TESTING THE LIMITS OF SCALERS:

A CASE STUDY OF SCALING SOCIAL IMPACT

In this paper, we develop a modified model of scaling social impact by applying stakeholder theory to empirical data from case study research on a social enterprise. Our findings are largely supportive of Bloom and Chatterji's SCALERS framework, which recognizes seven capabilities that can be developed to effectively scale social impact. However, we identify additional capabilities and contingencies, offering a more comprehensive framework for practitioners that can serve as a basis for further research. This paper contributes to existing scholarship on scaling social impact and reveals fresh insights gained by integrating research on stakeholder theory with social entrepreneurship.

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There has been an increasing interest among scholars and practitioners in social entrepreneurship, referring to the creation of social value by providing solutions to social problems (Dacin et al., 2011). The growing scholarly interest in social entrepreneurship is manifest in a growing volume of research (Moss et al., 2011), as well as in the formation of new journals devoted to the topic, such as *Journal of Social Entrepreneurship* and *Social Enterprise Journal*. Within the practitioner realm, this heightened interest is exhibited by the proportion of individuals engaged in social ventures (Harding, 2004), the sponsorship of awards for practitioners from organizations such as the Skoll Foundation (Nicholls, 2010), and the creation of practitioner journals such as *Stanford Social Innovation Review*.

In recent years, an emerging body of social entrepreneurship research has begun to examine questions surrounding the scaling of social impact (Bloom & Chatterji, 2009; Bloom & Smith, 2010; Lyon & Fernandez, 2010). Scaling social impact refers to "increasing the impact a social-purpose organization produces to better match the magnitude of the social need or problem it seeks to address" (Dees, 2008). Social entrepreneurs and their supporters are driven by a desire to create social value, and that value can be significantly increased through an effective scaling strategy (Bloom, 2012). Recognizing the importance of this subject, prior research has suggested forms and mechanisms with which to scale social impact (Dees et al., 2004), identified broad scaling strategies (Lyon & Fernandez, 2012), and identified capabilities that should be developed to effectively scale (Bloom & Chatterji, 2009).

Although this emerging research stream has generated significant insights, further research is needed. One of the most promising contributions in recent years has been the development of the SCALERS framework, which describes seven capabilities that can be developed to effectively scale social impact (Bloom & Chatterji, 2009). Despite the promise of this framework, there has been limited empirical testing of SCALERS, with one published article to date finding initial support for the model (Bloom & Smith, 2010), and calling for future research to develop our understanding of the variables impacting the scaling of social impact.

To that end, this paper seeks to extend theory underlying the SCALERS framework. We accomplish this through a case study of a New England-based social venture. Recognizing the value of prior quantitative analyses that find initial support for the SCALERS model (Bloom & Smith, 2010), we utilize qualitative data to complement this approach, seeking to identify additional capabilities and situational contingencies not envisioned by the model. Our study contributes to existing research on scaling social impact by revealing insights into complex processes not immediately apparent in quantitative data alone.

The remainder of the paper is organized as follows. First, we review literature on scaling social impact and new venture growth, and introduce relevant theory that has not been considered in previous research on scaling: stakeholder theory. Next, we explain our research methodology before presenting the findings of our case study. Finally, we conclude with a discussion of implications for social ventures and scholars.

SCALING, NEW VENTURE GROWTH, AND STAKEHOLDER THEORY

Much of the early research on scaling social impact can be characterized by the underlying organizational focus: internal or external (Doherty, Foster, Mason, Meehan, Rotheroe, & Roybce, 2009) or service differentiation (Nicholls, 2006). The proper selection, training, and socialization of employees have also been suggested to be critical internal elements determining an organization’s ability to scale its impact (Bradach, 2003). More broadly, the internal approach to scaling may be said to focus on the development of the organization's resources and capabilities.

By contrast, the external approach to scaling emphasizes the organization's interaction with its external environment. An important component of this interaction is the ability to form alliances. As Sharir and Lerner (2006) suggest, the scaling benefits of building alliances with external organizations include an improved ability to secure resources and political support. Significant scaling benefits may also arise through franchising, though the ability to find appropriate franchisees may be more difficult in the social sector than in the commercial sector (Tracey & Jarvis, 2007).

The SCALERS framework (Bloom & Chatterji, 2009) may be viewed as an attempt to integrate internal and external perspectives on scaling social impact. The capabilities identified in the framework, taken together, aim to improve organizational efficiency and effectiveness, and to scale impact by navigating the organization's external environment. The seven capabilities, which provide the framework's acronymic name, are: Staffing, Communicating, Alliance-building, Lobbying, Earnings generation, Replicating, and Stimulating market forces. We attend to each capability in detail in our review of the case study insights.

