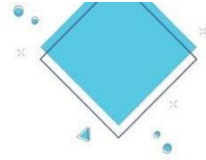




Social  
Economy  
4Ces



# Value Creation Framework



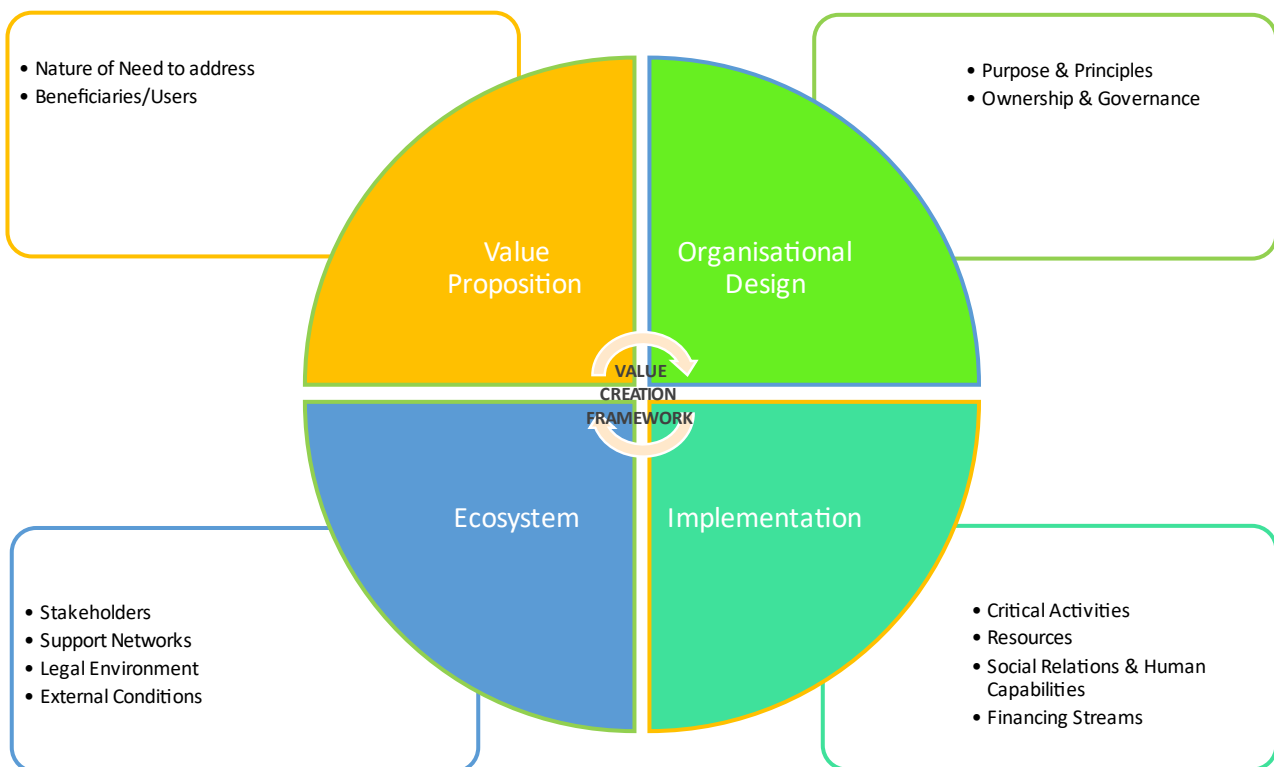
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## About the Tool

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The purpose of this framework is to allow its users to reflect on the value creation process in the Social Economy organisation they work for, one they are familiar with, or one they would like to start. It draws upon and seeks to integrate other very useful tools and frameworks, in particular the Common Good Matrix, the Social Business Model Canvas and the Doughnut Economic. Our proposed model guides users through four stages of value creation: define value proposition, design the organisational infrastructure that would facilitate the delivery of value, map the supportive ecosystem, and plan the implementation process. This framework can be used by practitioners, students and educators as a foundation for key follow up processes, for example, for doing a social return on investment analysis or for developing a workable strategy/action plan.



This is a dynamic and agile tool with multiple purposes depending on the context in which it is used. Specifically,

- It can assist **SE practitioners** develop a value proposition, map internal and external assets and relations, reflect on existing practices and processes and set the foundation for a workable action plan/strategy to achieve their objectives. The model is designed to allow SE practitioners to identify opportunities as well as possible challenges and tensions that should be addressed (e.g. how certain activities conflict with core principles) and to develop a comprehensive strategy process in pursuit of achieving their set objectives. In addition, reflecting on existing practices and processes can also help SE practitioners reflect on how to improve organisational democracy and inclusion, increase participation in the decision-making process and develop more egalitarian and constructive methods to deal with conflict.
- It can help **students** familiarise themselves with the complexity of running a socially driven organisation, question the narrow economic-centric logic dominant in mainstream management, operations and strategy literature, and think creatively about how to run a business with a social and ethical compass. Mapping key stages of the value creation process

will allow students to identify the main elements that go into value creation, the potential conflicts between certain social values and objectives, or between stakeholders, and the facets of the ecosystem that could support or hinder the realisation of their objectives. It can also be used as a foundation activity for other reflective exercises that could help students to think about issues such as that of decision-making processes and managing conflict.

