:’ position in what can be called the international network of Design to improve life, is an essentially important and strategic placement of the NPO for the accomplishment of its mission and vision. Although a distinction between networks as strategic alliances and networks as moral systems has been advanced [van Loon, 2006], being the hybrid that it is, strategy and morality overlap in the case of INDEX:.

The network INDEX: has worked to build and is now relying on, has as a primary motivation gaining and disseminating knowledge (founder Kigge Hvid admits to this in a series of interviews and talks). Specifically, the collaboration with thinkers, designers, academics and business professionals around the globe, as well as partnering with cities are obvious examples of INDEX: building and disseminating knowledge respectively.

In contrast, the more recent endeavours of INDEX: to create an investment fund that would act as a capital distribution channel are much closer to the concept of network as a moral system. The organisation does not get power, wealth or knowledge by extending its network in such way, but it does extend its capacity of offering support to like-minded projects and investors that are looking to save the world one design at a time.

4.7.1 Network Formation

The process of partner selection is paramount when forming a network [Moretti, 2017, : 38]. First and foremost, the holding organisation of INDEX: has to be assumed as the first partner of the NPO. The Design Society forms an asymmetric dyadic relationship with INDEX:. The asymmetry arises from the funds flowing unidirectionally to INDEX: and from the budget justifications as reports flowing from INDEX:. Even if the Design Society offi-

cially shares INDEX:’ vision [Design Society, 2016], is it fair to assume that they are more classically business oriented than socially oriented. This creates a discrepancy in the expectations and requirements of the Design Society that, in turn, results in a bureaucratic and counter-productive form of control INDEX: is being subjected to [Snowden, 2005].

Gulati and Gargiulo [1999] suggest that stable relationship building require trust in the potential partners, thus turning the network into a source of information about prospective partners and their competencies, availability and reliability. During the initial year of research, the co-founders started consolidating the knowledge for successful partner selection. Therefore, were they able to build the core network of INDEX: (the Power Flower). Trust is arguably easier built in a context that is not capitalist in nature (i.e. the non-distribution constraint of NPOs) while simultaneously less available due to the dependency of vision buy-in. Nevertheless, due to societal trends, cultural characteristics and charismatic leadership, INDEX: succeeded in consolidating a trustworthy, connected network of individuals.

Gulati and Gargiulo [1999] also posit that the larger the amount the of information available in the network, the more the network itself becomes a desirable potential partner for others. As described in the previous section, many of INDEX:’ partners opt into the network because of the trust they have towards the knowledge resource that the NPO offers.

4.7.2 Knowledge and Network Behaviour

Networks as knowledge dissemination structures have been the focus of a multitude of studies in the recent organisational studies literature [Conti, 2011, Etemad and Lee, 2003, Lettieri et al., 2004, Palmer and Richards, 1999]. The transcendence of the old reductionist approach to organisations generated ripple effects throughout the entire gamut of management and organisational studies. Thus, the organisational behaviour of that past that prescribed norms, functions and disciplines has been replaced with its complex counterpart, the network

behaviour [Palmer and Richards, 1999].

Because of their decentralised governance, propagation of knowledge in network organisations is a horizontal process rather than a vertical one [Moretti, 2017, : 30]. Although the INDEX: network is an egocentric one with the NPO at the most central position, the team does not monopolise the knowledge it holds but instead distributes it in a systematic manner. Control is exercised in a friendly manner, avoiding bureaucratic systems and protocols, role specifications are flexible and fluid and the overall atmosphere is exciting and encouraging [Palmer and Richards, 1999, : 195]. Organisational knowledge is a strategic resource [Gulati, 2007, Huggins and Thompson, 2015] and a key asset that fosters competitive advantage [Lettieri et al., 2004]. Inter-organisational networks have been identified to be vital in the innovation process, providing the much required flow of knowledge and information [Huggins and Thompson, 2015, : 107].

Social capital understood as the value of connections of a network has been extensively studied and equated to either power, leadership, mobility, creativity and even entrepreneurship [Borgatti and Foster, 2003]. Social capital is thought to come either from densely connected networks or from structural holes within a loosely tied one [Burt, 2001]. INDEX:’ social capital is present and extracted both in the closely tied network of its core team as well as in the more relaxed macro-network of the NPO.

4.8 Design as Value Using the Balanced ScoreCard Tool

The following section addresses the second sub-question in recognising INDEX:’ value.

French professor Brigitte Borja de Mozota describes a research-based value model for design management and shows how the model can be implemented using Robert Kaplan’s and David Norton’s Balanced ScoreCard decision tool. In her research, she identified four powers of

design: differentiator, integrator, transformer, and design as a good business [Mozota, 2010]. Two of them are particularly relevant for INDEX:.

First, design can be a transformer, seen as a resource that creates new business opportunities contributing to an improvement of processes and an organisation's ability to cope with change; or as an expertise to better interpret a business and the marketplace.

For INDEX:, the concept of design thinking created an additional business unit to the precursory Award and the education program offered to private as well as public institutions. This addition affirmed the NPO's demeanour towards sustainable design and innovation while teaching others that creative thinking can be applied as a problem-solving technique.

Secondly, design can be viewed as good business. It can be a source of an increase in sales, brand reputation, and finally a better return on investment. Design is an enormous asset for society at large, attracting tourism and new business opportunities. INDEX: with its business activities proves the value of sustainable design and innovative solutions.

Apart from the two forces mentioned above, the other two are irrelevant to the current INDEX: business models. Design can be perceived as a differentiator, a source of competitive advantage through brand reputation and customer loyalty. The last force- design as integrator influences product development and usually blurry project management [Mozota, 2010].

Since the comprehension of a design's focus in an organisation has changed, it can be reasonably easy added to a business strategic decision-making process. Design can thus, flow through a design, project management, and strategic departments.

According to Mozota , before the value of design to an organisation can be administered, it is vital to measure the organisation's efficiency in relation to the efficiency of its industry. As stated in Porter's five forces analysis, INDEX: holds a substantial competitive advantage applying the holistic approach to its different customers. For the organisation, design can be perceived as a knowledge resource and design science, making it the coordinator of the

competitive advantage [Mozota, 2010, :46] Design as a resource for new business opportunities and as an asset for the society at large can be seen as INDEX:’ core competency.

Since a competitive advantage brings economic value added (EVA) it is paramount to observe the ways it is created. Financial value, one of the components of EVA, is achieved for the organisations’ stakeholders. In INDEX:’ case their political forces, investors, and society as a whole. The substantial value, the other component of EVA, is generated for the organisation suppliers, customers, and employees. For INDEX: these two receiver groups are blurred. The government is the political force, the supplier and the customer.

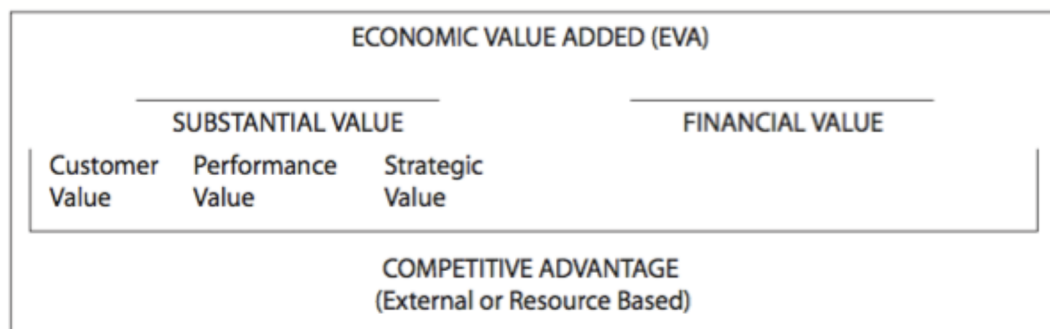


Figure 4.8: Economic Value Added: Taken from "The Four Powers of Design: A Value Model in Design Management" by B.Borja Mozota, 2010 *Design Management Review*

Thus, measuring the impact of design value is a fundamental element for managers who want to consider design as a tool for value management. Some might think that visually presented traceable impact would be better received by business individuals. Mozota proposes using the Balanced ScoreCard along with her four design perspectives to demonstrate the value added [Mozota, 2010]. Therefore, customers’ perspective equals design as a differentiator; process perspective to design as coordinator; learning perspective corresponds to design as transformer; and finance perspective is viewed as design as good business [Kaplan and Norton, 1996].

There are certain benefits of the adjusted design value BSC model for a measurement tool for INDEX:. The model applies strategic and long-term driven decisions which perfectly

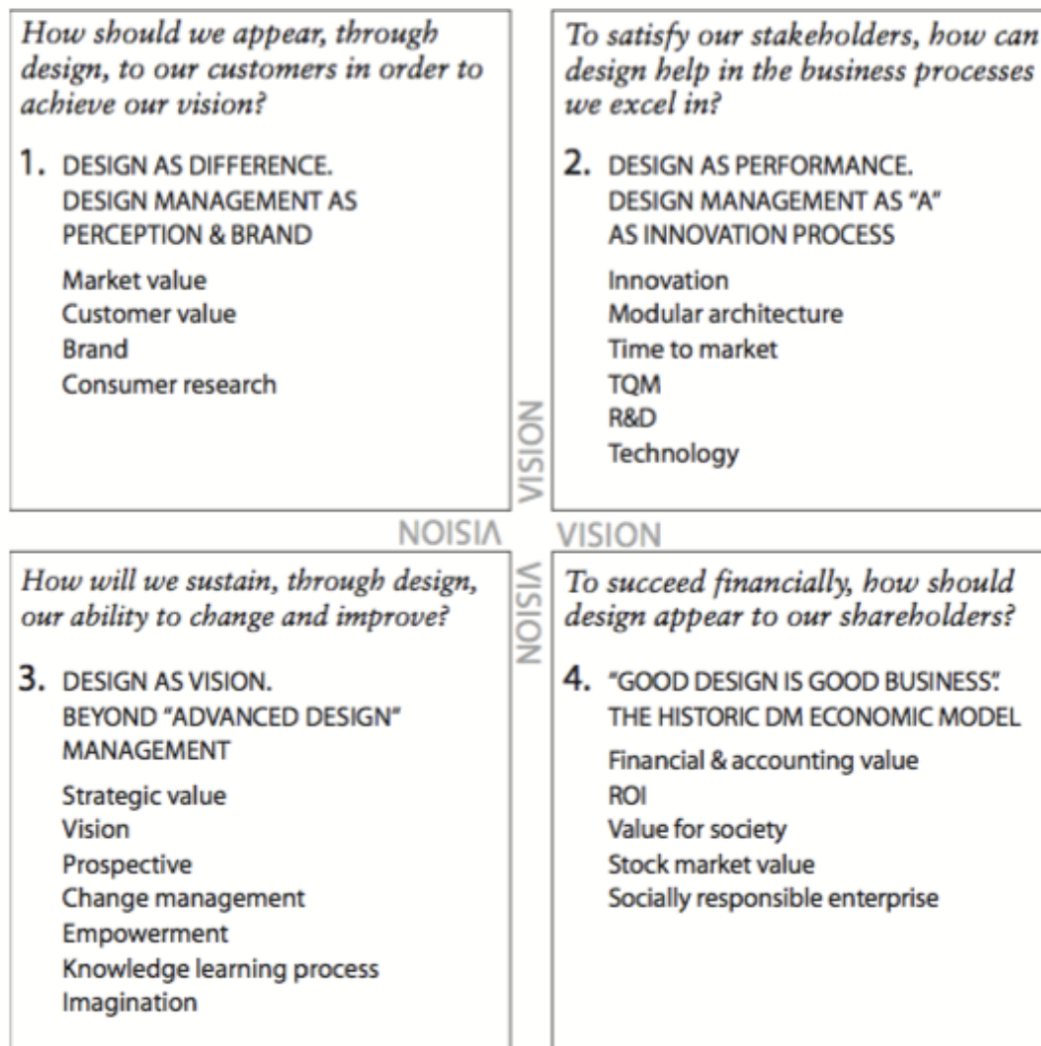


Figure 4.9: The Value Management BSC: Taken from "Linking the Balanced Scorecard to Strategy" by R. Kaplan and D. Norton, 1996 *California Management Review*

coincide with the design thinking concept sharing a common holistic vision. It is relatively easy to implement to the four critical perspectives. Additionally, contrary to SBSC, the value management BSC takes on both the internal and external perspective. Most importantly BSC is a sequential model affecting all out-takes(e.g. an improved organisational process influences financial profit which in turn affects customers satisfaction and so on).

Ultimately, design is seen as a strategic tool of the NPO; INDEX:' culture and leadership style are a result of strategising and seeing design as an active tool in managing business.

However, it is crucial to note that Meadows and Pike [2010] criticise the unclear and interim links of BSC and suggest applying the analysis three times in a time frame of ten years in order to assess the situation in the short, medium and long-term [Meadows and Pike, 2010].

Chapter 5

Discussion

The subsequent chapter aims to question the most crucial findings of the thesis, consider their importance and their different interpretations and hence, future strategy for INDEX:. The organisation's external and internal situation has been previously analysed and discussed from several perspectives. The objective is now to develop the best strategy practice for INDEX:. This section can also be viewed as reflections of the analysis.

The key matters identified in the analysis are the requirement to demonstrate growth in the Danish private sector, the lessened network efforts for award finalists, and the small size of the organisation.

Desk research has established that not-for-profit organisations that wish to create a socially decisive change struggle with assessing their impact in a traceable manner.

One of the reasons for establishing a common impact assessment framework is INDEX:' reliance upon funds received from the Danish Ministry of Business and Growth. The grant limits the organisations' possibility for autonomy since INDEX: must positively influence the growth of Danish private sector. Hence, the organisation through its initiatives should also demonstrate to Danish taxpayers how their activities are beneficial to Denmark. For instance,

the Danish Design Centre uses an online tool that calculates its economic impact on the tourism industry in Denmark (DDC, Effektmaaling)¹. It is inarguable that being an organisation supported by the government carries a social proof that allows for achieving global reach. At the same time, the Danish State does not have the resources to perform INDEX:’ program, and therefore, craves the NPO to administrate the commonly agreed initiatives.