The theoretical underpinnings of the SCALERS model include research in resource-based theory, sociology, and entrepreneurship. Resource-based theory views organizational growth as contingent on the possession and development of resources (Barney, 1991; Penrose, 1959; Wernerfelt, 1984). Bourdieu's (1986) insights on different forms of capital—suggesting that the availability of different types of capital constrains success—provide theoretical foundations from sociology for the SCALERS model. Lastly, the entrepreneurship research has proposed that deficiencies in critical resources restrict new ventures' growth potential (Shelton, 2005).

Growth of the new venture is a topic of enormous interest in the entrepreneurship literature, much of which holds relevance for the growth and development of the social enterprise. To achieve growth, any organization needs to have adequate resources, including infrastructure, capital, technology, organization systems, and the availability of talented employees (Bhide, 1996). An evaluation of existing internal resources including management is critical prior to any expansion or growth plan, and feasibility analysis should be completed to determine whether current competences, capital, and systems are sufficient. In many instances, current assets are not sufficient to support growth, and thus the need for new resources can be identified. External factors need to be assessed as well, and may include an analysis of existing or new markets and access to these markets, and whether the firm's external environment is favorable for the growth of the organization (Shah, Nazir, & Zaman, 2013).

This analysis and preparation for growth is complicated by a surprising lack of research on the process of examining growth in the social enterprise. Scholarly research often focuses on the antecedents and outcomes of growth, at the expense of examining the process, especially in specific areas and sites (Davidson, 2004). The "what" is emphasized at the expense of the "how." Additionally, it has not yet been possible to isolate those variables having a consistent effect on growth (McKelvie & Wiklund, 2010), thus, adequate tools to examine and evaluate the growth process are also missing. As noted by Wiklund and Shepherd (2003), there is "disquiet" over a perceived lack of well-founded knowledge about the causes, effects, and process of growth.

Part of the lack of theoretical development in the field of social entrepreneurship growth may be attributed to an excessive research focus on the outcomes of growth, conceptualized as increases in amount, rather than on the process of growth (McKelvie & Wiklund, 2010). Clearly, and perhaps even more so for the social enterprise, growth and each facet of growth is a multidimensional, heterogeneous and complex phenomenon (Leitch, Hill, & Neergaard, 2010). This may be complicated further by the diversity and the variety of stakeholder groups with an interest in entrepreneurial and business growth, which has implications for knowledge generation by researchers (Leitch et al., 2010). In short, different stakeholders use different measures to assess social enterprise growth, or even success. Interestingly, assessment of firm performance by the social entrepreneurs themselves is often done through an external stakeholder lens such as customer surveys and the like (Hynes, 2009). Other personal factors also play a role, including personal idiosyncratic characteristics of the social entrepreneur. These personal factors may include background, capability, education, business skills, entrepreneurial goals and growth aspirations, management competence, personality and mindset (Barringer, Jones, & Neubaum, 2005; Boeker & Wiltbank, 2005; Wijewardena et al., 2008).

While previous scholarship on SCALERS has explicitly identified research in new venture growth, as well as resource-based theory and sociology, as theoretical foundations for the SCALERS model (Bloom & Smith, 2010), scholars have not, to our knowledge, acknowledged the relevance of stakeholder theory to SCALERS. Stakeholder theory's central insight that organizations can affect and are affected by a wide range of groups (Freeman, 1984) is, however, particularly consequential for social ventures seeking to scale their impact. Effective management of an organization's diverse array of stakeholders has the potential to improve organizational performance (Freeman, 1984).

Unlike commercial ventures, in which shareholders are acknowledged to be the stakeholder group to whom management is primarily responsible, social ventures face a more complex stakeholder universe. Given that the creation of social value, rather than economic value for shareholders, is the defining characteristic of social ventures, the question arises as to which stakeholders social ventures are and should be most responsive. The stakeholder salience framework (Mitchell, Agle, & Wood, 1997) offers guidance on this question. Specifically, the framework suggests that organizations will be most responsive to stakeholders that are powerful, and whose concerns are urgent and legitimate. Empirical tests have generally supported this model (Agle, Mitchell, & Sonnenfeld, 1999; Eesley & Lenox, 2006; Parent & Deephouse, 2007).

Powerful stakeholders possess valuable resources; thus, sensitivity to powerful parties is critical to the successful scaling of social ventures, and is consistent with the broader importance of resources to scaling efforts. Urgent concerns possess two traits: they are time-sensitive and critical. Responsiveness to urgent concerns demonstrates an organization's ability to prioritize among multiple stakeholders' interests, and would also be expected to be a key prerequisite to successful scaling. Legitimate concerns are those perceived to be credible; in this sense, legitimacy may be seen as connected with the venture's mission, as concerns most directly associated with the mission would be perceived as the most legitimate.