- It can help **educators** to point out key stages of value creation and assist their students to familiarise themselves with a range of important issues, challenges and opportunities across the process of value creation; it also offers an activity that balances theory and practice. As a framework, it provides great flexibility to educators and the opportunity to draw connection to other modules (e.g. Strategic Management, Social Entrepreneurship, Corporate Governance, Human Relations and Organisational Behaviour) across their respective programmes. It can be used as a one-off activity or a framework across a range of smaller weekly tasks. It can also be used as a stand-alone activity, or a starting point for a range of other, follow up, individual and group activities (e.g. reflect on democratic management, inclusivity and managing conflict). Finally, it can be used as a tool providing formative assessment to students through weekly tasks leading to a summative (individual or group) assessment.

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### *How to use it: Step-by-Step Guidelines*

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Having briefly described the potential benefits of the Value Creation Framework to practitioners, students and educators, we would like to provide some general step-by-step guidance to users. In the four sections below, we have outlined some basic questions that could be asked to address each of the four stages of the framework and help users define and deliver their value proposition.

#### *Value proposition:*

In this stage of the tool, users can ask a range of questions:

- What needs do we address?
  - Drawing on a situational analysis, users are encouraged to outline the specific social, economic, environmental need that they would like to address. Such need can be very local and context-specific or have wider implications beyond a given locality.
  - What services and products do we want to offer?
- To whom is it important?
  - Users should map all the stakeholders who are going to be positively affected.
- How is it important/benefiting them?
  - Users should reflect on how their proposition is going to impact their identified group of stakeholders.

*Users can create multiple sections to reflect on their value proposition. Indicative sections are: social/economic value, environmental value, financial value. By the end of this task, users are expected to*

*have a comprehensive picture of the needs they want to address, the sort of value they will produce to address this need, and who is meant to benefit.*

### Organisational Design:

In this stage of the tool, users can ask a range of questions:

- How are the organisation's purpose and principles in line with the value proposition?
  - Users should reflect on the compatibility of the value proposition with the wider purpose, mission and objectives of their organisation (for example, in terms of including particular groups, or environmental objectives)
- What Ownership and Governance structure would best support the value proposition?
  - Users should reflect on a range of aspects including, the ownership structure of the organisation (e.g. is it owned by a small group of people, or is ownership more widely distributed?), how the organisation is structured (e.g. are there clear hierarchical lines, or is the structure more horizontal?), how the work is organised (e.g. is it specialised or polyvalent?), what decision making processes are in place (who participates and how), what are the remuneration practices (what criteria are considered to decide on pay?, what is the top to lowest pay ratio?).

*By the end of this task, users are expected to have a comprehensive understanding of existing organisational design and be able to evaluate what needs changing to support their value proposition.*


### Ecosystem:

In this stage of the tool, users can try to complete a range of tasks and Mapping activities.

Indicative tasks and Mapping activities include:

- Do a Stakeholder's Mapping
  - Users should try to map all relevant stakeholders such as suppliers, employees, cooperators, consumers, users/citizens, or local communities.
- Do a Support networks Mapping
  - Users should identify and map all the relevant support networks such as financial service providers, public bodies, social movements, training and educational providers.
- Identify and reflect on current Legal framework, Policies and Regulations
  - Users should try to identify and evaluate how existing legal frameworks, policies and regulations could impact their organisation as well as the potentialities and limitations that they can pose to the value proposition.
- Identify and evaluate other important external conditions
  - Users should identify and critically reflect on all external conditions that could positively or negatively impact their value proposition. This can include (among other factors) social trends, general economic conditions, cultural aspects.

*By the end of this task, users are expected to have a comprehensive picture of their organisation's ecosystem and be able to evaluate all areas that require attention to help support their value proposition.*

 For a better visual mapping of the ecosystem and for a more comprehensive assessment of the relationship across the various stakeholders, the opportunities that are available or that could emerge, as well as the possible challenges and barriers, we suggest using the following *Ecosystem Mapping Table* and *Stakeholder Map*:

### A. Ecosystem Mapping Table

Ecosystem Mapping				
Stakeholder 'Who'	Extent and Type of collaboration / 'What' is at stake	Key Interests	Opportunities & Barriers for collaboration	Connections across Ecosystem

The first column 'Stakeholders', should list all groups, individuals and organisations (from the public sector, private sector, civil society, informal, etc.) that have got a 'stake' in the organisation, responding to the question of 'who' could be affected in some ways by its operation.