As we found out from our discussions with the Team, the Capital region of Denmark will soon terminate its agreement and will no longer co-fund with The Ministry of Industry, Business, and Financial Affairs INDEX: fund (*Recording 2*). A new supplier could require new KPI’s to be fulfilled, and therefore, influence and change some of INDEX:’ initiatives.

A commonly understood proof of success could potentially attract more private investors to sponsor other of INDEX:’ initiatives such as education and investment programs.

However, it is essential to state that INDEX: is good at collaborating with investors. Its private venture capital outstandingly funded seven investments before its official public announcement. Since the two collaborations are performing well, it is advisable to look at other identified INDEX:’ issues.

The educational programs have initially been the ones who brought income flow to the organisation. Unfortunately, due to design thinking concept becoming more and more popular the once unique point of INDEX: is a cash cow no more. The initiatives are not required in the performance contract, therefore, are not funded by the Danish State. However, often the innovation-based projects offered to schools are sponsored by philanthropic organisations and municipalities. Perhaps, this is something that could be up for a debate with the Danish government. On the other hand, offering consulting services to businesses could continue the current business model of education being fee-based. However, INDEX: believes in empowering individuals to interpret design thinking tools in their own way. The education program, just as other business units, if not more, should be based on cooperation with networking partners.

¹DDC’s report on measuring their impact retrieved from <https://danskdesigncenter.dk/da/effektmaaling>

Thus, a new way to capture more funding for educational purposes should be further examined.

Data analysis established that, for contestants, INDEX:’ value proposition is found in network development. And the fact that it has been lessened or even neglected shows that the organisation should reposition its strategy for the AWARD business unit and strengthen its position as a service provider. In fact, the Award winners and thus, new network participants could become future donors since 80% of the selected projects succeed in their business efforts. Therefore, more nurturing network initiatives such as newsletter subscription, another form of formal or informal events where network participants could meet and mingle, or merely informing the participants whenever INDEX:’ team travels out of Denmark for a possible physical meeting could bring higher satisfaction among finalists. Perhaps the rather small size of the Team influences the lack of services’ improvements; therefore, a new solution to the problem should be considered to remedy the situation.

It is profound to also draw the attention to the fact that from an outside perspective INDEX:’ activities might resemble those of Design Society’s other subsidiary- the DDC. Both organisations run international design awards with somewhat different profiles. DDC recently started focusing on the broader view of design (digital design, service design, societal design) but to win DDC award one has to be a Danish designer or have an established business in Denmark. Both organisations, teach design thinking courses with the exception that INDEX:’ primarily focus on children and youth whereas DDC aims its didactic initiatives at businesses. Hence, the question arrives that the two organisations collaborate and merge their skills and competencies. The merger will certainly provide both organisations with more resources to carry out their new mission.

However, we believe that the more traditional design nature of the DDC and its focus on Danish Design is a potential threat to the global character of INDEX: and its strength in selecting the best solutions to improve life from all over the world regardless of the nationality. A potential merger would menace the brand and authenticity of INDEX: and its mission

to challenge the traditional view of design and be yet another limitation to the disruptive tendencies of the organisation.

5.1 Strategy Scenario/Proposal

After recognising and studying the key identified matters, we derived a possible strategy for INDEX:. The strategic choices will emphasise the strengths of the organisation meaning its award ceremony, an established network, and an investment fund. Subsequently, the strategic opportunities will restore and manage INDEX:’ weaknesses and limitations such as underused network, declining state of the education business model and the dependence on the Danish government and its requirements.

Snowden (2005) indicates that systems need to fluctuate between ‘order’ and ‘chaos’ constantly - a perfect description of INDEX:’ which the previous CEO, Kigge Hvid, compared to a bumble bee that continually falls and rises again. It can be assumed that INDEX: could benefit from a more stable strategy that could be applied to all the business units. After all, any change in one part of the systems will influence the others [Katz and Kahn, 1978]. Thus, to improve and stabilise the achievement of INDEX:’ intended goals through sustained value creation, we would thus propose a suggestion, unique and clear for all the business units and the stakeholders involved.

This scenario will be explored in depth in the following chapter.

Chapter 6

Suggestion

Currently, INDEX:’ business strategy focuses on developing three business units - Award, Investment, and Education. Even though all of them are driven by the same mission, they are not currently aligned to support one another. Therefore, we propose a network-based solution that will help INDEX: address their stakeholders’ needs and value creation. Furthermore, the new strategy will help INDEX: become more self-sustainable and less dependable on external factors (e.g., market change, funding from the government, competition).

The following section will present the strategies for each business unit, aligning them afterwards in the form of a final suggestion. Furthermore, in this chapter, we identify the KPI’s and objectives that INDEX: needs to fulfil for the strategy to succeed.

6.1 Award

INDEX: Award has always been the key business activity for the organisation. Over the years it has become one of the biggest design awards in the world that connects like-minded individuals to solve global challenges. However, growing competition and the threat of

substitutes require that INDEX: increases its value creation to stay in business. Our analysis has identified three main areas that need to be addressed to create higher impact for its stakeholders: Network Development, Global Reach, and Success Rates.

6.1.1 Network Development

After collecting the data from INDEX: Award winners and finalists we have come to the conclusion that there is a lack of network development and involvement from INDEX:. A high number of participants, as indicated in the analysis, have pointed out that they see the network as one of the key values of INDEX: and therefore, would like to have better access to it and means to engage with it. INDEX:' team is aware (*Recording 2*) that lack of network development is one of the current weaknesses and therefore, they need to be more proactive in this field.

Hence, we believe that a more nurtured network would help INDEX: to attract more projects and encourage them to build a community of mutual benefits and support. Better award community involvement would allow more extensive knowledge sharing among participants, and it would lead to cross-sector partnerships that can strengthen the nominee's business development process and increase growth. Furthermore, participants would have a chance to share their success/failure stories, inspire, encourage and inform other designers. Finally, it would create engagement towards the INDEX: brand. If the strategy proves to be successful, nominees will become INDEX: ambassadors and in the long run, community leaders across the globe.

To test this solution INDEX: should implement network development activities (e.g., digital platform, events, newsletters, follow-up emails) for the 2017 Award nominees. After one-year nominees would be invited to participate in another customer experience survey. The results should be compared with previous award answers. The strategy proves to be successful

if the results of the satisfaction survey are significantly higher than the previous years.

6.1.2 Global Reach

INDEX: works with a vision to achieve a global mind-shift. Therefore, for the organisation to be successful, INDEX: needs to continuously increase its global presence. We believe that increasing global reach will help INDEX: to become more recognised and valued around the world. This can be achieved through more focused marketing activities and engagement with communities. As indicated in the previous section, network development activities should focus on making nominees ambassadors of INDEX: and thus catalysts for global growth.

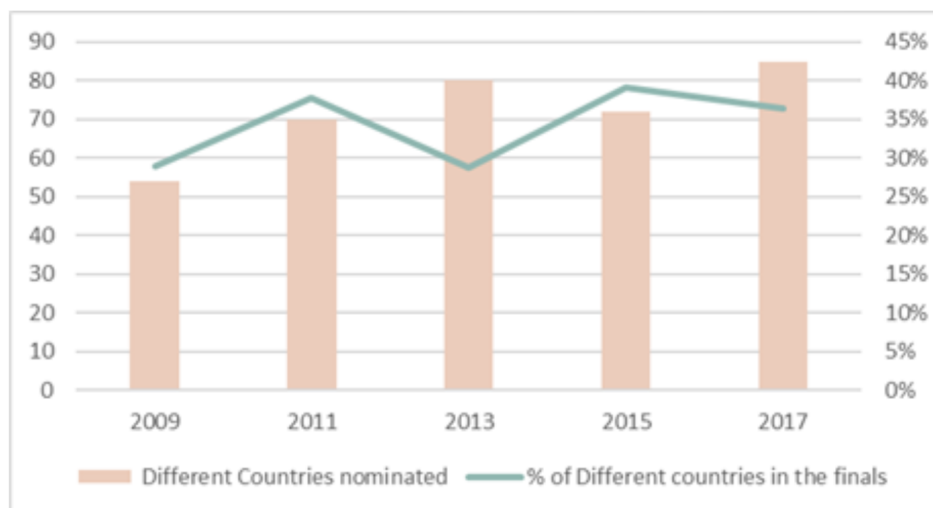


Figure 6.1: Global growth of the INDEX: Award between 2009-2017

Figure 6.1 indicates that over the years the organisation has become more global; however, the growth is unsteady and slightly fluctuating. To verify if INDEX: is increasing its global reach, the number of nominees and companies in the final of 2019 must be compared to the previous years. Therefore, for the strategy to be successful, INDEX: should aim for 85 or more different countries applying for the 2019 award, and at least 29% of the different

countries being represented in the finals (29% being the minimum between 2009-2017).

Furthermore, global reach can also be measured by the number of invitations for INDEX: to participate in the global design events (e.g., design exhibitions, talks, community events). As INDEX: is already actively participating in different events around the world, increased engagement from global communities would indicate brand recognition.

6.1.3 Success Rate

The final part of the INDEX: Award strategy is the Success Rate of Award Finalists and Winners. The data analysis has proved that INDEX: is very good at selecting early-stage business solutions that have a very high success rate of becoming established and self-sustained businesses (average of 85%).

The high success rate proves that INDEX: is very good at nominating the most successful, capable and valuable projects. Therefore, we believe that sustaining the average 85% success rate will attract more investors for the projects in the future. However, to do that, INDEX: needs to start collecting data about its participants and constantly re-evaluate their businesses growth. Based on that data, a more precise success rate, which assesses participants business growth over each year, needs to be designed.

Such a number is a tangible value indicator that could attract more funding. Furthermore, if aligned with network development activities, the data collection will not require a significant amount of resources.

6.2 Education

The Education business unit offers fee-based design thinking courses, tools and consulting services to private institutions and municipalities. In the new strategy, we suggest focusing on shifting education from large organisations and institutions to communities and individuals. It will require fewer resources from INDEX: and will potentially create higher impact both for INDEX: and for participants.

Communities and individuals are understood as being the group of people that share an interest in design to improve life. The focus of INDEX: Education should be on providing tools, knowledge, and resources to those that already have an interest in problem solving, but have not yet been able to fully build successful businesses within this area (also including previous award nominees that have not yet been selected to the finals and that need to advance their ideas).

To test this solution, INDEX:, needs to first identify different ideas and gauge their potential to improve life. Afterwards, the educational resources will be dedicated to the most promising ones. We will measure the success of a solution by how many of those ideas will be nominated for the award. The strategy will prove to be successful if at least 80% is among nominees and at least one gets to the final within the 1st year after the education program.

6.3 Investment

Currently, the Investment business unit focuses on the venture fund to support early-stage businesses that are usually INDEX: Award winners and finalists. Even though the new fund was only recently created, it has proved to be successful, and there had already been seven investments made in 2017 before the fund went public (*Recording 2*). This proves that both supply and demand are present. As indicated in the previous section, measuring and

publicly communicating success rates of established nominees' businesses will help to attract even more funding and sustain the value creation.

The Investment business unit is one of the key revenue streams for INDEX:.. Therefore, we believe that if INDEX: wants to become more self-sustainable, higher emphasis should be placed on investment activities.

Our solution focuses on creating one more investment fund dedicated to educating communities and individuals on how to create solutions to improve life. The fund will focus on attracting larger corporations with high CSR budgets that are motivated to solve world problems. According to the Financial Times, companies in UK and US spend over \$15 billion a year on CSR activities¹. Furthermore, a variety of reports and studies proves that the interest in CSR and the UN's sustainable development goals have become a new trend in the traditional business world. More and bigger corporations are starting to realize that they have a moral obligation to society and its stakeholders².

Several factors can guarantee the success of the fund. First, INDEX: is a global and well-recognised organisation in the Social Sector. Investing in CSR through INDEX: would not only increase brand recognition for the corporations but would also help to ensure brand reputation and their customer's perception thereof. Secondly, INDEX: Award has proved to be a great success. The organisation has the knowledge on how to select the most promising social business ideas in their early stages. Finally, INDEX: already has the global network of people that are required for the fund to succeed.

From INDEX:' perspective, the fund would give them a chance to use their resources to achieve the highest impact. Furthermore, the new fund would become an additional revenue stream that in the long run would allow INDEX: to become more self-sustainable.

¹'Fortune 500 companies spend more than \$15bn on corporate responsibility' by the Financial Times, retrieved in July 2018 from - <https://www.ft.com/content/95239a6e-4fe0-11e4-a0a4-00144feab7de>

²'When It Comes to CSR, Size Matters' by N. Craig Smith, retrieved inn July 2018 from - <https://www.forbes.com/sites/insead/2013/08/14/when-it-comes-to-csr-size-matters/#57bfedb452a2>

To identify the potential of the fund, comprehensive market research needs to be made. INDEX: needs to investigate how many corporations would be interested in taking part in the fund and to what extent. Afterwards, the investment capital size needs to be set by INDEX: and reaching their targets would measure the success of the fund.

6.4 Combined Strategy

For the mentioned separate strategies to succeed, all INDEX:’ business units need to be aligned to support one another as each of INDEX:’ business activities are highly dependent on the others. To achieve higher impact, the organisation needs to allocate its resources to support its mission. A network strategy ensures that each business units supports and enhances one another to create a circular value stream, as illustrated in Figure 6.2

We believe that INDEX: should continue investing in the Award participants, but also create an additional fund that helps communities and individuals to develop improved and more sustainable business solutions. Better solutions will result in more participants in the INDEX: Award. Increased competition will motivate designers to produce greater solutions. Furthermore, a higher number of INDEX: participants will increase recognition and global reach for the organisation. More network involvement will allow more knowledge sharing and therefore, will result in a higher growth of companies. More successful companies coming from INDEX: Award will ensure a return for the investment fund and in turn will attract more investors.

Each of these parts is dependent on one another. The success of the Education program depends on the Investment one. As the focus of Education shifts from the corporation (fee-based) to communities and individuals (free or low fee), INDEX: will become more dependent on the Investment Fund. The size of the fund will determine the number of people that INDEX: Education will reach.

