SIRENE
SOCIAL INNOVATION RESPONSIVE ENVIRONMENTS NETWORK

SUSTAINABILITY STRATEGY SOCIAL INNOVATION FRAMEWORK

Integration of social innovation actors in innovation ecosystems

Co-funded by the European Union

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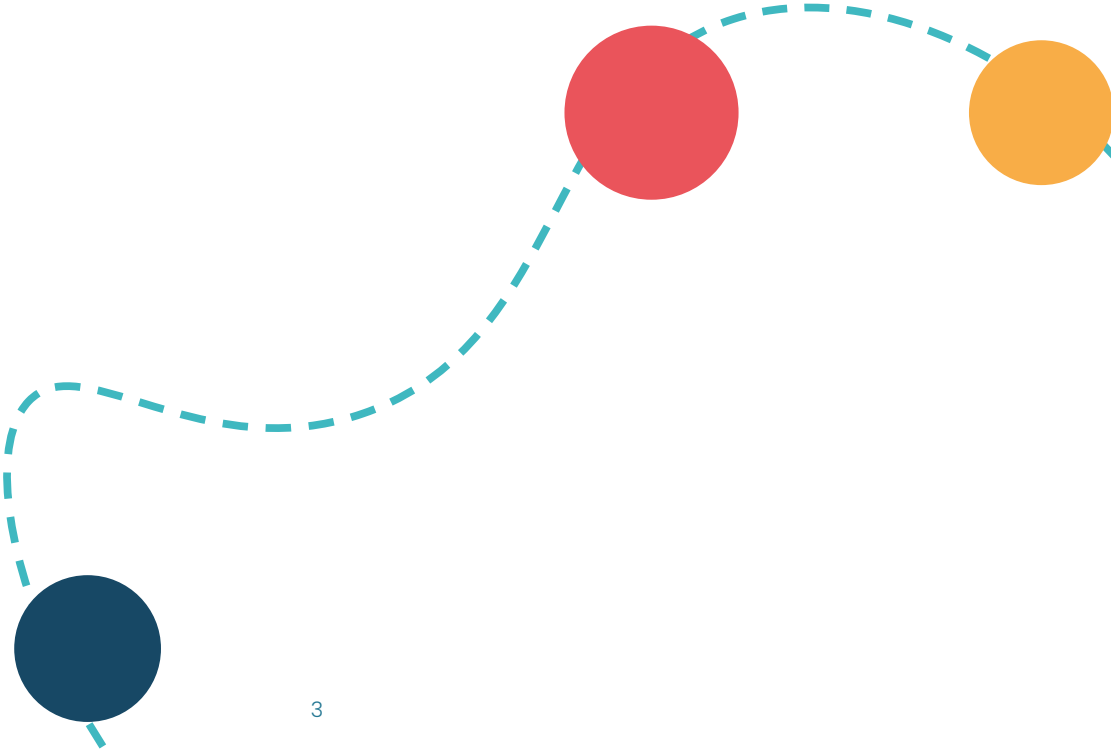
EXECUTIVE SUMMARY

Funding and investments are crucial to sustaining social innovation ideas and initiatives. This document provides an overview of useful tools for developing successful business initiatives for Smart Healthy Age-Friendly Environments (SHAFE).

The sustainability strategy is one of the building blocks of the Social Innovation Framework of SIRENE. Information on how to perform stakeholder analyses and market studies is provided. Several examples of business modelling have been presented from which an innovator can choose. A template to develop a business plan helps structuring an idea or initiative into a successful picture for funding or investment.

This document provides the tools for developing a sustainability strategy. It is up to the innovation or business actors themselves to apply the recipes of their choice to prepare the cakes or meals they want successfully.

The members of the SIRENE Expert Hub reviewed the document and provided comments that were integrated in the final version.



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1 INTRODUCTION

1.1. Background and aim

Social Innovation Framework SIRENE consists of five separately developed building blocks. The blocks are:

- A manual for innovation actors on social innovation methods and concepts, especially focused on those that can be used to promote responsive, inclusive, eco-friendly environments;
- A capacity-building framework for social entrepreneurs, especially focused on funding opportunities and securing investment;
- A hands-on toolkit of networking and learning exchange initiatives;
- A blueprint of good practices and social innovation initiatives in the area of SHAFE for benchmark and future twinnings;
- A sustainability strategy that includes examples of SHAFE business models and practical ideas for social innovation investments on SHAFE.

This document provides different tools to develop a sustainability strategy for innovation and business actors to get access to social innovation and entrepreneurial knowledge and to successfully apply SHAFE initiatives and projects. Where appropriate, the document will refer to the other building blocks of the Social Innovation Framework of SIRENE to find the right connections for sustainability and exploitation opportunities.

For this document, desk research was performed on different existing business models. The published modules on business development of the Erasmus+ Adult Education project Hands-on SHAFE [1] have been used to provide easily accessible tools for any actor to create a successful SHAFE business opportunity.

Members of the Expert Hub of SIRENE reviewed the document in May 2024. They found the value proposition clear, well developed and written. Their suggestions have been integrated in this document. The suggestions were: align the power-interest with the Hands-on Toolkit of SIRENE. Add purpose and SDG impact on the business models, as well as Porter's value-based healthcare model. Provide an example of Digital Agora as a facilitator. Showcase a plan that combines general business management premises with social innovation "business" specificities.

1.2 Structure of this document

This document starts with an overview of the value proposition of SHAFE and the SIRENE social innovation opportunities. It defines what actors can bring to the market. Then the focus shifts towards stakeholders' analysis and power-interest grid and market analysis. The following chapter presents existing business models and frameworks that actors can apply. The final chapter is dedicated to providing the tools to the building of a successful business model, taking SHAFE and SIRENE into account.

2
VALUE PROPOSITION OF SHAFE AND SIRENE

The health and well-being of individuals, their partners, relatives and friends are key in the lives of human beings. The environments in which they live, such as home, work, shop, school, culture and sports, are carriers for potential social, physical and digital inclusion. The presence of social networks, person-centred digital solutions, and accessible physical environments promotes social inclusion and active participation in society for all and thus positively contribute to greater health and well-being. Smart Healthy Age-Friendly Environments (SHAFE) take on a multi-faceted approach to these various aspects of the lives of individuals and aim to create inclusive societies for all to foster better quality of life and well-being.

SHAFE grew from a general concept in 2017 into robust and supportive frameworks at the end of the SIRENE project and COST Action 19136 NET4Age-Friendly in 2024. The SIRENE project delivers a social innovation framework for the implementation of responsive, inclusive and eco-friendly environments, including new construction, as well as retrofitting the older housing stock to meet the present day needs of the citizens. The Reference Framework is the main deliverable of the COST Action and comprises, among others, an ontology, guidelines, and good practices dedicated and applicable to several target groups of citizens, roles and businesses.

Figure 1: Smart Healthy Age-Friendly Environments overview

What exactly is the value proposition of SHAFE, would be the next question. The SHAFE offer consists of the following:

- Reference frameworks with personalised standards and guidelines for the implementation of SHAFE, also comprising inclusive, responsive and eco-friendly living environments.
- Manual for innovation actors to find their way in the creation of ecosystems, understanding the holistic approach of SHAFE.
- Blueprint of good practices on SHAFE to showcase SHAFE in real situations.
- Capacity building: learning opportunities for strategic partnerships and financial support.
- Hands-on Toolkit for building local, regional or national ecosystems.

The SIRENE building blocks can support business and innovation actors and stakeholders to realise smart inclusive environments. More concretely, one could think of:

- Housing that is equipped for independent living and social participation by including smart home technology, digitally skilled inhabitants or networks, outdoor facilities for daily living, and accessible and affordable social and healthcare.
- Social care and healthcare facilities that embrace personalised, integrated care approaches to support, for example, younger people with mental health and wellbeing issues, healthy lifestyles and the best care of multiple chronic diseases.
- Local shops and tourism that flourish with accessible, clean, and beautiful environments, being visited by shopping people and tourists.
- Nudging and support for healthy lifestyles, such as improved number of walking hours and mental health by providing clean, safe and walkable green environments.
- Healthy living environments with clean air, reduced noise levels, and social meeting opportunities.
- Opportunities for lifelong learning, such as digital skills, healthy lifestyles, and balanced work-private lives.

These are some concrete examples of SHAFE approaches and the list can be extended with many more.

3
RESPONSIVE, ECO-FRIENDLY ENVIRONMENTS

3.1. Introduction

This chapter is about exploring the outer world of the organisation, initiative or project, for which the sustainability strategy will be developed. At first, the focus is on stakeholder analysis to identify who the stakeholders are, and who have the power to influence the success of the project or initiative and who should be involved. Secondly, the chapter will focus on the identification of the market.