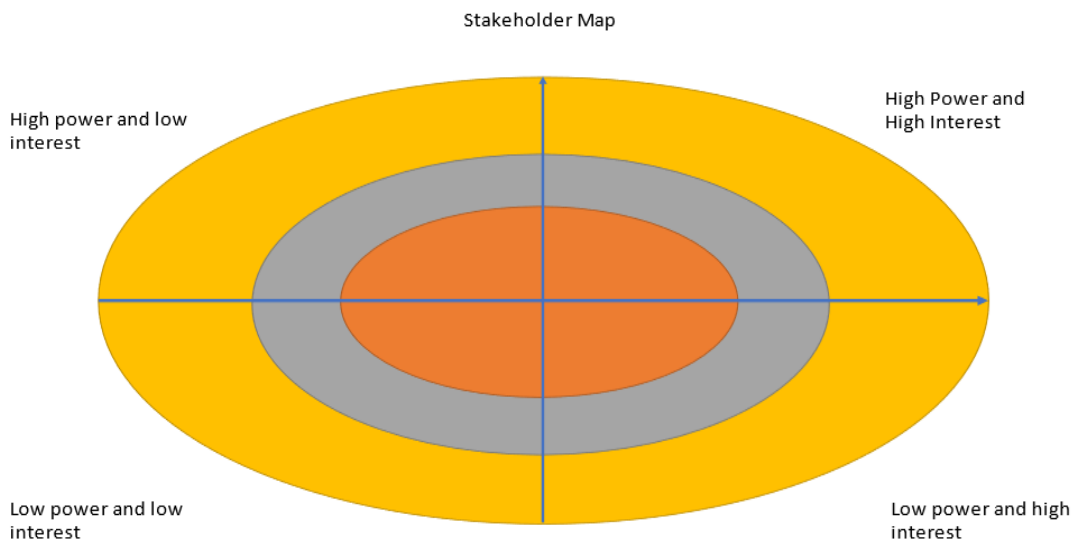
The second column, 'Extent and Types of collaboration', concerns the type of relationships the organisation has with the particular stakeholder and the extent to which the organisation depends on this relationship. It responds to the question of 'what' is at stake. For example, it could be a significant financial donor making a large financial contribution on which the organisation depends, or free work from volunteers which could be central to the functioning of the organisation.

The third column, 'Interest', relates to the reasons or motives for the stakeholders' involvement; it responds to the question of 'why' they have a stake or interest in the organisation. It could be that, as users of a social clinic, they depend on it for their health; it could be that the organisation promotes values that a volunteer worker wants to defend; the interest could be more indirect, for example from an ethical investor simply wishing to avoid funds going to 'unethical' activities.

The fourth column, 'Opportunities and barriers for collaboration', refers to the factors that may help or hinder relationships with the stakeholders. It could be that the procedures or requirements to obtain subsidies from a local authority are too demanding, or unacceptable to the organisation hence constituting a barrier to collaboration.

The fifth column, 'Connections across ecosystem', refers to the relationships between the various stakeholders and the possibility of establishing broad-based alliances between multiple stakeholders in order to strengthen the organisation's support system. Is there already a closed knit network between the various stakeholders? Or are they isolated from each other? For example, in a social clinic, where carers and doctors could also be users, or where donors are also members of the local community in which the clinic operates, or where local students give time and skills, there is obviously a tightly knit network that gets established at least at a local level, and that could be mobilised to support the organisation. The visual representation of these connections can be created using the Stakeholder Map below where every actor and organization relevant to the ecosystem is placed in the map using the Power/Interest axes and their present level of collaboration (strong/regular collaborations are reported in the orange core circle, loose/periodic collaborations are positioned in the grey area and non-existent collaborations in the yellow circle)

## B. Stakeholder Map



Once the table has been populated, the various dimensions of this mapping exercise can be used to produce a visual representation of the organisation's ecosystem and the way it can be mobilized.