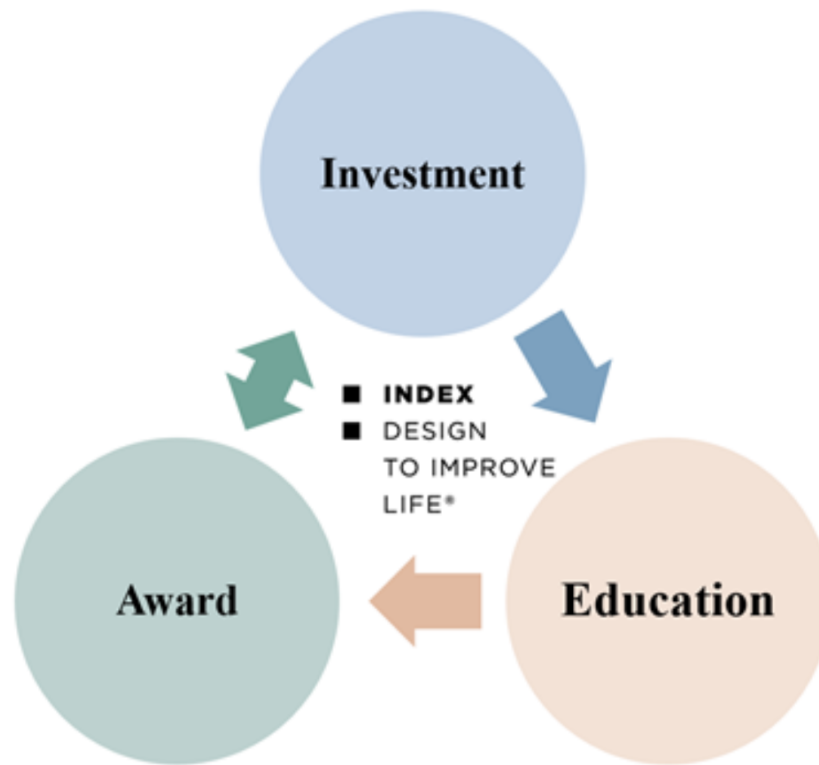


Figure 6.2: A Combined and Circular Strategy

The success of the Education program directly affects INDEX: Award. With the help of INDEX: Education, communities, and individuals will be able to create solutions that more extensively address the "design to improve life" mission. Helping companies in the very early stage will allow INDEX: to create higher impact and have their values embedded in them. Therefore, it can be assumed that such solutions will have a higher chance of being nominated and selected to INDEX: Award. Having more companies participating will increase recognition and growth of the award.

Better network development within the Award communities will allow more comprehensive knowledge sharing. This, together with increased accessibility for cross-sector communication and co-creation will ensure higher growth for the businesses. Therefore, it will become

easier to sustain the 85% success rate needed to attract relevant investors.

Furthermore, if INDEX: Education will mobilise its focus on business development, the solutions that will be selected for the Award will naturally be more self-sustainable.

Even though this solution will require several changes within the organisation, we believe that in the long run it will increase efficiency and will make sure that each business unit works to support one another.

This strategy proves to be successful if all the KPI's on each business unit are met and if INDEX: becomes more self-sustainable.

6.4.1 7S & 7P

The following section furthers the previously described solution by making use of two classical business analysis frameworks in order to better assess the feasibility of our proposition. Additionally, in order for the suggestion to be viable and realistically applicable, strategic actions should be prioritized to account for the current state of affairs of the organisation.

The 7-Ps framework is a service oriented adaptation of the 4Ps Marketing Mix and together with the McKinsey 7Ss framework is traditionally and presently employed as a strategy assessment tool.

The 7Ps of INDEX:

Even if marketing is not an activity that has been generally associated with NPOs, a variety of the current outer circumstances of these organisations make marketing and advertising more and more of a necessity.

The success and survival of INDEX: is dependent, as it has been outlined throughout

the report, on the maintenance of close and mutually beneficial relationships with all of its stakeholders; marketing and advertising play a vital role in nurturing these ties as well as in spreading awareness of the vision of the NPO and all the ways in which it has already achieved its mission.

Product/ Service: In INDEX:’ case, the services being offered can be regarded as the different types of benefits its stakeholders are receiving from the NPO; network and recognition for the award participants have been identified to be the most sought after; educational tools, networking and access to investments are all vital for projects still in their infancy but harbouring big dreams; design education and access to an inspiring network of innovators is assumed to be beneficial for communities. As previously elaborated on, we consider INDEX: to be proficient in offering its services with the sole recommendation for additional network nurturing in terms of consolidating existing and relationships with those participating in the INDEX: Award.

Price: All of the programs implemented by INDEX: require funds to secure their successful completion. Additionally, a personal cost is inquired in terms of time, political stance or involvement from different individuals interested in the attainment of the NPOs mission. Currently, INDEX: relies on government funding to conduct its main activity, the award. This; however, might not always be the case and thus, our recommendation for alternative sources of consistent financing.

This awareness is not new for INDEX:, the NPO having been entertaining the thought of a private investment fund for some years already. Additional to the investment fund that the NPO has already initiated, a second one focused on education has been suggested. This would allow consistent support to delivering relevant design education directly to the communities and individuals needing it, provided by those large companies that are involved already in one way or another and would donate to foundations anyway.

Thus, by maintaining its current strategic pricing of 2% of the liquidities present in the

Venture Capital Fund and adopting equal pricing for the Education Fund, INDEX: is expected to experience a more stable financial situations.

Place: INDEX: is already an organisation with global reach, a feature that is to be maintained and improved on. Firstly, as already mentioned throughout the current chapter, developing INDEX:’ network through community leaders and closer ties with previous participants would increase the visibility and in the same time the accessibility of and to the NPO. Secondly, a better, potentially more specialised used of the online space to create virtual communities or a platform-type of digital meeting place is seen to hold significant potential for the NPO’s services being reached by its beneficiaries.

Promotion: Vital for creating a better recognition of the brand that is INDEX: as well as of the projects participating to the different activities offered but the NPO, promotion should be aligned throughout channels and areas of activity. As suggested in the analysis the organisation should also extend its social media presence to have stronger influence its visibility and retention of participants. The non-profit nature of INDEX: translates into limited monetary resources available to the organisation but this should not limit this area of activity even if at first sight it might not appear as essential for the organisations’ mission. A viable alternative of paid advertising, that has been embraced already by INDEX: is that of organic promotion performed by those truly supportive of the NPO’s mission; enhancing its network of ambassadors and community leaders is bound to result in a much larger amount of organic advertising of INDEX: and the projects it supports.

Physical evidence: The results of INDEX:’ activities have an intangible, delayed and somehow subjective nature and therefore, physical evidence of the services they are delivering in exchange for funding is paramount for securing investors and donors. The most obvious and relevant such evidence is the glamorous INDEX: Award that stands as proof of the extensive and influential network INDEX: has built and is leaning on. Additionally, the award exhibitions as well as networking events such as the Investors day, are great physical reminders and

evidences of the value created by the NPO.

Process: Because of the necessity that INDEX: has for a stable incoming flux of capital, we see the venture capital fund as being an optimal process for the NGO to guarantee investments. Similarly, a fund for education would smoothen the pipeline for delivering design thinking tools and empowering communities.

People: INDEX:’ team, the board of directors and jury have proven their professionalism, efficiency, effectiveness and all round capabilities time and time again. The reputation of the NPO is founded on the people involved in its activities and except suggesting a more expanded team, no other remarks seem to be in order.

6.4.2 The McKinsey 7-S Framework

The basic premise of the framework is that there are seven internal elements of an organisation that need to be aligned for it to be successful. All of the aspects are interdependent, a change in one affecting all the others. The framework is composed of ”hard” elements (strategy, structure, and systems) that may be easier to define and are directly influenced by management. The the other ”soft” elements, on the other hand, can be more challenging to identify, are intangible and can be easily changed by cultural influences. All of these elements are equally important to the prosperity of the organisation. Placing ”Shared Values” at the core of the model stresses that these values are critical to the development of all the other vital elements. As the values change, so do all the other components (7S Framework, 2016).

Shared Values: The first mention must be that purpose has been and still is driving the organisation. The urgency and strength of the vision of Design to improve life has gained sufficient momentum to build a solid core network that in turn attracted an extensive number of individuals that resonated with it. This is apparent in the organisation’s culture, the way the Team talks about their daily tasks, and the way external partners express their admiration

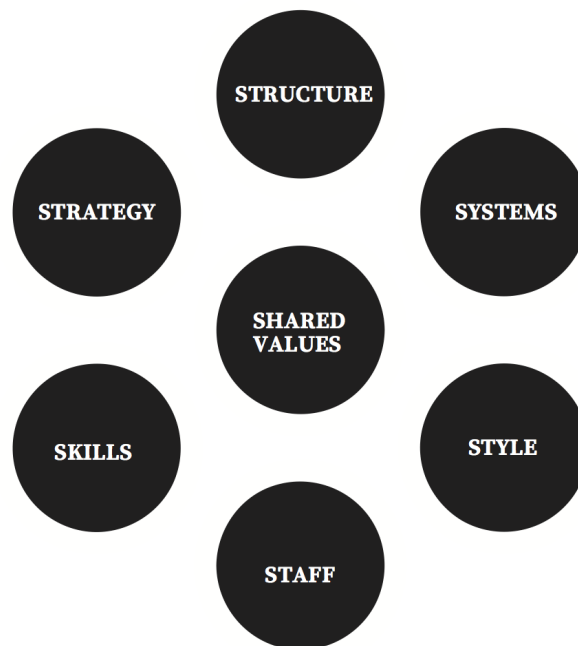


Figure 6.3: The 7-S Framework - Based on Mckinsey & Company, 2016 www.mckinsey.com. Copyright 2016

for the organisation (*Recordings 6 and 7*). Furthermore, the NPO's organisational mottos explicitly express the espoused beliefs that serve as guidance not only in conducting their activities but also in selecting potential network partners.

Strategy: On the industry context INDEX:’ strategic management wrestles the tension between compliance and choice. The dependence on the Danish State limits the organisation’s opportunities; however, it’s crucial to note that initially, the government allowed the NPO to spread its wings while currently providing INDEX: with public trust and a proof of the organisation’s reliability.

INDEX: carries a distinct business model: it has an entirely different configuration than the one of a typical NPO thus, making the barriers to imitation and substitution difficult to

copy. The organisation takes on varied approaches to strategy depending on the business unit concerned: award show, education or investment program.

INDEX: builds on its unique competencies and resource base and thereafter attempts to find or create a suitable market to fit in. This inside-out perspective [Wit, 2017] is shaping INDEX:’ business model. Since the educational and investment program are not required in the performance contract, the strategic choices differ from those around the award show. The organisation separates demands over various units being more opportunity driven in the latter programs.

The market positioning as well as understanding and responding to external developments fits more into the outside-in perspective [Wit, 2017]. This parallel processing allows for more competitive moves in the development of the Venture Capital while at the same time leverages INDEX:’ resources to design a unique value proposition; co-creative network.

Structure: INDEX: is composed of nine full-time employees, seven board of director members and twelve jury members. The board of directors collaborates with the CEO and management team to advise and makes suggestions on strategic choices. The Team’s rather small size might be considered a drawback to the global development of the organisation but its network structure can be seen as an attempt to mitigate this limitation. Nevertheless, a network structure of a slightly larger team of individuals could exponentially enlarge the capabilities of INDEX: as a whole.

While the currently restrictive financial resources of the organisation can limit its ability to expand its core Team, the Scandinavian culture for volunteering can be used as a resource. Involving capable and dedicated individuals on a volunteering basis would allow INDEX: to strengthen key activities such as building networking platforms and expanding the pool of investors and other types of external supporters.

Systems: The team at INDEX: engages in the three business units’ activities. For the

award program, the Danish State requires half-yearly reports about winners for the next five years (*Recording 2*). Currently, the nomination system for the 2019 award is live adding to the importance of communications and documentation storage for the network development. The Danish State controls and evaluates the organisation when it comes to the public business model while also providing the NPO with the Information systems required for its daily activities. However, the survey results suggesting that the monetary prize is not the main incentive for participating in the award can be employed to leverage the value that INDEX: creates in terms of international recognition and community building.

Style: Currently, the organisation is in a leadership adjustment period. Both former and present CEO were creating an organisation "where people connect to other people" (*Recording 2*). INDEX:' culture and leadership style is also a result of strategising, seeing design as an active tool in managing the organisation while holding values of empathy, trust, and innovation. The team believes that every individual should interpret design on their own, keeping, thus, an open attitude towards sharing educational tools and other programs. Additionally, the egalitarian, inclusive, and balanced Danish work culture constitutes an important characteristic of the NPO's style that has been introducing it across borders.

Staff: Everyone at the organisation is passionate about their work and it is obvious in every interaction with INDEX:. The employees hold expertise about the organisation and its areas of activities considering their long-term employment and the general success of the NPO. However, the small number of team members pursuing to conquer and change global mindsets represents a limited resource that in turn limits the organisation's reach. Developing stronger networks amongst communities, their leaders and industry representatives can potentially bypass this restriction of human-resources. Being in their own best interest, people would voluntarily involve themselves in furthering INDEX:' mission, hence turning the collaboration in a positive sum game. The survey and interviews conducted throughout the research process made it apparent that a vast majority of those that have, in some form or another, been

involved with INDEX: (from Award participants to speakers and educators) would gladly offer their own knowledge and network resources to further the organisations mission. Being deeply identified with the concept of Design to improve life, social entrepreneurs and enthusiasts of social design should be the first to be made ambassadors of the INDEX: brand. This would be in accord with the current strategy of organic promotion that INDEX: adopts and would increase the global presence and recognition of the NPO without additional costs.

Skills: The Team is known for identifying innovative solutions in their early life cycles. The holistic approach towards design thinking and hence diverse expertise in the organisation is another factor that makes INDEX: unique. Additionally, the international jury is composed of talented individuals with design thinking expertise from all over the world, and each one of them adds to the unique intelligence of the team.

One of the missing aspects identified in the data collection process that requires improvement is robust communications after the award ceremony. This result has been confirmed with INDEX: at one of the meetings (*Recording 2*) and thus, constitutes our strongest suggestion to the organisation. Keeping in line with the current resources of INDEX:, the most comfortable first step towards a stronger connectedness and communication would be a more often distribution of newsletters and updates as well as the organisation of local events where all network actors would be invited as a gesture of requesting for their involvement and a sign of gratitude for their collaboration. Further, because of the global distribution of the INDEX: network, not everyone can be expected to participate in these events and thus a substitute approach should be implemented in the form of an online forum or platform that would allow real-time communication and thus, stronger ties with INDEX: and each other.