3.2. Stakeholder analysis

Stakeholder analysis is a powerful instrument to get and maintain support for an initiative or project. In the Social Innovation Framework of SIRENE, the Hands-on Toolkit focuses on the creation of an ecosystem by including stakeholders in joint initiatives. The Hands-on Toolkit summarises the connection to stakeholders as follows:

Networking and exchanges are crucial in social innovation, fostering the sharing of ideas, resources, and best practices among diverse stakeholders to generate effective and scalable solutions. Collaboration networks, formed by various players, support the continuous exchange of information and experiences, creating synergy, enhancing collective learning, and enabling the emergence of complex, high-quality processes and partnerships.

Essential elements for the development of such networks include a shared vision, trust, commitment, leadership, and empowerment. Innovation networks similarly focus on co-creation, where economic and social actors interact to create and share new knowledge, often leveraging complementary assets without traditional acquisition methods. These networks enhance competitive positioning, foster rapid learning, and enable access to technological resources.

Knowledge integration and sharing are central to these processes, promoting co-evolution of social and business relationships, and leveraging dynamic capabilities to manage stakeholder engagement, seize opportunities, and drive transformation. This integrative approach supports continuous innovation, adaptive organizational models, and sustainable competitive advantage.

For a proper stakeholders' connection and collaboration, it is relevant to analyse stakeholders based on a power system. Stakeholder analysis is a technique used to identify the key people who have to be influenced [2], because this can help to ensure to succeed where others fail.

The benefits of using a stakeholder-based approach are that:

- The opinions of the most powerful stakeholders can be used to shape your initiative or project at an early stage. Their input can also improve the quality of the initiative or project.
- Gaining support from powerful stakeholders can help to win more resources or lead to more success.
- By communicating with stakeholders early and frequently, it can be ensured that they fully understand what the innovator is doing and understand the benefits of the project or initiative.

The first step is to identify the stakeholders, and this is best achieved in a brainstorming session with colleagues and peers. As part of that, it is advised to think of all the people who are affected by the project or initiative, who have influence or power over it or who have an interest in its successful or unsuccessful conclusion. Stakeholders can be both organisations and people and it is also important to identify the correct individual stakeholders within a stakeholder organisation.

The second step is the prioritisation of stakeholders. Some of them may have the power to block or advance your project or initiative. Some may be interested in the project; others may not care. Thereto, it is advised to use the Power-Interest grid to segregate and prioritise the stakeholders.

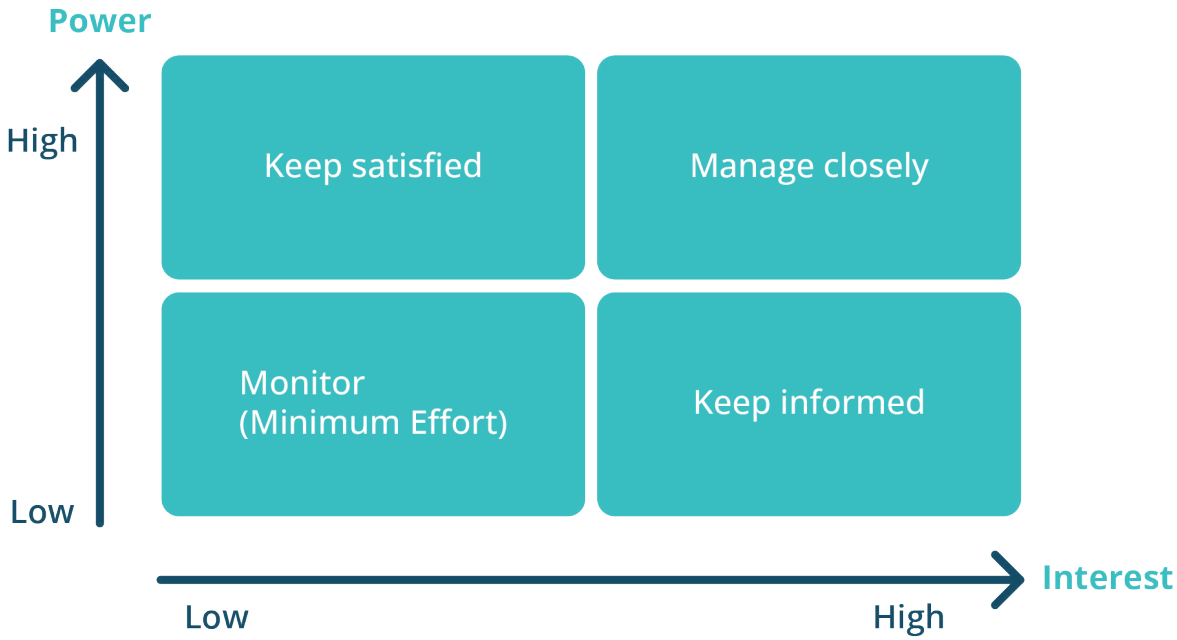


Figure 2: Power-Interest grid stakeholders

The above figure explains the different approaches that can be used for the segregated/ prioritised stakeholders.

High power - High interest: these are the decision makers and have the biggest impact on the project's success and hence it is advisable to closely manage their expectations. With SIRENE this can be policymakers at public authorities, investors in responsive environments, housing construction sector or development companies.

High power - Low interest: these are the stakeholders needed to be kept in the loop and satisfied even though they are not interested, because they bear power. This type of stakeholders should also be dealt with cautiously since they may use their power in a not desired way in the project if they become unsatisfied. Examples of these stakeholders in relation to SIRENE can be policymakers at local or regional authorities who are not responsible for housing and ageing issues, insurance companies or health authorities who are not responsible for or interested in responsive environments and their benefits.

Low power – High interest: keep these stakeholders adequately informed and talk to them to ensure that no major issues are arising. These people can often be very helpful with the details of the project or initiative. Stakeholders of this kind can be citizens, social and care workers, volunteers, community centres, local shopsor ICT developers.

Low power - Low interest: it is advised to monitor these people, but they must not be bored with excessive communication. This can be the general public.

3.3. Market study

A market study is a qualitative and quantitative assessment of the features of the market that are relevant to the business or social innovation.[3]

A market is the environment that gathers all of the stakeholders and contextual influences that will take part in the future initiative, project of social innovation business. The market consists of the following players:

- Customers: stakeholders that bring money directly into the project or initiative.
- Competitors: represent the barrier between the actor and the pool of customers.
- Partners: important allies to develop the initiative, project or social innovation business.

Besides the physical stakeholders, there are also intangible and non-physical but structural and contextual elements that will influence the launch and development of the business, project or initiative. These elements are:

- Standards, laws and regulations are the boundaries of the project or initiative as they dictate what can and cannot be done.
- Technological changes need to be taken into account in the study as digitalisation is increasingly influencing society.
- Socio-economic context directly influences the opportunities of the project, initiative or business, such as inflation, unemployment or demographic change.

Competitors	**Costumers**	**Partners**
Who are they?	Standard profile?	Subscribers?
How many are they?	Needs?	Media?
Their strategy?	Habits?	Suppliers?
Their specificities?	Average basket?	Subcontractors?
	Frequency of purchase?	Associates?
Economic, social and political context	**Technological changes**	**Regulations**
Political changes?	New alternative products?	Certificate required?
Economic crisis	Forthcoming obsolescence of the technology used?	Hygiene and security norms?
Changes in consumption habits?		