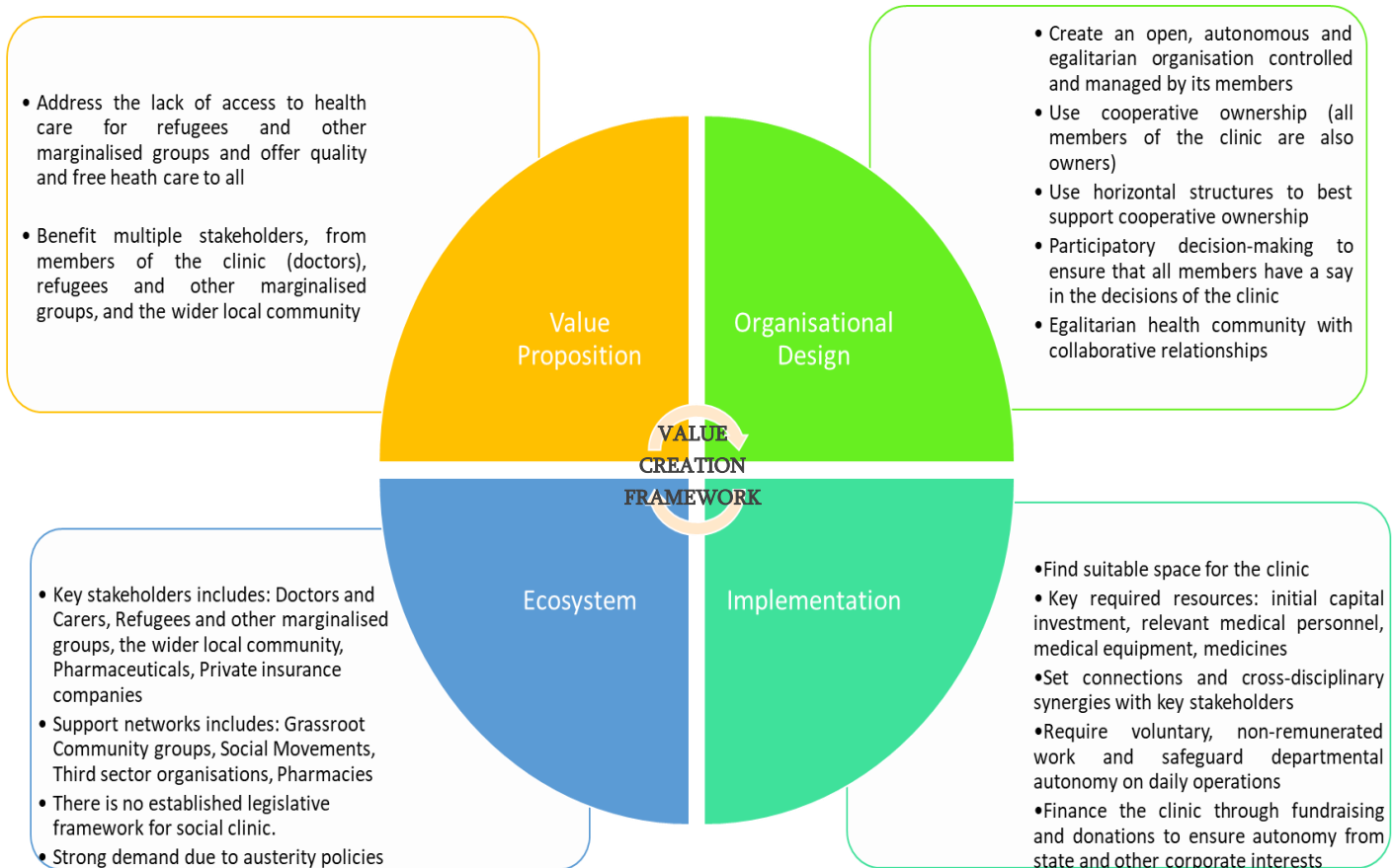
### Implementation:

In this stage of the tool, users can complete a range of tasks (as they see fit in their specific case):

- Identify existing and/or required critical activities for achieving their value proposition.
  - List all key critical activities for delivering the service or product (e.g. Identifying suppliers, potential volunteering systems among users, designing a supportive infrastructure)?
- List current finances and costs for delivering the set value proposition
  - What financial resources are needed to achieve the set objectives?
  - What non-financial resources are needed to achieve the set objectives?
- Describe and evaluate social relationships and human capabilities to achieve the set objectives.
  - What organisational processes are needed to support the proposed activities?
  - What alliances/collaborations are required?
  - What channels should be used?
  - How will key stakeholders participate?
- Identify and/or forecast key financing streams, sources of funding
  - What are the main sources of financing your operations
  - How much would each source of financing contribute towards your total revenue?
  - What has to be done to be sustainable?

By the end of this task, users are expected to have a comprehensive picture of all the critical activities required to deliver their value proposition. Estimation of cost and identification of key financial streams will further support users in the implementation process.

## Workable example – Creating a Social Clinic in Greece



The example shared is loosely linked to the following source: Kokkinidis, G. and Checchi, M. (2023) "Power matters: Posthuman entanglements in a social solidarity clinic". *Organization*, 30(2): 288-306.