Chapter 7

Conclusion

Throughout this exploratory thesis, it has been established that INDEX': network, which has been continuously developed through all its years of activity, is a core value of the non-profit organisation.

The secondary research that is foundational to this thesis has shown that INDEX: is a non-profit organisation when it comes to its fundamental business unit INDEX: Award. The organisation's creative business decisions are dependable on its main supplier and customer, the Danish State and its yearly requirements. The two remaining business units INDEX: Education and INDEX: Investment vary in their mission budgets as they both deliver profit to the organisation allowing for more opportunity-driven strategic decisions and hence, characterising INDEX: as a social enterprise.

INDEX: is supported and partnered by a host of critical stakeholders: the government, philanthropic foundations, corporations, municipalities, and private investors who are customers and who at the same time leverage the organisation's business model. INDEX:' extended team: board of directors and the jury, BCG and the Royal Family, make up for another group of strategic alliances. However, the programs' participants are the most prominent

element in INDEX': mission achievement.

The primary research conducted indicates that INDEX:' value proposition is the community network for creatives and business professionals that brings design recognition to those that participate in the award and serves as a preliminary selection tool for the investors. However, results identified in the data collection that have been confirmed by INDEX:, suggest suboptimal network engagement after the Award show.

Due to the high-level of NPO's rivalry of NPOs being exceptionally high, INDEX:' competitive advantage needs to be emphasised. Thereby, a circular approach to the network strategy is recommended for INDEX:. The proposal ensures the alignment of strategic decisions for the organisation's three business units. Finally, the suggested network strategy will improve and stabilise the achievement of INDEX:' mission goals and differentiate it from organisations with similar missions.

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Appendix A

Complex Systems & Social Network Theory Glossary

Individual Level Concepts	
Centrality:	The degree to which an actor is in a central role in the network
Closeness centrality:	The ability to reach many other actors
Betweenness centrality:	Connecting other actors who have no direct connection
Homophily:	The degree to which similar actors in similar roles share information
Isolate:	An actor with no ties to other actors
Gatekeeper:	An actor who connects the network to outside influence
Cut- point:	An actor whose removal results in unconnected paths in the network

Table A.1: Social Network Analysis Concepts Adapted from "The Historical Evolution and Basic Concepts of Social Network Analysis" by K. Fredericks and M. Durland (2005: 18, 19) and "The Network Organization" by A. Moretti (2017: 5,6)

Network Level Concepts	
Ego:	The focal actor
Alter:	The other actors to whom ego is connected
Dyad:	Two actors who have a connection, a relationship
Triad:	Three actors who have a connection, a relationship
Clique:	A subset of actors within a network who have ties with all other actors within that subset and no outside actor exists to have ties with all actors
Density:	The proportion of the total available ties connecting actors
Centralization:	The fraction of main actors within a network
Degree/ Reachability:	The number of ties connecting actors
Connectedness:	The ability of actors to reach one another reciprocally, that is, the ability to choose a relationship between both parties
Asymmetry:	The ratio of reciprocal relationships - those relationships that are mutual - to total relationships within a network
Balance:	The extent to which ties in the network are direct and reciprocated
Small World:	Actors are grouped into small clusters, and only a few ties exist between clusters, resulting in a short average distance between actors
Structural hole:	A gap between two actors that can be spanned by a third actor who can become the only intermediary between them

Table A.2: Social Network Analysis Concepts Adapted from "The Historical Evolution and Basic Concepts of Social Network Analysis" by K. Fredericks and M. Durland (2005: 18, 19) and "The Network Organization" by A. Moretti (2017: 5,6)

System Type	Chaotic	Complex	Complicated	Simple
Decision model	Act-sense-respond	Probe-sense-respond	Sense-analyse-respond	Sense-categorize-respond
Practice	Novel practice Avoidance of failure	Worst practice	Good practice Imitation of success	Best practice
Related techniques	Cynefin development area: sense making, narrative and network management		Systems thinking; Scenario planning; Market intelligence	Process-reengineering; Standard operating; Procedures
Nature of knowing	Emergent, experimental, uncertain, knowledge of conditions but not outcomes		Empirical, hypothesis based, objective validation or refutation	
Nature of management	Decisive-directive	Information-consensual	Oligarchic-consensual	Hierarchical-directive
Network	No connections	Tightly connected network, loosely connected centre	Tightly connected centre, tightly connected network	Tightly connected centre, network connections irrelevant
Diagnostics	Every diagnostic is an intervention and every intervention is a diagnostic		Diagnostic can be isolated from intervention and do not impact on system behaviour	
Illustrative legitimate domain use	A source of innovation and new perspective	To enable self-organisation	Use of expert knowledge	Process control to for safety
Illustrative illegitimate domain use	Accidental precipitation into a crisis	Anarchy without control of any time	Refusal of experts to accept new ideas	Over control preventing progress
Focus	Effectiveness: allowing a degree of redundancy to create adaptive capacity		Efficiency: stripping away superfluous functions to maximize productivity	
Nature	EXPLORATION		EXPLOITATION	

Table A.3: Glossary of Terms describing Complex Systems. Taken from "Strategy in the context of uncertainty" by D. Snowden (2005: 51)

Appendix B

Interview guides

Investors

- For how long have you been investing in early stage businesses?
- How do you decide in what to invest? Do you track trends in your market? what criteria are you looking at?
- What are your philanthropic interests and why?
- How long do you usually stick with an organisation or issue?
- Do you prefer to give a little to several organisations or more to a few?
- What does motivate you to invest ?
- What do you consider as an attractive idea?
- What motivates you to invest through INDEX? What kind of value do you feel they bring?On top of that? What else?
- What role does INDEX play in the facilitation and developing of the idea of the projects?

- What is positive impact for you?
- Could you elaborate on your role in Index? what projects he invested in/worked with while being with Index?


Nominees / Finalists


- How did you find out about Index: Award? Who nominated you?
- What made you apply for the INDEX award?
- When designing the product/solution have you aimed at solving a global challenge?
- What value have you received from Index award?
- Did you use other Index services (e.g. summer school or other events) to develop your business model? If yes, do you believe it has created value for your organization? What did you get out of it? If not, why not? regarding:(1) Brand recognition (2) Sharpening business model (3) Financial resources (4) Networking
- Have you considered applying for other awards? E.g. Danish Design Award, Design Value Awards - Design Management Institute
- What value do you feel Index: Award brings in general?
- Do you still keep in touch with Index?
- What do you believe are the main benefits that you have got from winning the award?
- How have you used the award?
- What are the touch-points for after the event communication?
- Did Index award make an impact on your business (growth)? If yes, what kind of Impact? If no, why not?

- Can you briefly tell me how your journey with INDEX was after the award? How often did you communicate with them and what were the communication about?

Appendix C

Interviewee profiles

<u>Interviewee Facts:</u>	<u>Quotes:</u>
 <p>Bren Smith Green Wave</p> <p>INDEX: Award Winner 2017</p>	<p>" (INDEX:) changed some of my own perspectives on my work (...)glad they've found me"</p> <p>" we did use the accelerator, I think (...)the communications platform was really helpful, some of the media work, (...) some of the strategic thinking there has really helped us, so I think we used it as both communications as well as knowledge network"</p> <p>" I think INDEX: brings a new perspective or lens at looking at long standing problems (...) I think we're sort of too caught up in just the boxes of economists looking at problems and environmentalist looking at problems and I think design lens is probably gonna be one of the really important tools for the problem solving"</p> <p>" what I've learnt is that design really allows for multi-tier analysis and like concrete building but also with a systems approach(...) it's a integrated approach to problem solving"</p>

<p>Interviewee Facts:</p>  <p>Eve Blossom Lulan Artisan</p> <p>INDEX: Award Finalist 2011</p>	<p>Quotes:</p> <p>"things were getting more competitive", "more knew about INDEX:, more were applying"</p> <p>"it was really special thing to get INDEX: (...) I know that Academy awards must feel great, I am sure it is very special but INDEX: seems to be like wow, you better have your ducks in a row, you better be a real deal, you better really have a great model, you better really be scaling, you better be all these things otherwise we don't need to give you the Award. (...) It is pretty tough."</p> <p>'INDEX: actually has the network which allowed for the event to be phenomenal'</p> <p>"made you feel like you wanted to be connected beyond the event"</p> <p>"I'd love to be invited to come back in a formal way(...)anything that you would put together I'd come regularly toy your event"</p> <p>"I think you guys could really expand upon that (network) ... you're leaving some really wonderful things at the door when you're don't include people is a lot of different ways"</p> <p>"I just think you would have come up with an alumni type of thing that could keep us all connected"</p>
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Interviewee Facts:

Tor Inge Garvik
Laerdal Global / Mama
Natalie Collection

INDEX: Award Winner
2011


Quotes:

" I see INDEX: in a different category than the other awards. So, the design to improve life which is very good match with our vision as a company and what we strive to do every day. So, the recognition from INDEX: is way more important to us than the traditional design awards (...) In INDEX: it's so outspoken and clear and also the kind of solutions that are put attention to through INDEX: is different than traditional design award.

" significance for us is certainly being part of the network that has been very inspiring. I've met we've all met a lot of good people at the INDEX: events (...) and it's a good recognition for our work within design and to improve lives. I believe receiving that award makes people curious our company and helps us with recruitment (...) and there's more people from many countries that are aware of us and our efforts"

" I think it might have had some impact on business and projects but I think it had more impact on our professional network in design community"

" I think the INDEX: award and the all the complementing initiatives that INDEX: has initiated and spread are opening up the discussion quite a lot about what the design is and putting attention where it should be."

<u>Interviewee Facts:</u>	<u>Quotes:</u>
 <p data-bbox="165 1279 400 1361">Adam Milgrom Impact Investor</p>	<p data-bbox="592 842 1422 1003">“ (criteria for investment) I want to find a company with an amazing team, a really interesting problem that they’re trying to solve, and a good solution but it’s first team then problem and then solution for me”</p> <p data-bbox="592 1048 1414 1131">“ I try to invest in companies that I think have a positive social impact”</p> <p data-bbox="592 1176 1390 1451">“ I think that INDEX: had a really unique way of identifying outstanding companies, one of the biggest problems for investors, all of investors, is to find right companies to invest in (...) jury that looks at the nominations and filters them down, I think that’s a really unique way to look at the world as a way to find the best in the world”</p>

Interviewee Facts:

Teddy Zebitz
Member of Board

Quotes:


"there's two business models. One is the education product which is basically rising fund or taking a fee for doing the thing ... when it comes to education that is rising either private capital or capital from municipalities and the second part is the government subsidy which is based on the award ceremony but also putting Denmark on a map as a place of innovation and working with sustainability goals"


"the uniqueness (of INDEX:)(...) it's been working with these subjects (sustainability, design) for a number of years and in that sphere they have a total unique network of people who have been working with this for many, many years"

"its size vs the purpose of INDEX: (..) it could be a much larger organization so it doesn't have all the resources it needs to bring it out globally(...) the size makes it difficult to fulfill the mission"

"(INDEX:)it's making a huge impact where it is active"

"(stakeholders relations) the Danish Design Center there's probably a challenge"

<u>Interviewee Facts:</u>	<u>Quotes:</u>
 <p data-bbox="165 846 478 927">Bo Koch-Christensen Impact Investor</p>	<p data-bbox="593 407 1414 568">“ I find it the most interesting when I find a project that wants to solve some bigger problems in the world” (...)prefer to invest when the case has what we call a blended value proposition”</p> <p data-bbox="593 613 1420 775">“ I think definitely that INDEX: Award has some good things in terms of attracting very good and special cases (...) and we have been in dialogue with companies being part of INDEX:.”</p>

<u>Interviewee Facts:</u>	<u>Quotes:</u>
 <p data-bbox="165 1720 459 1800">Silja Nyboe Andersen Impact Investor</p>	<p data-bbox="593 1281 1410 1361">“Impact investment is very much driven by passion, by things that are closed to your heart”</p> <p data-bbox="593 1406 1420 1733">“ (INDEX:) it’s amazing to have a value based organisation like that (...)and they saw this coming over a decade ago when everyone else was just talking about design they put their values first and they’ve actually created something that was value driven and then they had something on top of that which was obviously the award but it was driven by a desire to change for the good.”</p>

Interviewee Facts:

Christian Bason
CEO at Design Society &
Danish Design Center


Quotes:

"The ministry is represented on the board of Design Society but not on the board of INDEX and not on the board of any other organization. There's influence (of Design Society) in a sense that the distribution of funding to INDEX and also the other organisations is established in the board"

"there's this idea when the government in Denmark spends money on what is ultimately public effort to drive innovation and growth in business, how can we make sure that we don't duplicate the efforts so that there's not 2,3 or 4 different organisations that all are funded by the government or tax payers but are doing the same and why don't they do it together?. Why don't we bring more critical mass and collaborate?"