Table 1: Stakeholders and contextual elements of the market

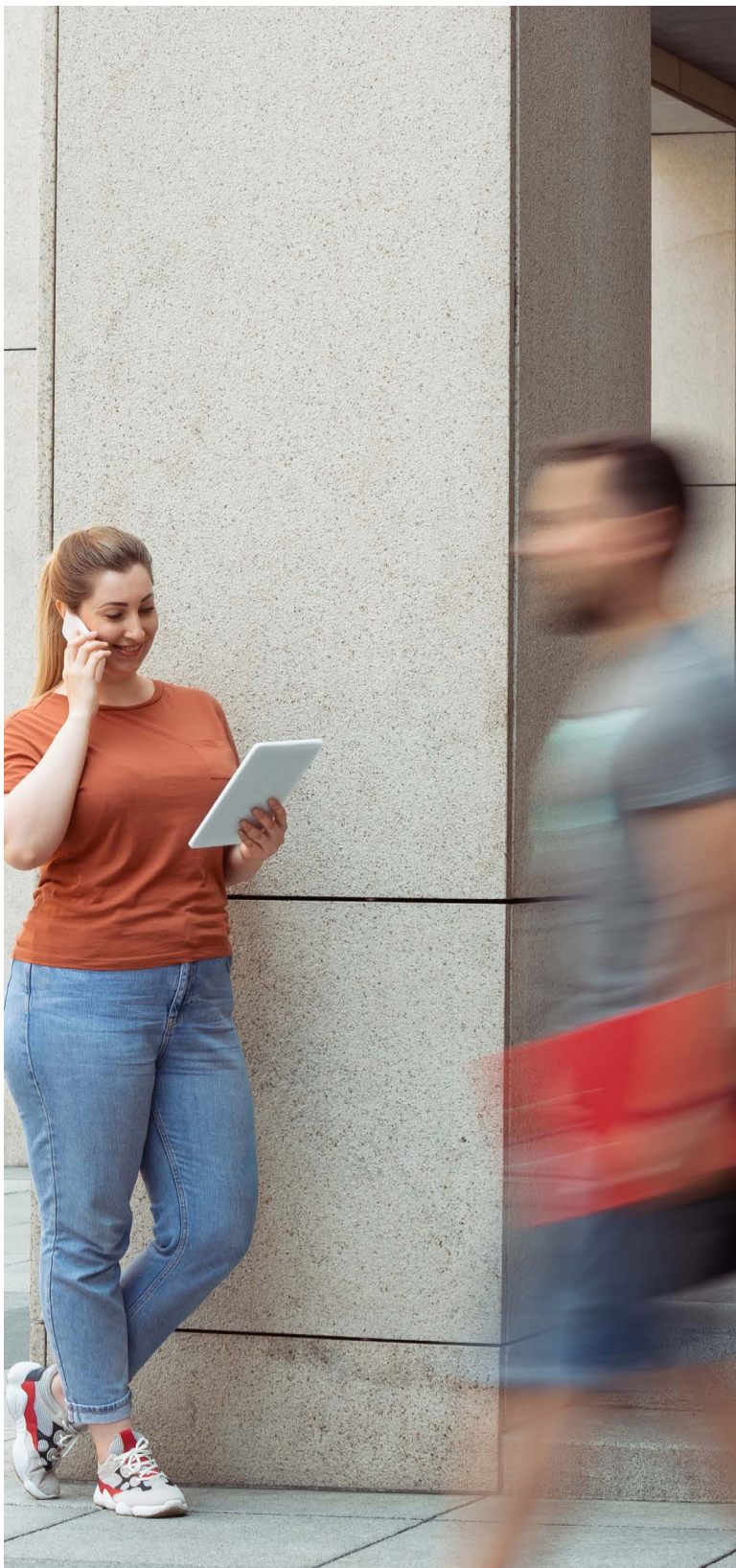
3.3.1. Performing a market study

A market study consists of a desk research and field research.

The desk research allows to learn more about existing data from texts, audios and videos. Information can be gathered from websites, specialised books or magazines, videos, social media, existing marketing studies, statistical studies, public databases, massive open online courses or others, agencies for economic and entrepreneurship development. In the desk research the innovators search for any information that is related to the project or initiative and the future market, not only about stakeholders, but also about contextual and structural elements.

Field research consists of meeting resourceful people that can help to know the market better, such as:

- Observation of competitors: take a coffee near them and observe or become one of their customers and detect their strengths and weaknesses.
- Perform a customers' study by using a survey.
- Meet information holders, that is relevant stakeholders who know the market or social innovation contexts.
- Meet mentors, such as other resourceful and experienced innovation actors or business actors that can give advice.



4
BUSINESS MODELS

This chapter focuses on business modeling tools that have been developed worldwide. Each tool will be described. Examples of created business models will be shared and analysed.

4.1 SWOT, TOWS, SOAR, and SVOR

4.1.1. SWOT analysis

A SWOT analysis is a business modeling tool developed in 1965 that companies use to determine their marketing strategy, by examining four different types of factors: Strengths, Weaknesses, Opportunities, and Threats (abbreviated SWOT).[5] During the analysis, a business's internal strengths and weaknesses are compared to the external opportunities and threats (like environmental factors, trends and competition). These factors are then weighed against each other in a confrontation matrix (see Figure 3). A more elaborated confrontation matrix will include the estimated importance of each factor, ranging from very promising (++) to very threatening (--). By assessing the effect of each opportunity and strength against each weakness and threat, a company or organisation can determine which direction their enterprise should take or whether a new project or business is worth pursuing.

4.1.2. TOWS analysis

The SWOT analysis has been used since the 1960s and has proven to be very effective in giving insights into potentially critical issues affecting a business in future developments.[6] However, the this business modeling tool lacks a connection between internal and external factors. That is why, in the 1980s, the TOWS matrix, or situational analysis, was developed. A TOWS analysis investigates the same factors as a SWOT analysis (strengths, weaknesses, opportunities, and threats). Still, it focuses in-depth on the relationship between these factors to enable businesses to overcome their weaknesses and exploit opportunities.[7]

4.1.3. SOAR analysis

Another extension of the SWOT analysis is the SOAR analysis (Strengths, Weaknesses, Aspirations, Results). Instead of looking at internal and external factors, the SOAR analysis focuses on the positive elements of a business and its goals. By using a SOAR analysis, businesses can better align their strengths and opportunities with the desired outcomes of the company and of the stakeholders.[8]

4.1.4. SVOR analysis

A last alternative to the SWOT analysis is called the SVOR analysis (Strengths, Vulnerabilities, Opportunities, and Risks). The SVOR analysis compares both internal and external factors, as well as positive and negative elements, using a mathematical link (see figure 3). Constraints are considered to be: planning, costs, and quality standards. The constant k is a variable. The SVOR analysis is mainly used in project management as a tool for determining all the factors involved in a certain project.[9]

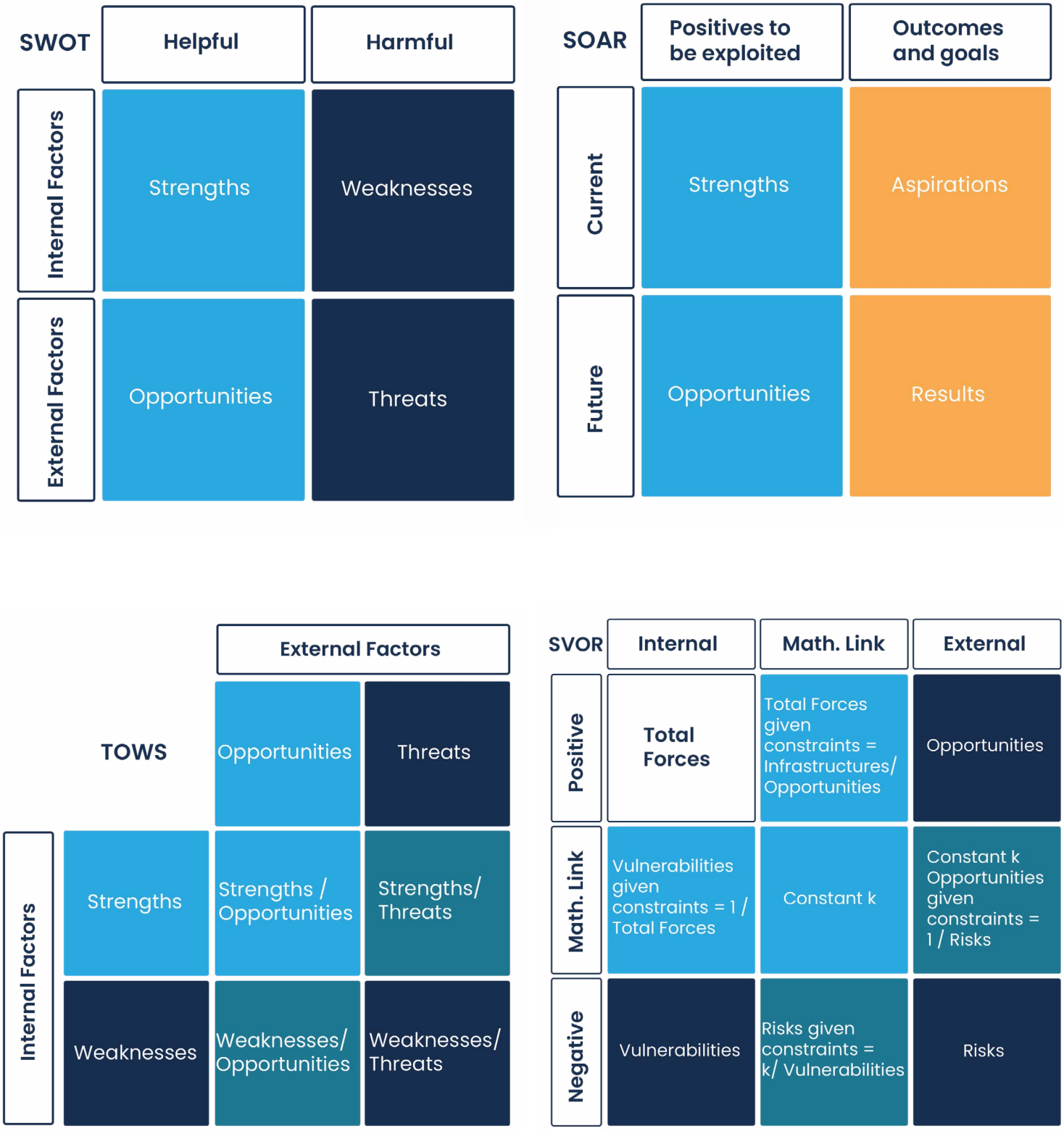


Figure 3: The SWOT matrix compared to the TOWS matrix, the SOAR matrix and the SVOR matrix

4.2. PEST, STEEP, PESTLE/PESTEL, and STEEPEL/STEEPLE

A PEST (Political, Economic, Social, Technology) analysis is a tool introduced in 1967 and used by businesses to keep track of macro-environmental factors.[10] Over the years the concept of PEST has been extended by including elements of increasing relevance, like Environment and Ethics (see figure 4).