As articulated in prior research, the SCALERS framework offers practical scaling guidance for social ventures and is built upon strong theoretical foundations in resource-based theory, entrepreneurship, and sociology. Given the complex stakeholder reality faced by social ventures, however, it is necessary to strengthen this framework through a consideration of stakeholder salience. The remainder of our paper discusses the methodology and findings of our case study, and suggests a modification of the SCALERS framework based on these findings.

METHODS AND DATA ANALYSIS

Case study research entails seeking to understand dynamics operating in a specific setting, and is an appropriate method to derive ideas from the data at hand and then develop and extend theory (Eisenhardt, 1989; Langley, 1999). Further, qualitative data can shed light on complex processes that quantitative data may be unable to (Eisenhardt & Graebner, 2007). The study of social enterprise processes requires a rich and detailed interpretative analysis (Doraldo, 2006; Chell, 2007).

Our empirical research was conducted at a small, New England-based health literacy organization (hereafter referred to as "HL"). The firm employs approximately thirty-five individuals on a full-time basis, a dramatic increase from just five employees in 2009. The organization focuses on user-centered design and content development, and its clients include private health insurers, federal and state health agencies, and private foundations. HL operates as a for-profit company, and the primary social value created entails improved health literacy for individuals. In recent years, the company has received recognition as a rapidly-growing small business from multiple organizations. Given the social value creation inherent in the company's mission, as well as the company's recent and ongoing efforts to expand, HL provides an excellent context in which to examine questions of scaling social impact.

This paper is derived from our initial insights of an ongoing qualitative research study, which began in February 2015. We employ ethnographic methods to uncover and develop a deep understanding of HL's culture, people, and practices. To date, we have engaged in participant observation of four organizational events: a staff meeting, a training seminar at the company's offices, a remote leadership meeting through videoconferencing, and an annual retreat held at an outside venue. With the consent of the staff, we audio-recorded these events, and when possible discretely took field notes to supplement the recordings.

We have also carried out 11 one-on-one interviews with employees, over the course of several months. Since our intention was to gain a well-rounded and multi-faceted perspective of HL, ideally we wanted to speak to those with different roles, levels of seniority, and tenure within the organization. To recruit participants, we sought the assistance of an HL administrator, who was our initial contact and entrée to HL, to liaise with the staff to see who might be interested in speaking with us. Fortunately, staff were very receptive to our research project and were willing to share their knowledge and experience about their jobs and workplace schedules.

Before speaking with HL staff, we gained approval for interview protocol and question topics from the leadership team. As well, we secured informed consent both in writing from the leadership team at the start of our study, and also verbally from each individual participant. During the semi-structured interviews, we asked informants to discuss their background, roles and responsibilities, and their sense of the challenges the organization has faced in its growth. Each interview was tape-recorded and transcribed.

Our data analysis consisted of three major stages. First, we reviewed recordings, fieldnotes, and interview transcripts, looking for possible themes and interesting questions emerging from the data. Taking an iterative approach, we compared the data, our discussions of them, and reviews of the literature to identify the SCALERS model as a framework to apply using HL as the organizational context. Once we had chosen to pursue the SCALERS model, we examined the data more systematically to identify each growth-related challenge, assembling a record of quotations from our respondents describing each challenge.

For the second stage, we drew on the SCALERS framework to organize and analyze the data pertaining to each challenge, mapping each data point to a relevant capability. We worked back and forth, between the data and existing research on stakeholder salience, and discovered two apparent gaps in the original SCALERS model. We worked back and forth, between the data and existing research on stakeholder salience, to develop a modified framework encompassing challenges not addressed by the seven capabilities of SCALERS. This process led us to identify two scaling capabilities not addressed by the SCALERS model: systems and client selection. In the third and final stage, we returned to our fieldnotes and transcripts to try to detect any situational contingencies that appeared to influence the relative importance of each element of our modified framework.

In the next section, we share key insights of our research by first discussing each challenge of the SCALERS framework as it applies to the organizational context of HL. We then introduce two new capabilities, not captured within the SCALERS model, that are of particular relevance to this growing social venture.