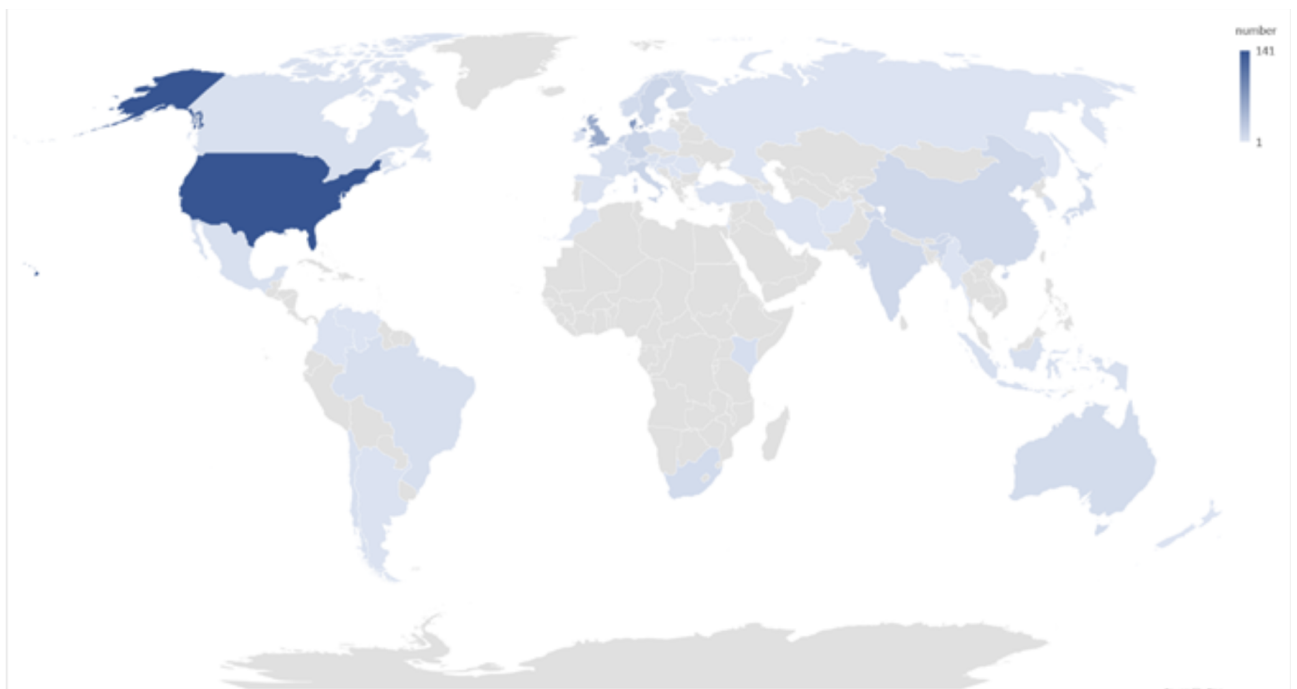
"there's been a role of the design society platform to you know to begin to explore other places where there's overlap or duplication or where we have complimentary competences where we could help each other to create more of an impact"

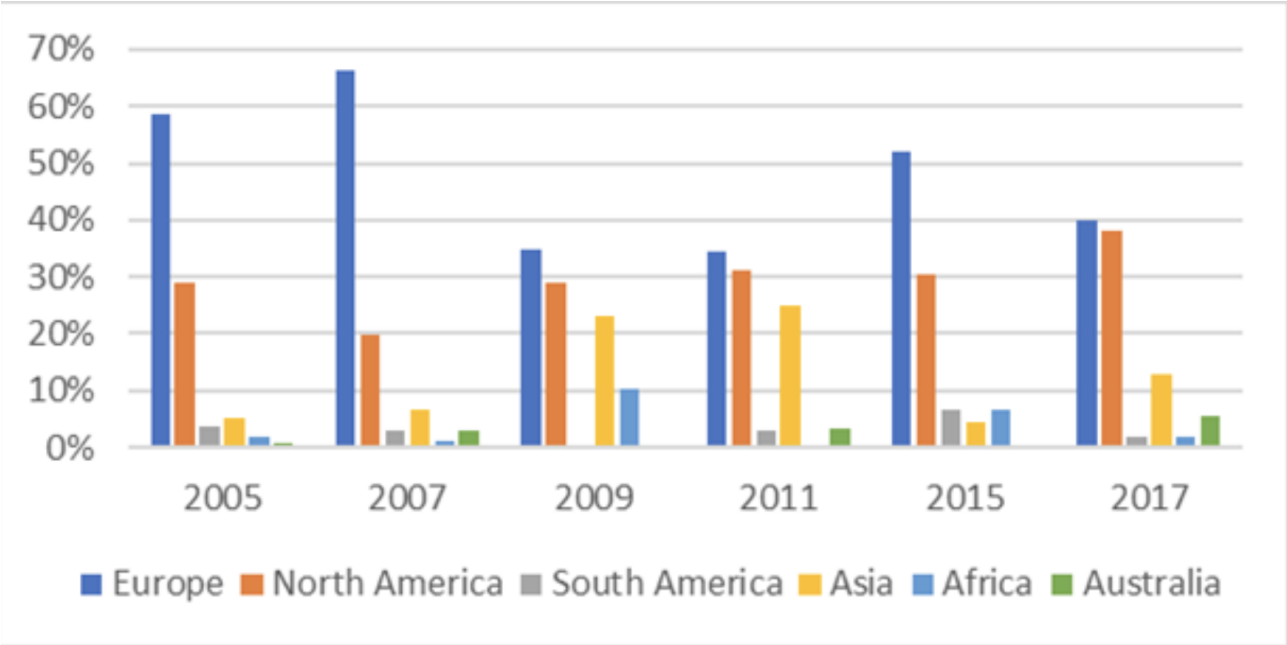
"(value of INDEX) Index both has succeeded and still needs to continue to succeed in demonstrating at the global scale the power of design to contribute to addressing some of ours most intractable, societal problems"

<u>Interviewee Facts:</u>	<u>Quotes:</u>
<div data-bbox="165 434 564 831">  </div> <p data-bbox="165 869 528 994">Matias Pollmann-Larsen Principal at The Boston Consulting Group (BCG)</p>	<p data-bbox="592 434 1428 629">“(about investment venture) we(BCG) help them(participating projects) with some idea starting on the set up and the government, specifically in the evaluation and the attractiveness of the fund to basically attract investors”</p> <p data-bbox="592 678 1401 965">“(Design Orbit)you have one of the most interesting pipeline of ideas form all around the world and the ability of INDEX: to actually sit on the pipeline and say what can we do to help this ideas and the startups in terms of potential and terms of ambition it’s hitting the nail on the right spot” the ability</p> <p data-bbox="592 1010 1369 1128">“if they(INDEX:) only can catalase, accelerate or just help a little bit the idea that wouldn’t be taking off otherwise, I think it’s a goal worth pursuing”</p> <p data-bbox="592 1173 1390 1335">“(Investment program) could be more global could be more insightful (..) I think the majority of investors come from the Nordics compared to class of start ups that are positioned very global”</p> <p data-bbox="592 1379 1412 1666">“(INDEX’: selection process) they are very big names from the perspective of institutions around the world, they are actually the ones that go through and select among the finalist, who is worth to join the Orbit program (...) the panel is quite extensive, the process is very strong with the number of criteria (..) it’s quite professional”</p> <p data-bbox="592 1711 1378 1830">“ they have been able to choose from one of the most interesting pipelines of early stage potential, commercial ideas in the world”</p>

Appendix D

Global Distribution of the INDEX: Award Finalists & Winners





Appendix E

Country Comparison on Entrepreneurship

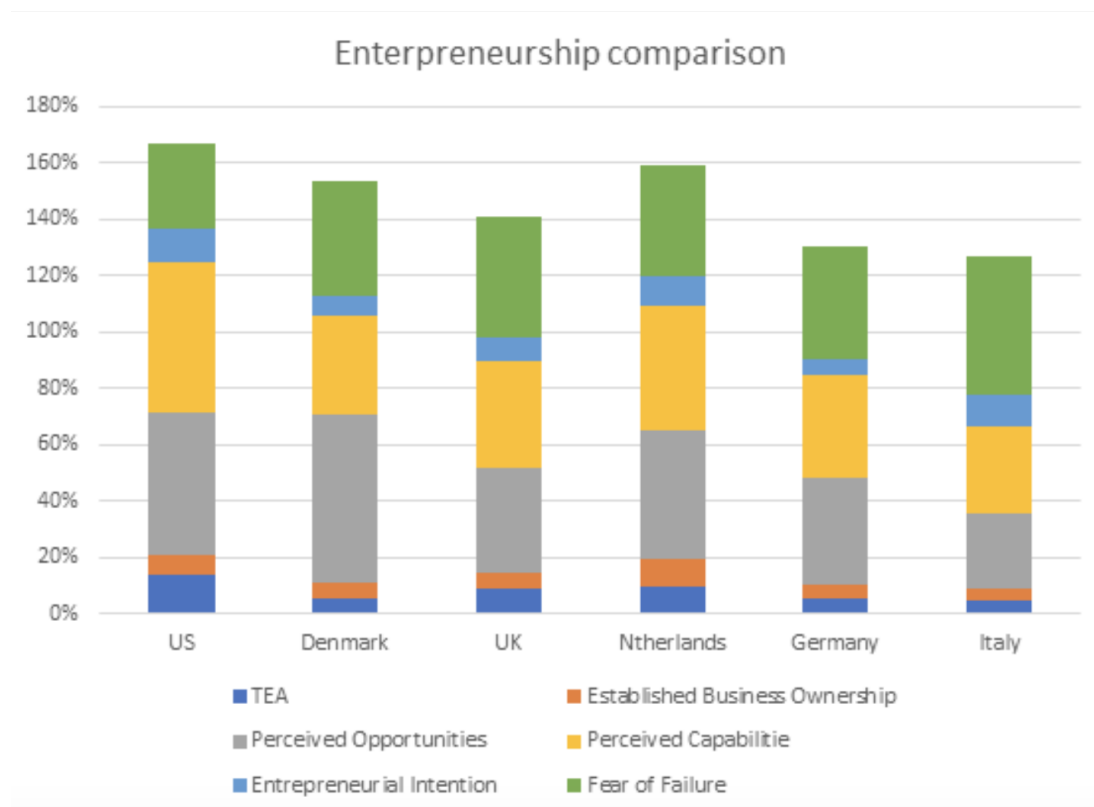


Figure E.1: Country Comparison on Entrepreneurship - Taken from: Global Entrepreneurship Monitor 2015 / 16 GLOBAL REPORT

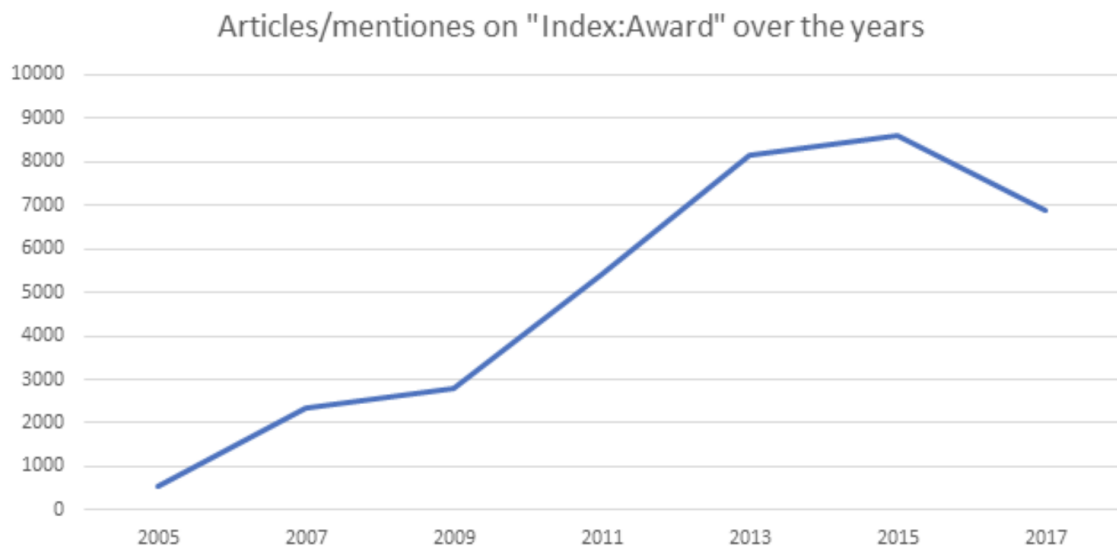
Appendix F

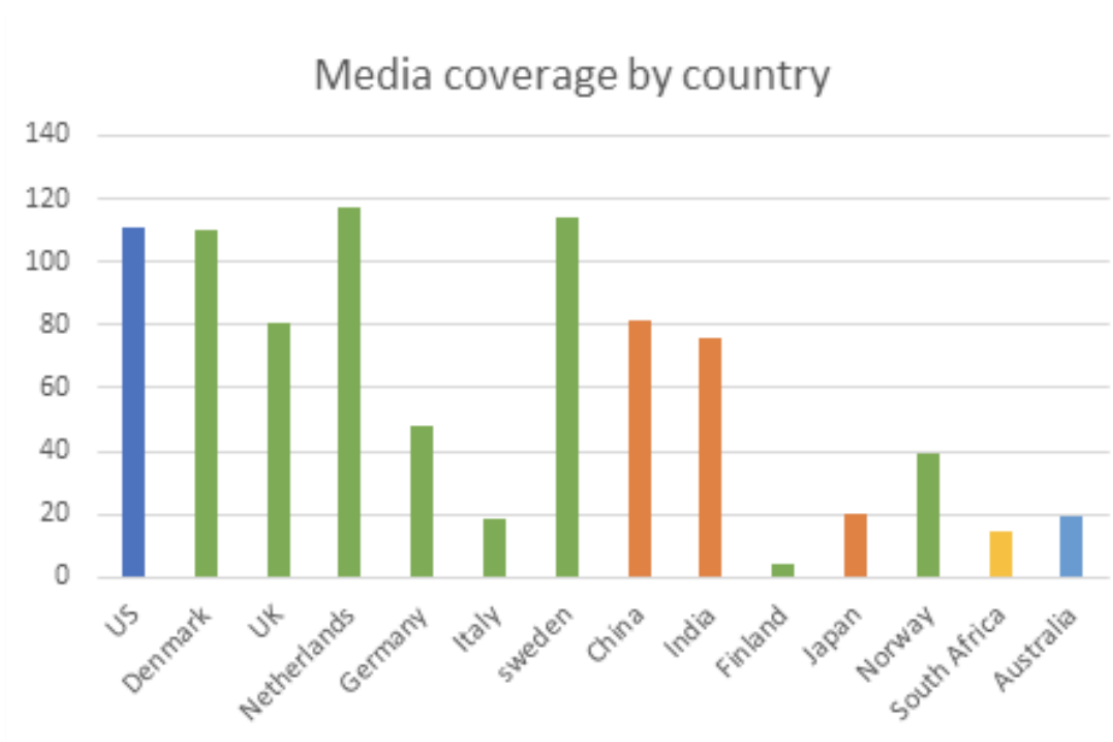
European Countries with the Most Finalists to the INDEX: Award