When doing a PEST analysis one needs to identify the relevant elements for each factor. Political factors may include tax or fiscal policies, and trade tariffs; economic factors could be a rise in inflation rate, food, electricity and gas pricing, and current needs and demands; social factors are cultural or religious trends, like holiday specials; and with technological factors is meant innovations in technology that impact the market. When including the three extensions (I.e., Environmental, Legal and Ethical) one should identify environmental factors, like climate, weather, location, tourism, etc.; legal factors, like laws and policies; and ethical factors, like values, integrities, behaviours of employees, and such. Once all the relevant elements have been determined, the opportunities and threats these changes bring with them can be established. For this a SWOT analysis, as seen in the previous chapter, can be used.

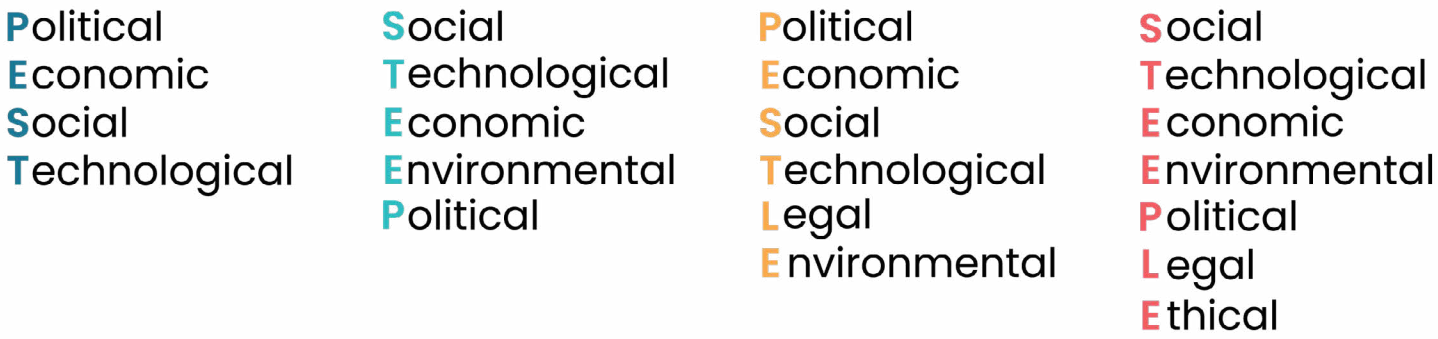


Figure 4: The different factors in the PEST analysis and its extensions.

4.3. Business Canvas

4.3.1. Business Model Canvas

The Business Model Canvas (BMC) is a strategic tool that helps you visualize and develop your business model. Its nine-step framework offers a snapshot of your business model rather than a long-term business plan (Figure 5). The idea of the BMC is that it is an easily adjustable and well-structured model, allowing businesses to keep track of internal and external changes throughout the years.

The BMC model is centred around the so-called value proposition of a company: the distinctive power that generates profit for a company, and the reason why customers choose a business over others. This reason is described in the centre block, and could for instance be the good service a company provides, the quality or pricing of its products, or the unique range of its offers. The block on the right - (in red in Figure 5) describes the customers that the business wants to reach (Customer Segments), the ways to reach them (Channels), and how to interact with them (Customer Relationships). The block describes the core activities of the company, the tools and resources needs to accomplish them, and the partners collaborating with. On the bottom the costs and revenues of a company are described. Once every block is filled in, a good overview of the current situation is created, and the company can decide what needs to be changed to increase or maintain its revenue.[11]

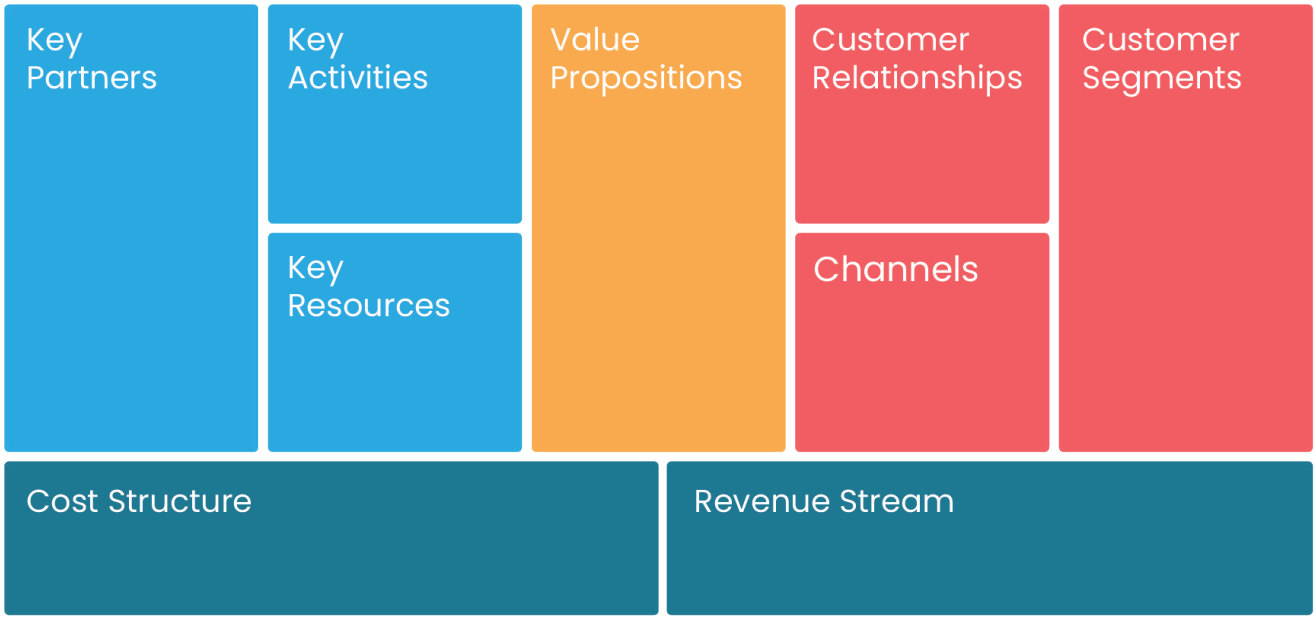


Figure 5: The Business Model Canvas

4.3.2. Service Logic Business Model Canvas

The 'Service Logic BMC' is a modified version of the Business Model Canvas. This version was designed to better include the principles of service logic into the BMC framework. Studies have indicated that the customer's view and understanding of service use is often significantly different from that of the supplier. For this reason, the Service Logic BMC puts more emphasis on the view of the customer.

In this framework, the biggest difference can, therefore, be found in the customer section on the right (see figure 6). Where the original BMC describes how to reach and interact with customers, the Service Logic BMC focuses on what represents value to the customer and how a company can facilitate the customer's value creation. Also, the costs and revenues include a customer's point of view. The Service Logic Business Model Canvas encourages context specific service design methods and co-creation, enabling service-based companies to centre their business around the needs and wants of the customer.[12]

Figure 6: The Service Logic Business Model Canvas

4.3.3. Value Proposition Canvas

Within the broader Business Model Canvas there exists a more detailed tool to help organisations model the relationship between their value proposition and the customer's needs. This tool is called the Value Proposition Canvas (VPC) (See figure 7).

The Value Proposition Canvas can be used to help develop a new product or service, or to refine an existing one. The VPC framework consists of two components: a value proposition and a customer profile. The value proposition lists which products or services a business is developing / renewing, how this product or service adds value to the customer (gain creators), and how it alleviates a negative aspect for a customer (pain relievers). Every item can be ranked from 'nice to have' to 'essential'.