Appendix G

Online Media Coverage



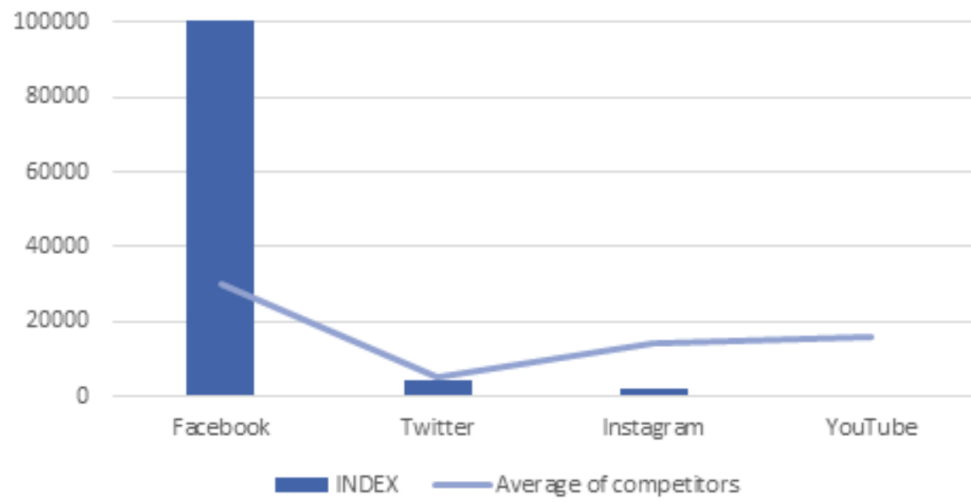


Appendix H

INDEX:’ Social Media Followers

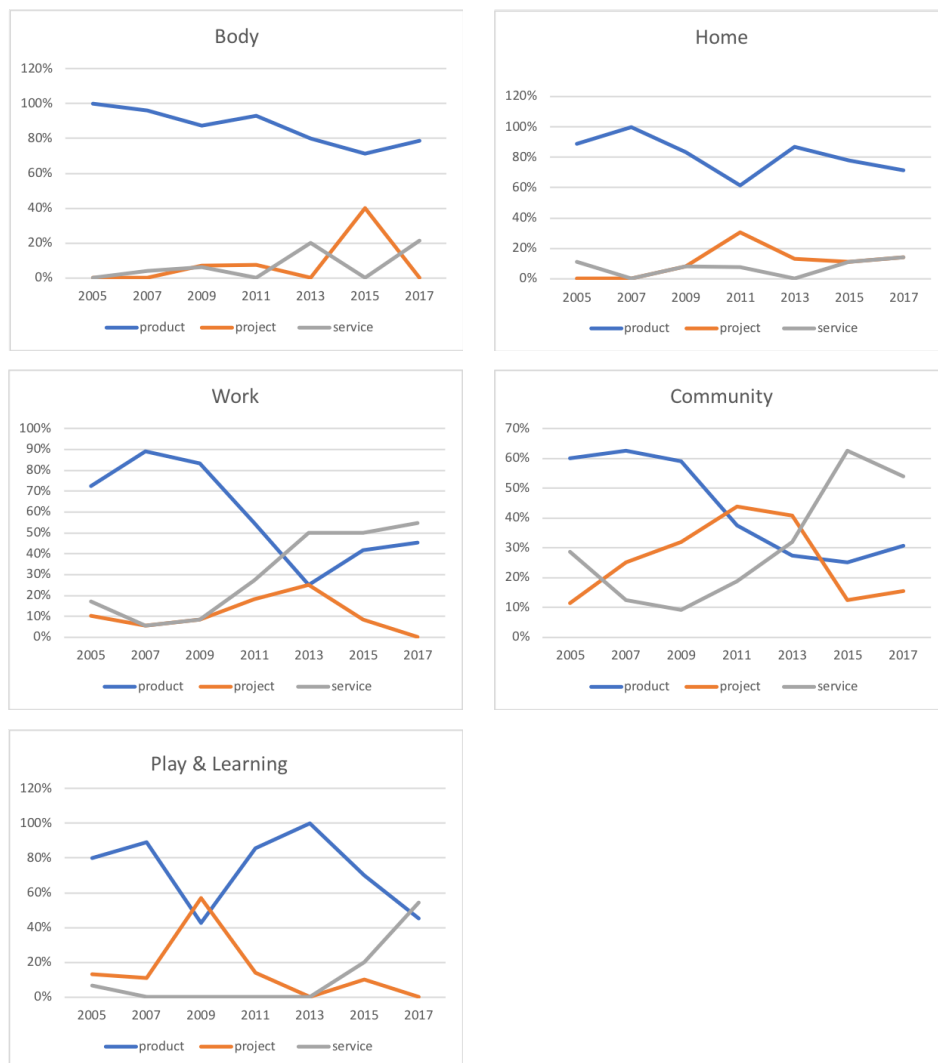
Table H.1: Competitor Comparison on Social Media Followers

Award Name	Followers			
	Facebook	Twitter	Instagram	YouTube
INDEX:	100521	4027	2086	54
Red Dot Award	31816	5870	14000	2526
Danish Design Award	3261	1046	993	0
Good Design Award	32011	0	1864	1938
A’Design Award	37369	1109	992	20
Service Design Award	17927	18000	3331	2552
Core77 Design Award	10068	3964	91000	121222
Design Value Awards	8043	9199	54	444



Appendix I

Contestants by Category



Appendix J

Winners analyses

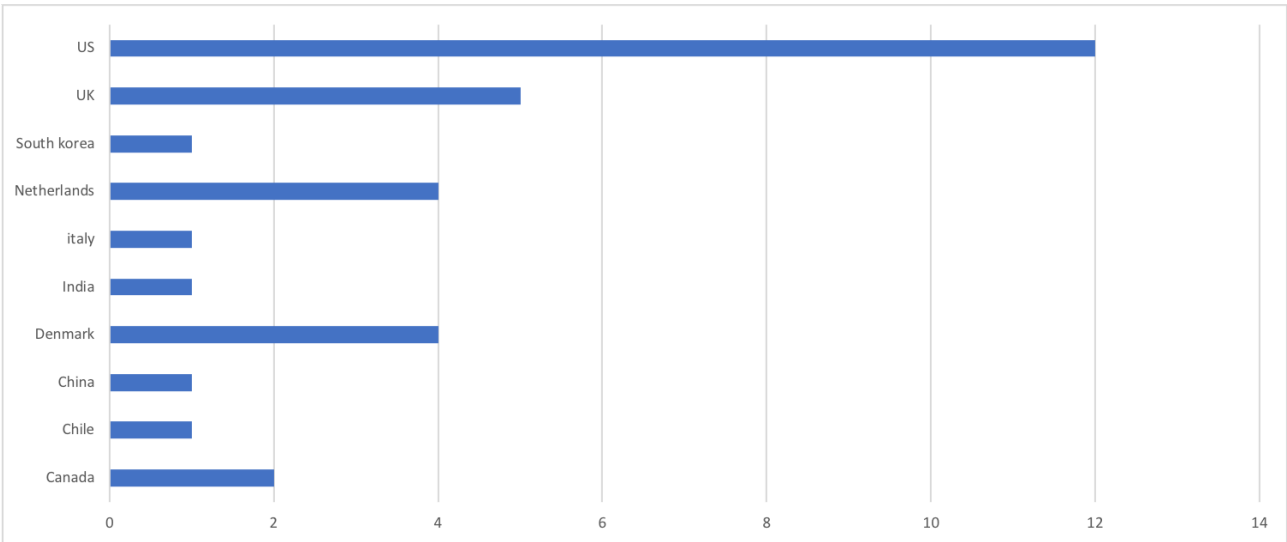


Figure J.1: Number of Winners by Country

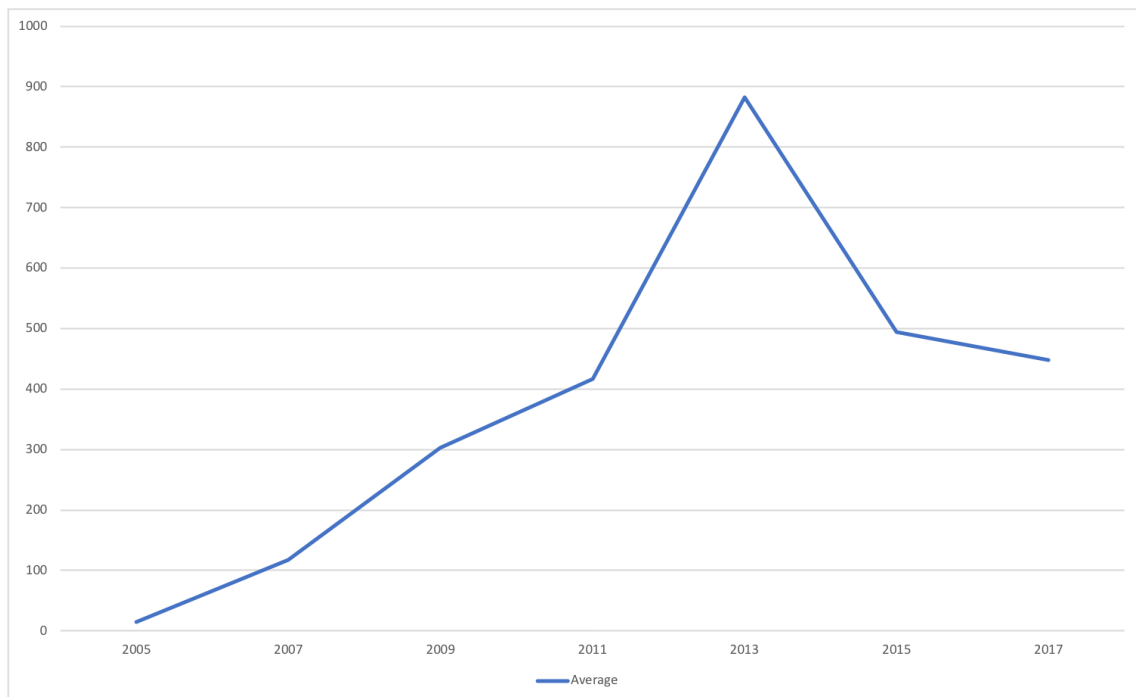


Figure J.2: Online Media Coverage

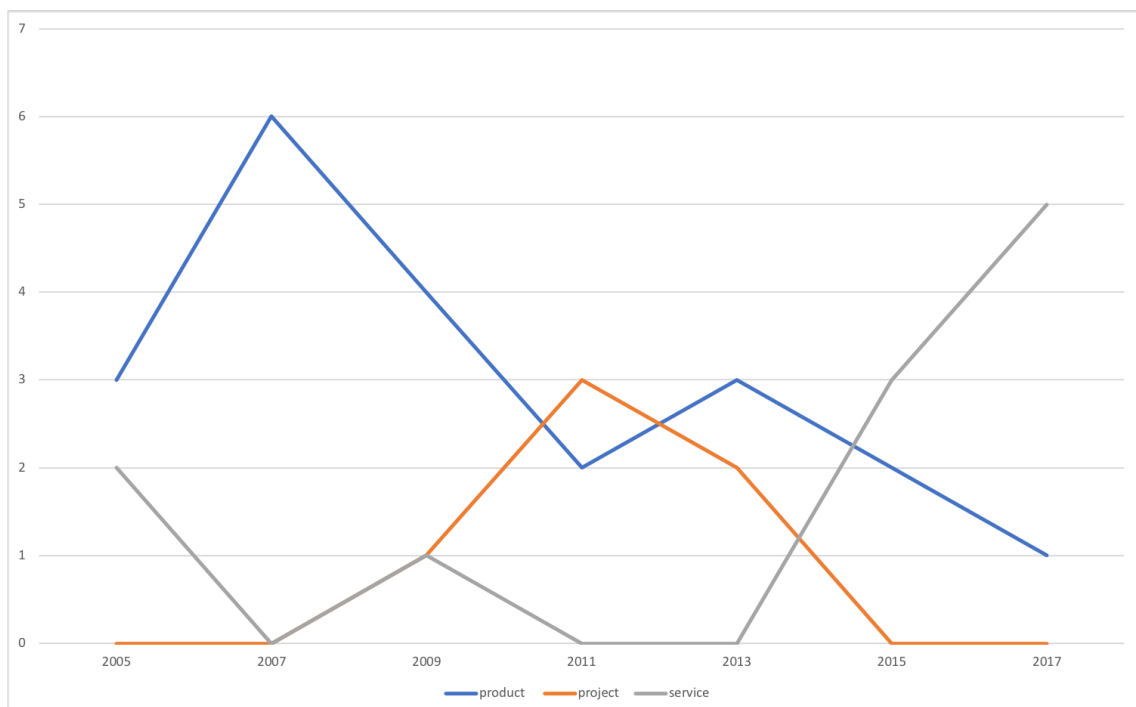


Figure J.3: Distribution of Solution Type

Appendix K

Survey results

Which year did you participate in the award?

42 responses

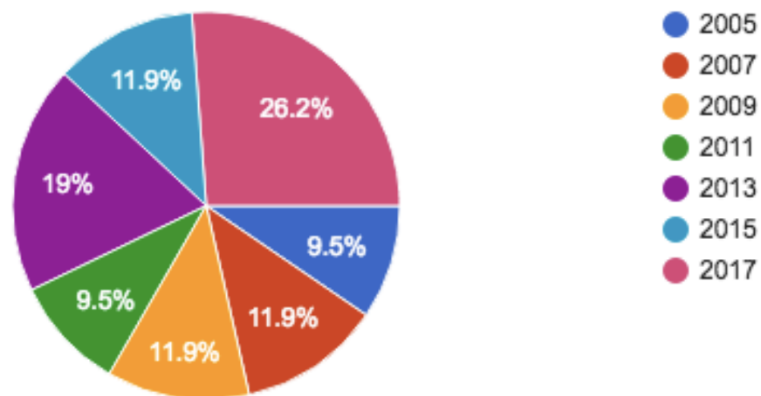


Figure K.1: Survey Question 1

What category were you nominated for?

42 responses

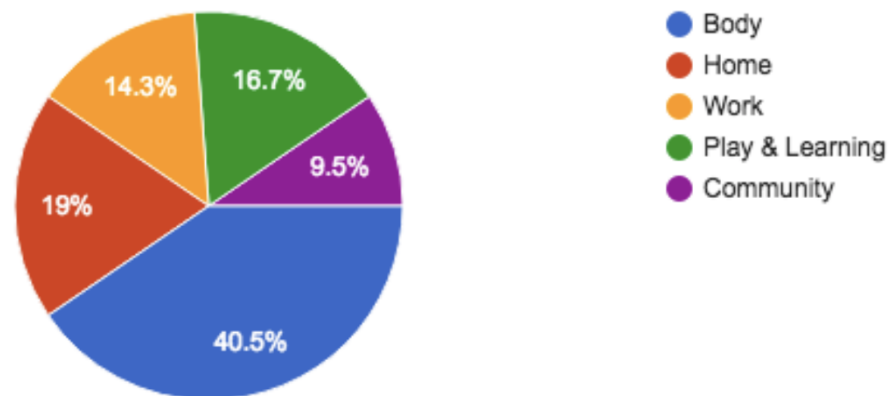


Figure K.2: Survey Question 2

Were you one of the winners?

42 responses

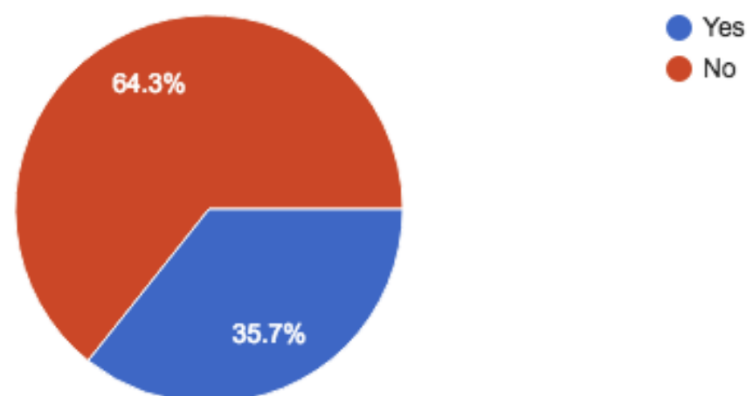


Figure K.3: Survey Question 3

How did you first hear about INDEX?

42 responses

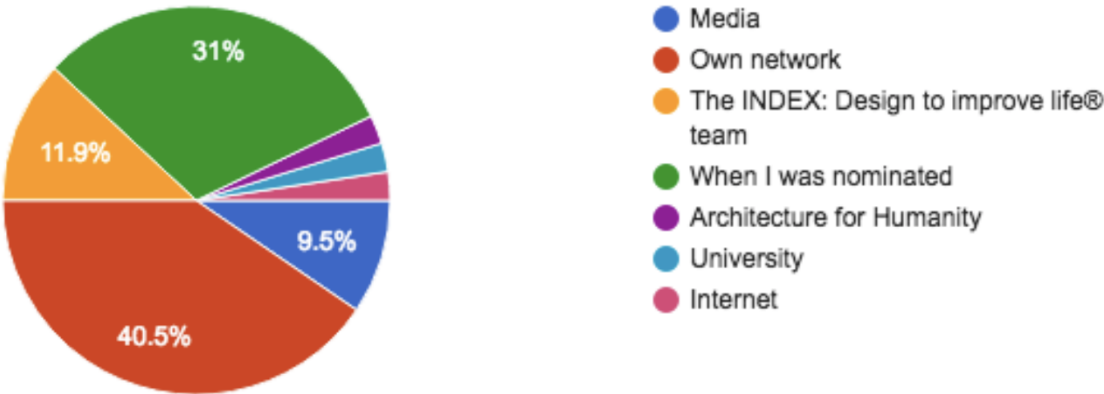


Figure K.4: Survey Question 4

Who nominated your project/company?

42 responses

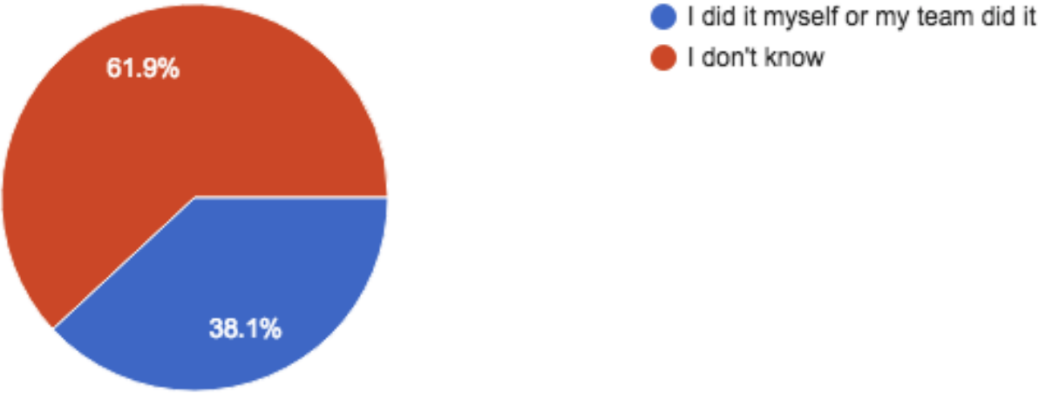


Figure K.5: Survey Question 5

What made you apply for the award?

16 responses

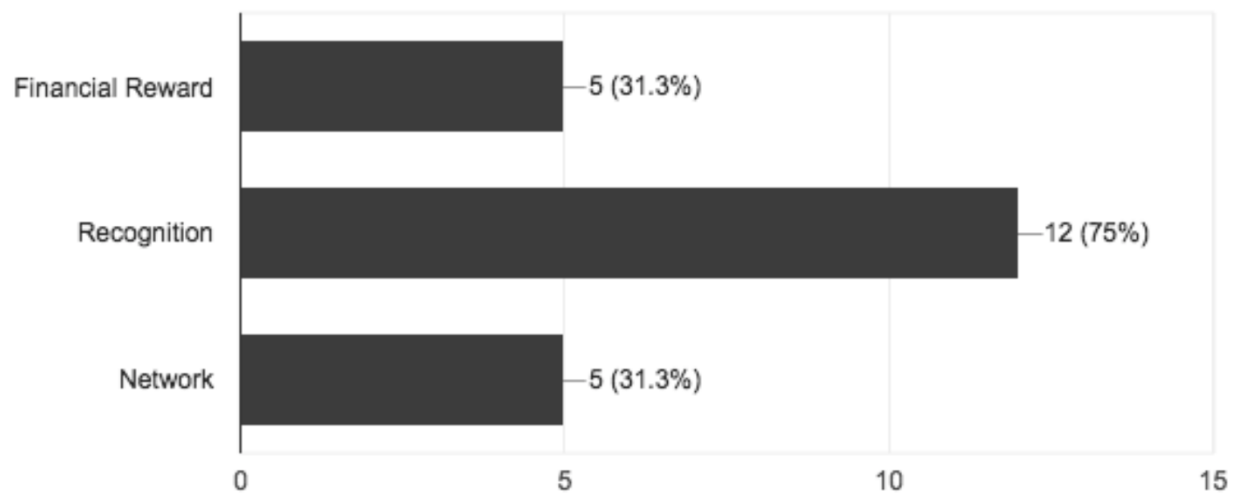


Figure K.6: Survey Question 6

Brand recognition

42 responses

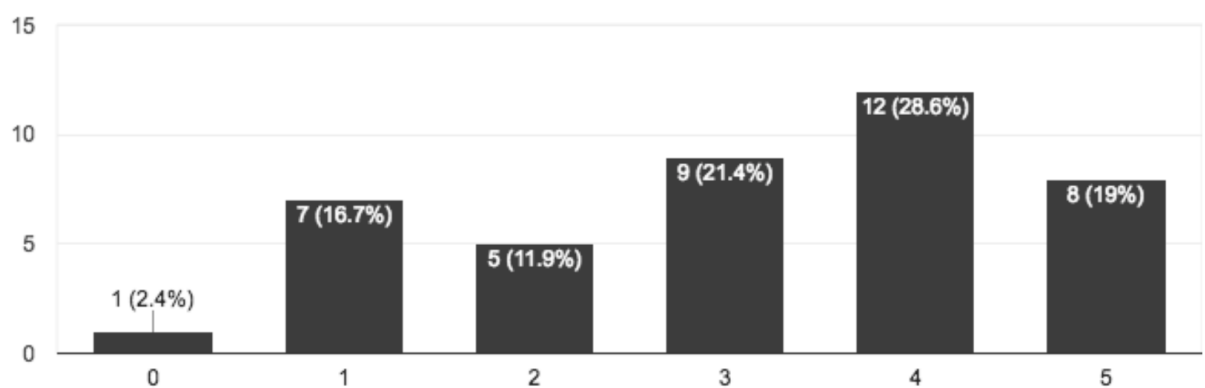


Figure K.7: Survey Question 7- Rate how INDEX: made an impact on your project/company in regards to: Brand Recognition

Sharpening business model

42 responses

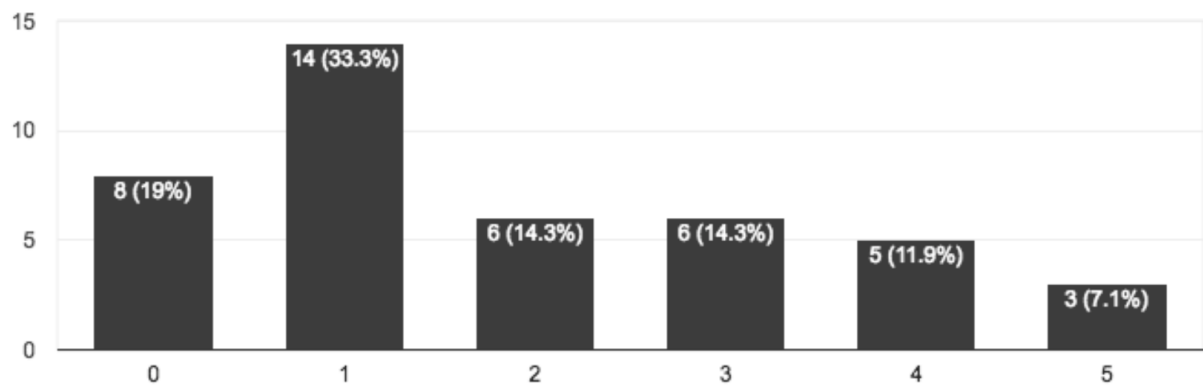


Figure K.8: Survey Question 8- Rate how INDEX: made an impact on your project/company in regards to: Sharpening your Business Model

Financial resources

42 responses

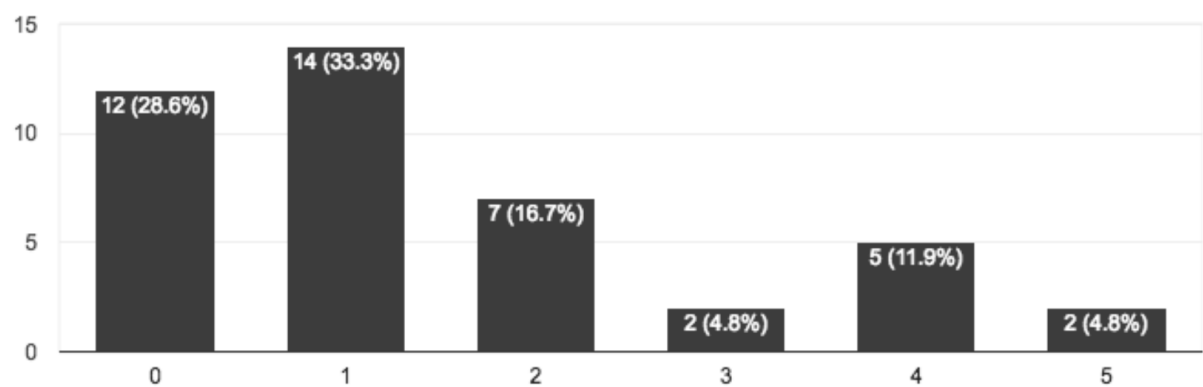


Figure K.9: Survey Question 9- Rate how INDEX: made an impact on your project/company in regards to: Financial Resources

Networking

42 responses

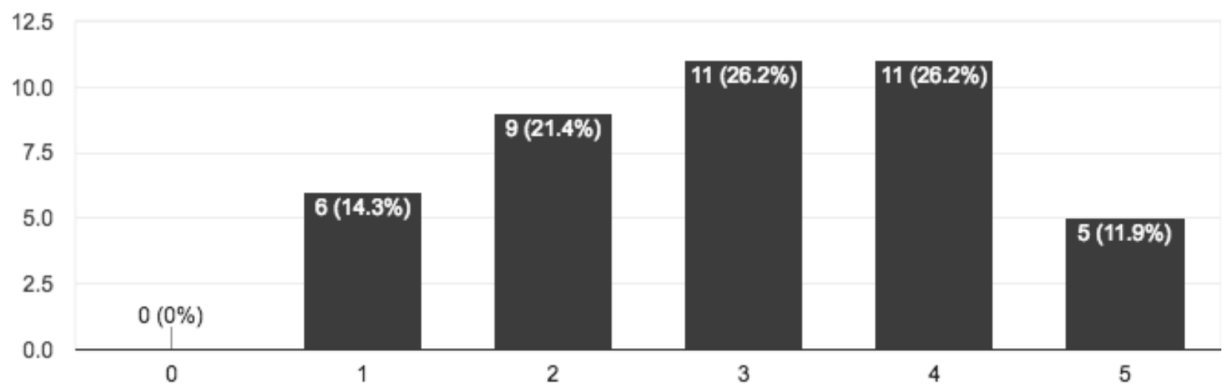


Figure K.10: Survey Question 10- Rate how INDEX: made an impact on your project/company in regards to: Networking