The second component identifies the tasks that the product or service is developed for (customer jobs), which problems the customer runs into while doing the task (customer pains), and which benefits or needs a customer expects to be fulfilled by using the product / service (customer gains). When a product or service aligns with the most essential needs of the customer, it is likely to succeed.[13], [14].

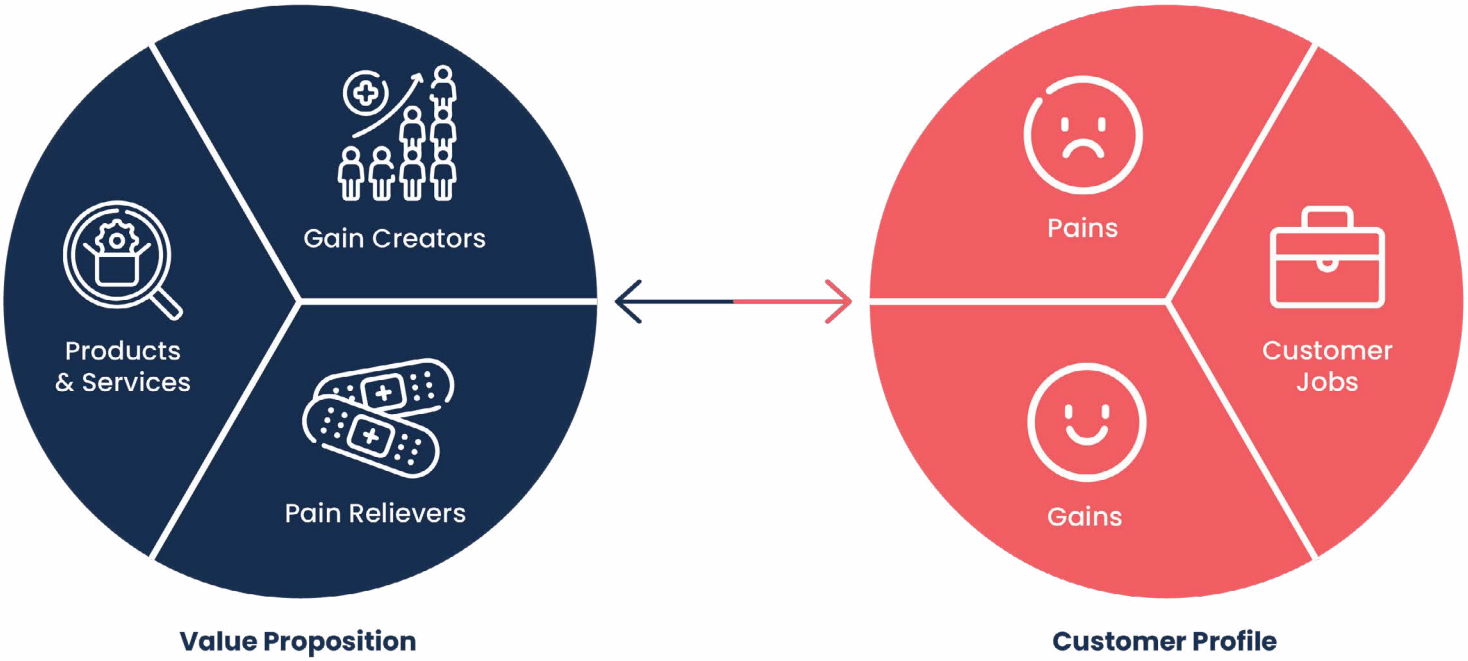


Figure 7: The Value Proposition Canvas

4.3.4. Business Model Canvas elements further detailed

The Business Model Canvas is a strategic tool that provides a 9-step framework to develop a suitable model for the business and visualise the various action points (see figure 6). [15]

The first step is about the customer segments and defines the target group of the business, to know whom to address. This means that the main characteristics of the target audience are being collected. A commonly used tool in this context is the persona, which provides a detailed representation of a generalized group of people or target group. This activity can help to visualize the audience and gain a clearer idea of the customers. In the case of different target audiences, the activity can be repeated to create specific personas for each customer segment.

The second step is the value proposition, aiming to discover the added value of the business for the customer. It enables the detection of challenges faced by the customers and the corresponding solution proposition of the business. A useful tool is the Value Proposition Canvas.

For each customer segment defined in the previous steps, it might be useful to consider different channels of distribution and communication, depending on their needs and habits. The third step is finding a suitable distribution and communication channel for your business for each target group is essential for its success. For this, channels might be considered that go beyond the traditional ones, such as virtual channels to transfer and distribute the business offer.

The fourth step is the customer relationships that need investment to be fostered. It is important to create a strategy for how to get, keep and grow such customer relationships.

Another key aspect of a successful business is the revenue streams, which are identifiers for the flow of money and resources that the business contains. They are usually generated by selling goods and/or providing services and are essential to sustain your business. In the fifth step, the following question is answered: How does your business earn money? Here, you decide on a strategy for how to capture the most value from the customers. Not only the added value but also vulnerabilities of the business can be detected, which offers to encounter those challenges and find potential solutions to improve the revenue stream and thus, add value to the business.

Key resources, the sixth step, are important to detect what resources are available or might be missing to fuel the business. These resources can be physical or intellectual resources or human resources. The following question is tried to be answered: What is necessary to gain and keep the resources of the business?

The seventh step defines the key activities of the business, referring to those who have the most impact on the success of the business. These, can for example, be in the area of quality control, documentation, process selection or financing. The question that this step intends to answer is the following: What are the tasks that need to be executed to successfully conduct the business? Identifying the key activities will provide a description and overview of the actions that need to be taken to create added value for the business.

The value creation of the business is often deeply interlinked with the support of the partnerships that are essential to reach the business goals since some key activities might be conducted by them. Thus, in the eigth step it is important to create an overview of the partnerships and know which ones can be exploited for the business and how. Here are potential questions that are helpful in this step:

- Who are the key partners?
- Who are the key suppliers?
- Which key resources are acquired from the partners?
- Which key Activities do the partners perform?

Last but not least, the costs need to be considered in the ninth step since developing a structure in this regard has a great impact on the success of the business. A budget plan might help to identify the costs of the corresponding activities of the business.

4.4. SDG Impact Standards for Enterprises

SIRENE focuses on the realisation of sustainable age-friendly environments and aims to be aligned with the Sustainable Development Goals (SDG) of the United Nations. To support business development in the field of SDG, the United Nations Development Programme (UNDP) accelerates the development of SDGs. UNDP provides enterprises, business incubators, and external accelerators with advisory, expertise, and tools to enable the implementation and acceleration of the SDGs.[4]

The UNDP works with donor partners, such as the European Union and the Financial Centres for Sustainability (FC4S) in Ireland.[16]

One of the tools is the SDG Impact Entreprise Actions. SDG Impact Standards provides a decision-making framework to help enterprises integrate impact management into their strategy, management approach, disclosure, governance and decision-making practices. [17]

Enterprises can follow the actions of the figure below to contribute to sustainable development and the SDGs.[18]

Besides the SDG Impact Standards, UNDP offers training and education on SDG Impact Standards and SDG Investor Platform that make visible SDG-enabling investment opportunity areas in emerging markets aligned to national sustainable development needs, government policy priority areas and investor interest. [19]