Business growth

42 responses

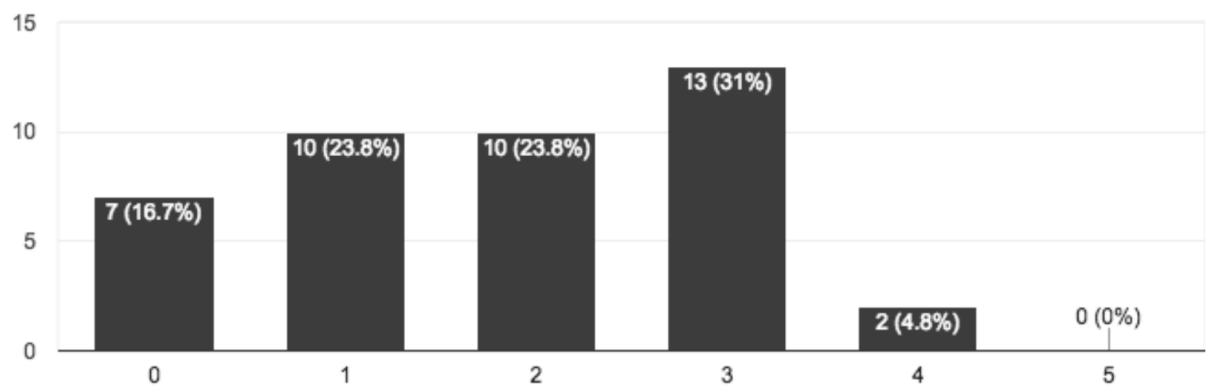


Figure K.11: Survey Question 11- Rate how INDEX: made an impact on your project/company in regards to: Business Growth

Other (please elaborate)

6 responses

Sad that the winner in our category is out of business
Our company could confirm our direction, and continuation of funding for future similar projects. The greatest impact has been in attracting of design talents.
This nomination did wonders for our project. Unfortunately the corporate company that we aligned with shortly after dismiss our efforts as their own and pursued project in their own capacity to strengthen their own brand which finally resulted in the failing of the project. So it is no more. But this inspired us to take the next step and to continue our good work while not depending on any corporates to make it happen. We have now incorporated our work into a desing festival that can reach the masses
Internal recognition
We would love to be more involved with the INDEX Award community
Internal team spirit

Figure K.12: Survey Question 12- Rate how INDEX: made an impact on your project/company in regards to: Other

Network development

42 responses

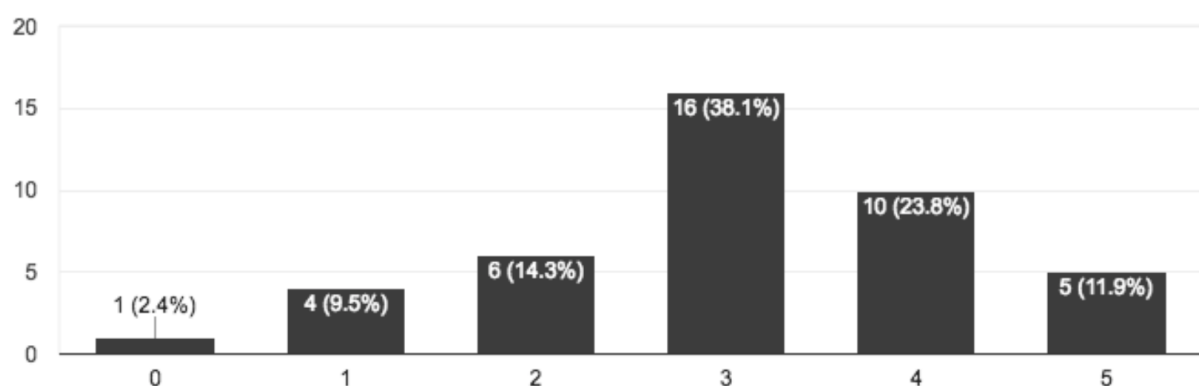


Figure K.13: Survey Question 13- To what extent did INDEX influence you personally in regards to: Network Development

Changed perception of design

42 responses

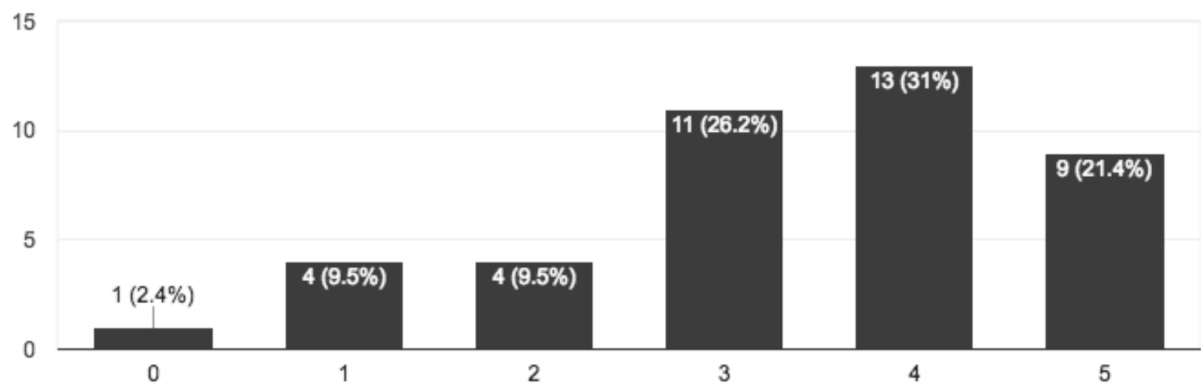


Figure K.14: Survey Question 14- To what extent did INDEX influence you personally in regards to: Changed Perception of Design

Motivation to design with purpose

42 responses

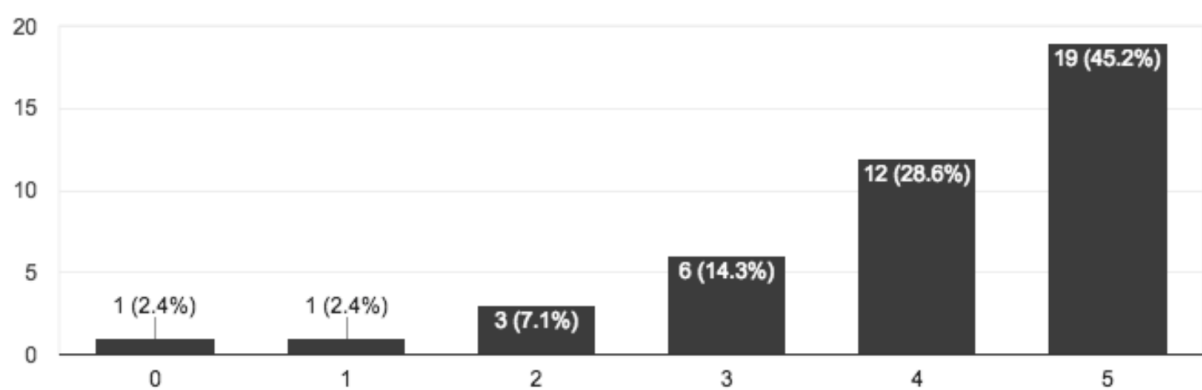


Figure K.15: Survey Question 15- To what extent did INDEX influence you personally in regards to: Motivation to Design with Purpose

Other (please elaborate)

6 responses

We have worked with the City of Copenhagen since then, so that's a Plus
Our company already had a strong mission and focus on design. The award was a strong confirmation of that.
Was already aligned with INDEX' goals
With our new initiative we were determined to change the traditional understanding and narrative of design and kicked off our festival with a clear message that design is there to improve the life standards of people and ultimately to add quality of life
personal inspiration to achieve positive change
We have been always designing with impact. So the aim of INDEX was something existent in our ethos.

Figure K.16: Survey Question 16- To what extent did INDEX influence you personally in regards to: Other

Is your project/company still active?

42 responses

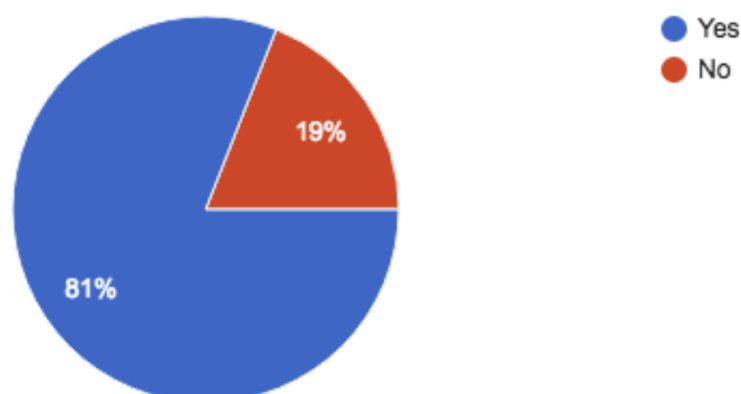


Figure K.17: Survey Question 17

How would you rate your communication with INDEX after the award show?

42 responses

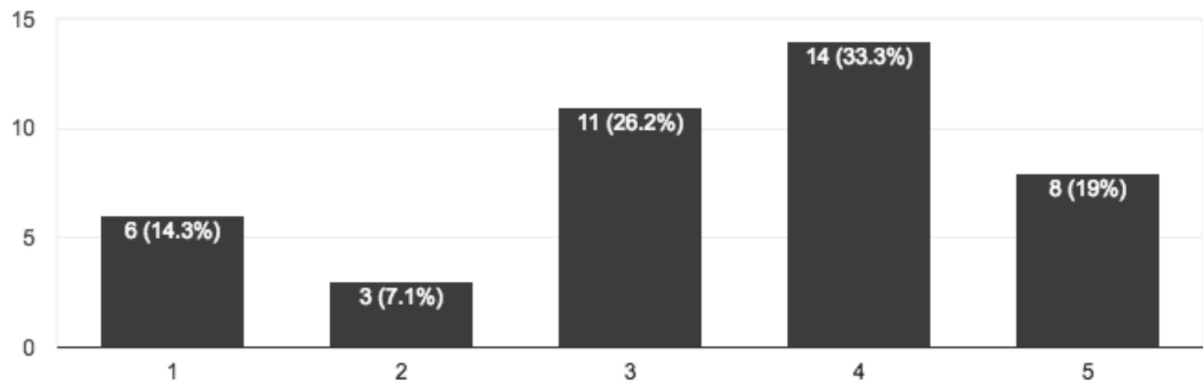


Figure K.18: Survey Question 18

Any improvement suggestions for INDEX: Design to improve life®?

11 responses

None now
No - I think it is a great award and I look forward to seeing candidates and awards every time - I know that INDEX will be in front of issues that people should notice and should care about.
Let me win next time :)
Improve post-award communication, in particular re: networking events. Also, for academics like myself, consider an organised approach to the more academic aspects of the INDEX Foundation such as, for example, teaching of design culture, which was not followed up by INDEX after the event even though I got in touch after the award on the matter. As a winner and as academic this could have made a profound impact in the culture of my academic institution, and this aspect has gone largely lost.
more regular updates eg. I heard INDEX have an investment fund, but didn't hear it from INDEX. Also, would be great to have access to the contacts of the other startups during the awards
There should be follow up to publicize how the technologies they honored have progressed.
I have had no communication with Index Award after the award show
We belief that the INDEX: Design to improve life is doing an excellent job but we would like to more closely align with them so that we can bring the finalists and winners to Afrika and showcase the top innovations at our festival as an international knowledge sharing platform








Figure K.19: Survey Question 19

Appendix L

Mission Model Canvases for INDEX: Award and INDEX: Education










Mission Model Canvas

INDEX: AWARD

Key Partners  Global Partner Cities The Ministry of Industry, Business, and Financial Affairs & the Capital Region of Denmark Design Society Philanthropic Foundations Boston Consulting Group The Danish Royal Family Municipalities Private Investors Jury Board of Directors	Key Activities  Biannual Award Touring Exhibition The Investment Program	Value Propositions  An Organised Network for Business Professionals Design Recognition A Preliminary Selection Tool for Investors	Buy-in & Support  A Codependent Community of Creatives and Business Professionals A Circular Network Approach	Beneficiaries  Nominees & Finalists Investors Danish State & Municipality of Copenhagen Society as a whole
	Key Resources  Limitless Network of Individuals Human Resource Intellectual Support Financial Resource		Deployment  Public Events Press and Communication: Webpage for Nominees Networking	
Mission Budget Budget from the Danish Government Award Funds The Venture Capital			Mission Achievement/Impact Factors Mission of Engaging, Inspiring and Educating Individuals Knowledge Sharing Design Thinking Courses Collaboration with Investors	

Mission Model Canvas

INDEX: EDUCATION

<div>Key Partners</div> <div></div> <div>Global Partner Cities</div> <div>Municipalities</div> <div>Private Investors</div> <div>Philanthropic Foundations</div> <div>Boston Consulting Group</div> <div>Board of Directors</div> <div>Design Society</div>	<div>Key Activities</div> <div></div> <div>Touring Exhibition</div> <div>The Investment Program</div> <div>Design Thinking Courses</div> <div>Key Resources</div> <div></div> <div>Limitless Network of Individuals</div> <div>Human Resource</div> <div>Intellectual Support</div> <div>Financial Resource</div>	<div>Value Propositions</div> <div></div> <div>An Organised Network for Creatives and Business Professionals</div> <div>A Preliminary Selection Tool for Investors</div> <div>Changing Design Mindset Organisation</div>	<div>Buy-in & Support</div> <div></div> <div>A Codependent Community of Creatives and Business professionals</div> <div>A Circular Network Approach</div> <div>Deployment</div> <div></div> <div>Design Thinking Courses</div> <div>Press and Communication:</div> <div>Public Events</div> <div>Networking</div>	<div>Beneficiaries</div> <div></div> <div>Danish State & Municipality of Copenhagen</div> <div>Investors</div> <div>Society as a whole</div> <div>Children</div> <div>Enterprises</div>
<div>Mission Budget</div> <div></div> <div>Philanthropic Foundations</div> <div>The Venture Capital</div> <div>Fee-based Services</div> <div>Private Donations</div>		<div>Mission Achievement/Impact Factors</div> <div></div> <div>Mission of Engaging, Inspiring and Educating individuals</div> <div>Knowledge Sharing</div> <div>Design Thinking Courses</div> <div>Collaboration with Investors</div>		

Appendix M

Test Card

Test Card



<i>Test Name</i>	<i>Deadline</i>
<i>Assigned to</i>	<i>Duration</i>


STEP 1: HYPOTHESIS

We believe that

Critical:   

STEP 2: TEST

To verify that, we will

Test Cost:    Data Reliability:   

STEP 3: METRIC

And measure

Time Required:   

STEP 4: CRITERIA

We are right if

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