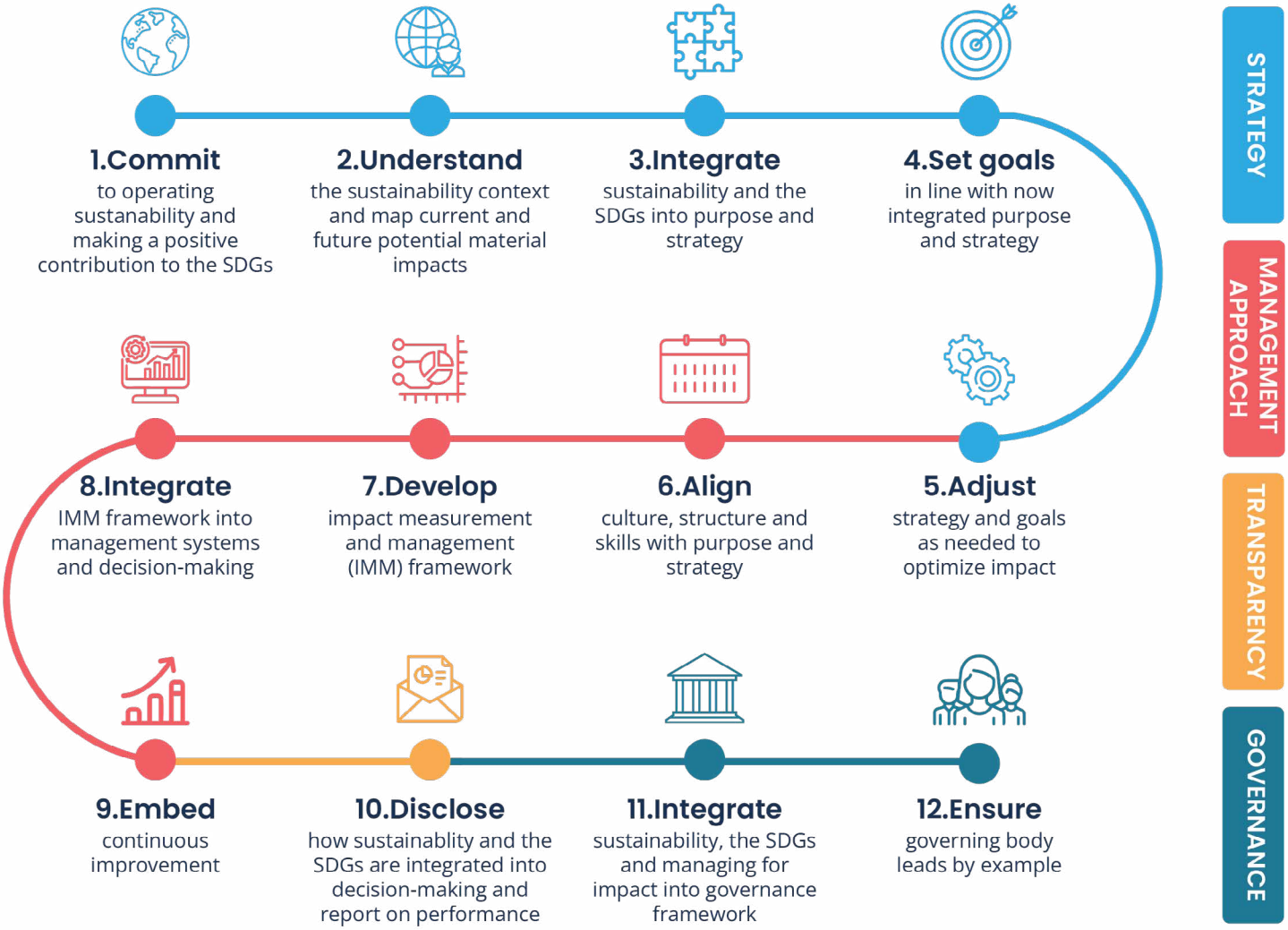


Figure 8: The 12 SDG Impact Enterprise Actions, UNDP

4.5. The Platform Business Model

A relatively new form of constructing businesses is the Platform Business Model (also called multi-sided platforms or MSP), as seen in companies such as Airbnb, Uber, Google, YouTube, Spotify, Marketplace, and many more. A Platform Business Model is a so-called two-sided business model in which value is created by enabling direct interactions between suppliers and demanders (see Figure 9). MSPs should not be confused with platform-based businesses, which are linear businesses that use platforms to offer their goods or services, like Amazon. The Platform Business Model has potential, especially for start-up companies, because of the opportunity to connect to an already established market, leading to fast growth.[20]

Also, in the healthcare sector the MSP has been growing in popularity. Multi-sided platform businesses have a wider customer reach, access to more capabilities and increased revenue. In healthcare there are a lot of unutilised assets. With a Platform Business Model approach, healthcare organisations are able to create an ecosystem with a much larger accessibility and utilisation of assets. The added benefit to this is that healthcare organisations do no longer need to build non-strategic services from the ground up but can refer patients to their ecosystem network. With the use of modular (or standardised) platforms this experience can be further streamlined, making it easier to combine datasets and accurately match records.

Also, for the consumer, the MSP has much added value, since it simplifies usage and makes access more convenient. A focus on the consumer experience also creates a vicious circle of growth, in which more customers attract more partners and therefore more services, which attracts again more customers.

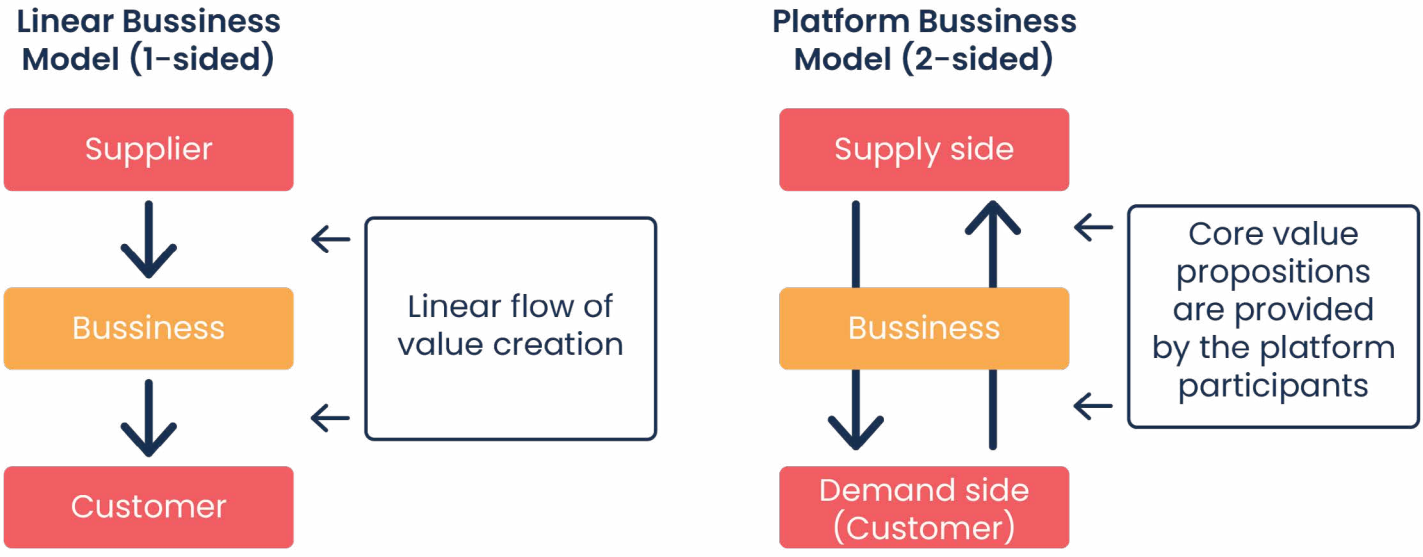


Figure 9: The Platform Business Model compared to the Linear Business Model

4.6. VRIO analysis

VRIO (Value, Rarity, Imitability, Organisation) is a strategy tool used by businesses to get a competitive advantage. A VRIO analysis focusses on the resources a company uses by evaluating four aspects. First the value of the resources is checked to see whether they provide benefits or are liabilities. If a company does not have a valuable resource, then it is at a competitive disadvantage. If it does, then the next aspect is evaluated; the rarity of the resources.

A rare resource can be an advantage, but only if a business has continuous access to it. If a company has a valuable resource, but not a rare one, then they are at a competitive parity, as then the imitability of the resources is determined. If yes, then the imitability of the resources is determined. If a resource is rare, but easy to imitate, competitors will duplicate this resource. With a valuable and rare resource, a company would be at a temporary competitive advantage. If the resource is also inimitable, the organisation of the company is evaluated. With poorly organised management systems, processes, and structures an unused competitive advantage is created, but with a valuable, rare and inimitable resource, and proper organisation a company has reached a sustained competitive advantage.[21]

The VRIO analysis stems from the original VRIN analysis, in which N stands for non-substitutability. For a business to have a sustainable competitive advantage, a resource needs to be not only inimitable, but it should also not be possible to substitute it for a different resource and get the same strategic advantage. In a VRIO analysis the I and N are combined into one criterion (imitability / substitution) and the element of organisation is added. Both the VRIN and the VRIO frameworks were developed by the same author (Jay Barney).[22]

Valueble	Rare	Inimitable	Organised	
No				Competitive disadvantage
Yes	No			Competitive parity
Yes	Yes	No		Temporary competitive advantage
Yes	Yes	Yes	No	Unused competitive advantage
Yes	Yes	Yes	Yes	Sustainable competitive advantage

Figure 10: The VRIO

4.7. Porter's Five Forces

Porter's Five Forces is another tool used for gaining a competitive advantage on the market. The model was developed by Michael E. Porter in 1979, and targets five factors (see figure 11). By using Porter's Five Forces a business can gain insight into its position on the market, compared to other businesses in the same industry. Usually, it is conducted in combination with a SWOT analysis.

The first force is the competitive rivalry (middle block), it examines the intensity of the competition. The second force is the bargaining power of suppliers: how many suppliers there are and how much control they have over the pricing of the product or service a business provides. The third force, the bargaining power of the buyers (right block), analyses the buying power of customers and their effect on pricing and quality. The fourth force is the threat of new entrants (top block) and evaluates the difficulty for new competitors to enter the market. The fifth and last force, threat of substitutes (bottom block), investigates how difficult it is for consumers to switch to a competing business. By investigating all these five forces a business can assess the strength of their position on the market and adapt their strategy where needed.

Figure 11: Porter's Five Forces

4.8. Health Care Creating Value-Based Competition

Porter and Teisberg published in 2006 a book about why the health care industry did not conform to the principles of competition seen in all other sectors of the economy [23]. They concluded that in healthcare there are no major advances in delivery science and multiple layers of organisational structure have been added to the since decades unchanged existing delivery model of healthcare.

The result was an expensive, complex system with no success in improving outcomes and cost control. Porter and Teisberg proposed a radical structuring of health care focused on competition and improvement. They propose one single goal for healthcare: to deliver value for the patient. Payment should reflect the value of care and not volume.

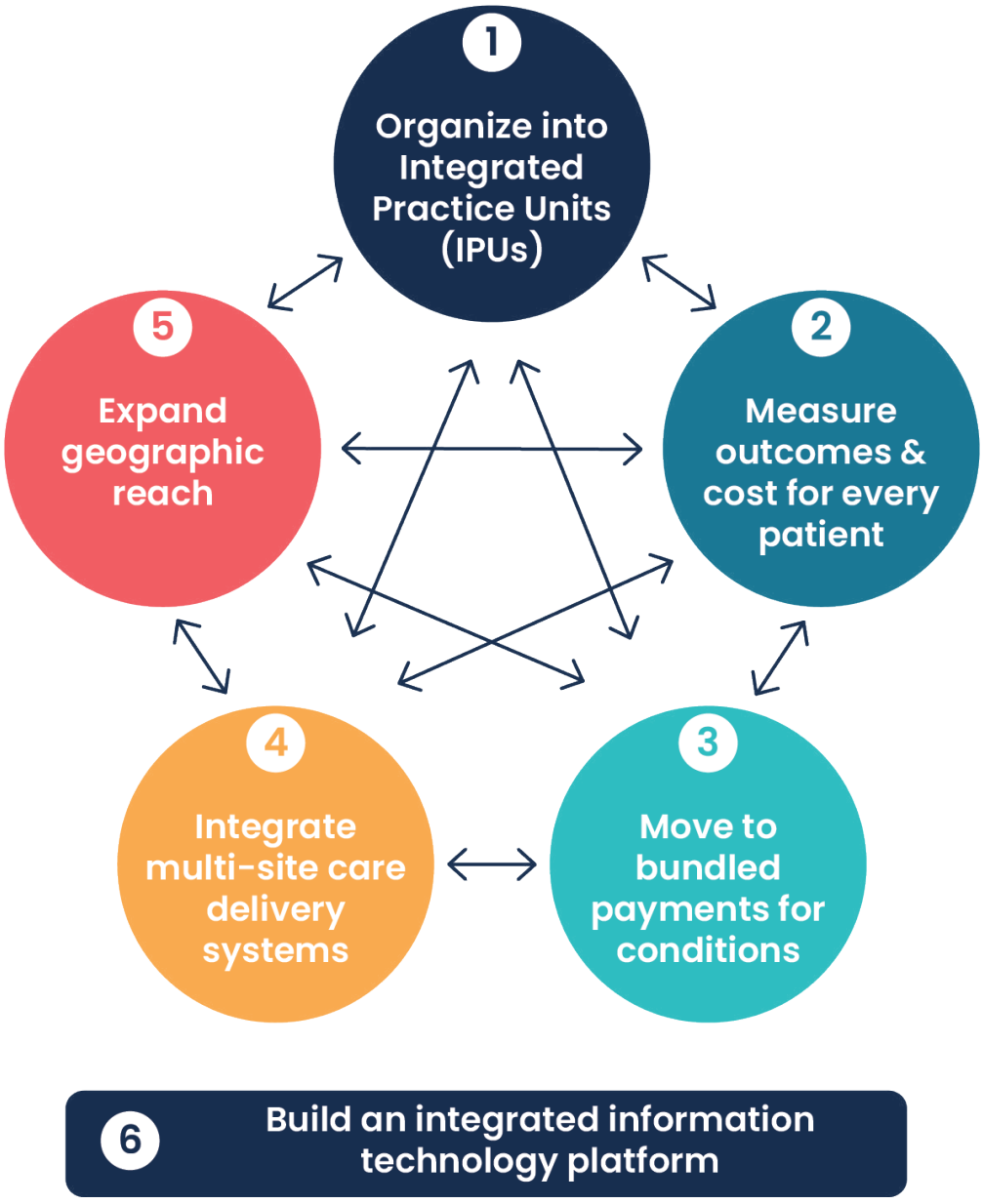


Figure 12: Porter and Teisberg Value-based Healthcare Model

4.9. Business models for social innovators: Schwab Foundation and World Economic Forum

In 2016, the Schwab Foundation, in partnership with the World Economic Forum, released the following publication: Social Innovation: A Guide to Achieving Corporate and Societal Value [24]. It describes why social innovation matters to business and provides good practices for building future markets, strengthening supply chains, investing in talents and leveraging finances.

The document also provides a framework for implementation with inspiring examples. Six years later, the Schwab Foundation released an insight report on "Unlocking the Social Economy ". Towards an inclusive and resilient society"[25]. The report introduces a values-driven social economy as a diverse sector (diverse legal entities, variety of industries, differences of scale and across all geographies) with common characteristics (positive impact, long-term vision, governance and cause first).

Social economy organisations can be associations, foundations and social/impact enterprises. The report further focuses on the potential of the social economy and provides global examples about addressing inequalities, risks challenge existing economic model, green economy and digital transition. The report finishes with proposed actions to unlock the potential of the social economy by developing a supportive ecosystem of coherent policies and public-private collaboration and by leveraging the experience of the social economy to address persistent, structural challenges from a purely profit-driven economy.

5
BUSINESS PLAN DEVELOPMENT

5.1. Introduction

A business plan is a written document that presents the innovation or business actor, the project or initiative and the business's economic and financial model.[26] This chapter describes the creation of a business plan for a company, initiative or project. Additional information on funding opportunities is available in the Hands-on Toolkit of the SIRENE's Social Innovation Framework.

Generally, a business plan synthesises in 10-15 pages the project or initiative and it is divided into two parts:

1. A presentation of the initiative, as well as the business model;

2. A financial projection of the initiative.

A business plan is needed in the following cases:

- To apply for a bank loan.
- To convince potential business partners to join the project or company.
- To join a business incubator (a structure, like an association, that helps start-up companies and individual entrepreneurs to assess the relevance of their projects and to develop their businesses by providing a full-scale range of services, like specific training, management advice or administrative support).
- To become one of the best customers of suppliers. Suppliers of goods have limited quantities. In times of scarcity, suppliers can select from among their customers. Customers with a better potential for sustainability and long-lasting businesses stand out more easily from the crowd.

5.2. Creation of a business plan

Templates of business plans are available on the internet. A good example is the template of the Dutch RABO bank.[27] See for the full template the SIRENE Cloud-Based Repository.

1. Summary

Summarise your plans here in 1 or 2 A4 sheets. A good summary shows that you have a clear view of your objectives and that you can separate main issues from side issues.

2. The entrepreneur, social innovator, business actor or team

Who is the people behind this company? Answer this question with important information about yourself. For example, contact details, education and work experience are relevant. In addition, your personal motives, qualities and ambitions reflect well what kind of entrepreneur you are. Know your strengths and weaknesses and show how you deal with them.

a. Personal data, education and work experience

b. Personal motives – personal motivation

c. Personal qualities – strengths and weaknesses

d. Personal ambitions

3. The company

This chapter goes into detail about your business plans, as well as reports on relevant developments in your sector. As a starter, you also need to arrange a lot. Think of the Chamber of Commerce registration, setting up an administration, opening a business account, taking out insurance and applying for permits.

a. Company data, delivery terms, licences, grants, insurances

b. The idea

To the core, describe the idea and indicate the means by which you want to achieve your goals. Think of this part of the plan as a kind of 'elevator pitch'1, highlighting your passion, inspiration and ambition. Describe your plans in such a way that others will feel like joining in.

c. State of play

In this section, you list the current state of affairs and indicate the steps you still need to take.

d. Business partners

e. Employee team

4. The market

This chapter is all about market developments. Here you describe the sales market, target group and the competitive field. You also estimate whether your product/service has sufficient potential to conquer the (local) market.

a. The market in focus: market size (local, national, international), trends identified, government plans. Support with figures and cite reliable sources.

b. The target group: potential customers.

c. Competition

d. Company and product in the market

(SWOT Analysis)

5. Marketing plan

You often cannot escape a marketing plan when when marketing a product (or service). An important part of a marketing plan is the marketing mix. This is how you translate your plans into a practical approach. Because no matter how clear your vision may be: you ultimately want to ensure that the customer comes to you and not to the competitor.

a. Product/service: more in-depth description of the product or service you want to sell.

b.Price: selling price. A common method of determining this is by estimating what customers would be willing to pay for it, but it is also possible to make a competitive comparison. Provide a good foundation for the pricing.

c. Location: Describe the place(s) where people can buy your products or services.

d. Promotion: Describe the ways of promotion of your products or services

e. Staff and cooperation: The personal and professional qualities of your staff and cooperation with other organisations.

6. Financial plan

Whether you write the business plan just for yourself or also want to use it to convince investors, it is very important to map out your financial situation. This way, you are less likely to encounter surprises. Investors will also pay close attention to the figures underpinning your business. So, make sure the financial plan is complete and explain the various budgets in separate paragraphs.

a. Earnings model: setting realistic goals and thinking in scenarios to show how to generate income.

b. Investment budget: how much money is needed to realise the plan, including:

i. Investment requirement: hardware, software, goods

ii. Working capital requirement: prefinancing VAT, debtors, cash, bank

c. Financing budget: how to finance your business? Savings, loans, grants.

d. Operating budget to calculate the profit you are expected to make: balance between sales, purchases and costs (personnel, overhead, office) of the business

e. Liquidity budget: it gives insight into how much money you receive and spend each month. Over time, this will help you better assess which months are most suitable for making new investments and

1 An elevator pitch is a short description of an idea, product, or company that explains the concept in a way such that any listener can understand it in a short period of time.

also build up a financial reserve so that you can cope with unexpected setbacks.

f. Budget private expenditure

7.General/legal matters

As a prospective entrepreneur, social innovator, business actor or team, you should also demonstrate that you have thought about general legal matters that may affect your business. Think about taking out licences and insurance, mentioning any competition clauses or drafting general terms and conditions. This is the chapter to mention such developments.

5.3. Business plan summary

Below you can find the the business plan summary from the Hands-on SHAFE project (see table 2).[3] The table shows which fields should be filled in for your business plan. For example: your business environment consists of 4 to 5 pages and focuses on regulations, the economic context of your business, the working area, the expected customers and identified competitors and the needed suppliers.

Presentation of the entrepreneur, innovation actor, team (2-3 pages)	A - You: who you are B - Your business partners	C – Your team of employees
Presentation of the business project (2-3 pages)	A – Your offer: products and services to sell	
Your business environment (4-5 pages)	A – Regulations B – Economic context C – Working area	D – Customers E – Competitors F – Suppliers
Your means (2-3 pages)	A – Commercial B – Material	C – Human D – Financial
Financial forecasts (3 pages)	A – Financing plan B – Cash flow budget	C – Profit and loss
Legal, fiscal and social aspects (1-2 pages)	A – Legal aspects B – Fiscal aspects	C – Social aspects

Table 2: Summary of a business plan

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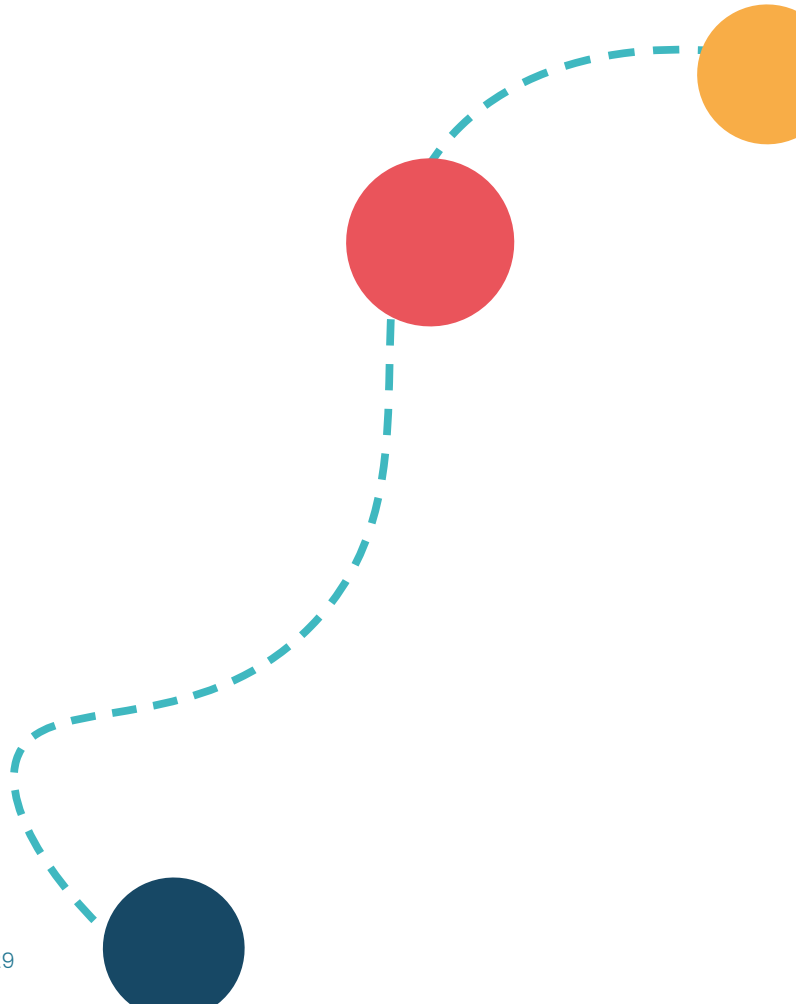

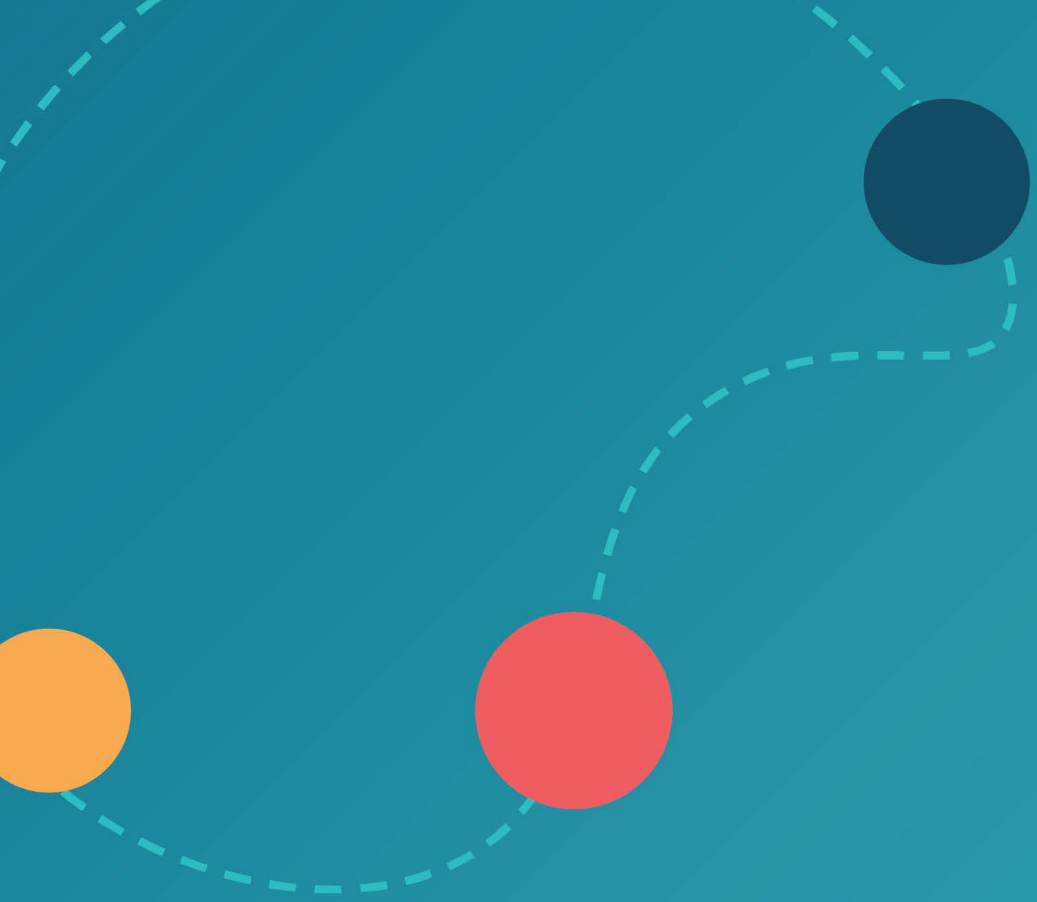

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