SCALING IMPACT: SCALERS AND ADDITIONAL CAPABILITIES

Staffing

Bloom and Chatterji (2009) identify staffing as the first capability in the SCALERS framework (the 'S' in SCALERS). Staffing includes effectiveness in filling labor needs with those possessing the appropriate skills, or at least finding employees who can be trained or orientated or socialized to meet required qualifications and standards. Organizations with strong staffing capabilities exhibit skill in recruiting and developing employees, and social ventures which are better able to recruit and develop employees with the necessary skills should have an improved ability to scale their social impact. The success of the firm may well depend on the ability to attract and retain the correct blend of complementary skills to those of the social entrepreneur (Imperatori and Ruta, 2006). The importance of staffing capabilities to scaling may vary, however, according to the degree to which social value creation rests on labor-intensive products and services. Ventures providing products or services with labor that can be highly automated, for example, are less dependent on staffing capabilities than ventures in which automation opportunities are limited.

Through our own observations and interviews with HL employees, we learned that staffing is the capability perceived as most critical to the company's ability to scale. Given the highly labor-intensive nature of the company's services, which involve significant time and effort developing and editing content for health literacy projects, successful scaling rests on the ability to meet staffing needs. One of the staffing requirements noted during our interviews relates to the issue of fit between employees and the organization's mission and vision. It is necessary to ensure that prospective and newly hired staff recognize, understand, and support HL's mission and vision. As one member of the leadership team described:

> We've spent time sort of saying, 'This is our vision and our mission…and we want all people at [HL] to feel this, and if this doesn't feel right to you then let's talk about why. Or let's talk about if it's the right fit.'

The confirmation and fostering of appropriate fit between the employee and the organization's mission and vision, our interviews revealed, were best accomplished through one-on-one conversations, between the new hire and a member of the leadership team during the 90-day probationary period. However, with the rapid growth HL has experienced, "those sorts of individual conversations and maintaining that environment is just a lot of energy," as one manager explained. Consequently, due to ever-increasing demands and time constraints, HL's leadership team has been forced to delegate more of its responsibilities, which includes entrusting select senior and long-tenured staff members to carry out some of these critical conversations. This observation supports the notion of labor needs as a situational contingency that drives the importance of staffing capabilities. The need to ensure an appropriate fit and, in particular, commitment to social ventures' creation of social value, rather than strictly economic value, reinforces the importance of staffing capabilities for labor-intensive social ventures.

Communicating

The second capability in Bloom and Chatterji's (2009) model is communicating (the 'C' in SCALERS). Communicating refers to effectiveness in persuading critical stakeholders to support the organization. By building strong communication capabilities, an organization is better equipped to attract clients and employees, and to be perceived positively by the public at large. More broadly, communication is a process that includes feedback loops, listening, and tweaking a message to make it more acceptable to various stakeholders. The ability to scale social impact arises, in part, from the development of social capital that communication capabilities can facilitate. These capabilities become somewhat less important to scaling when the public is already aware and supportive of the venture's mission and, in effect, does not need to be convinced. For instance, communicating would presumably be less important for a venture advancing cancer research than for gun control, given more widespread public support for the former mission than for the latter.

For HL, communicating capabilities are intertwined with staffing capabilities, in that filling key roles is expected to improve the firm's ability to communicate with various stakeholders, recognizing that all stakeholders are not a monolithic group. Interestingly, the high levels of public support for and ostensibly non-controversial nature of health literacy might suggest that communicating capabilities are less important to HL's scaling. However, communication itself resides at the core of HL's mission: the social value created is improved health literacy, facilitated by the communication capabilities of its employees. Ensuring appropriate feedback from users is critical to this mission, as one manager elaborated:

> The core philosophy behind [HL] is this concept of user-centered design. So it's really including the users…every step of the way, and incorporating that that feedback and information…

HL's experience suggests that there is another situational contingency, beyond public support, that impacts the relative importance of communication capabilities for scaling social impact: the extent to which communication itself constitutes a significant portion of the service the venture provides. Thus, the importance of communication capabilities for a venture that provides an intuitive product, such as TOMS' provision of shoes for children in need, would be less critical to scaling than for a venture, like HL, whose primary service is, in essence, communication itself.

Alliance-building

The third capability of the SCALERS model is alliance-building (the 'A' in SCALERS), and involves creating various forms of linkages with external individuals and organizations (Bloom & Chatterji, 2009). Alliance-building is a useful skill for social ventures to develop, allowing them to potentially scale their impact without increasing staffing. This capability recognizes the benefits of collaboration and seeks to attract like-minded stakeholders to actively join the venture's scaling efforts. Building alliances is less critical to scaling, though, when the venture's cause is controversial and, as such, alliances might be inherently difficult to form. In such circumstances, a venture would need to focus on developing other capabilities to strengthen its impact.

The number of potential allies for HL is relatively high, and includes entities such as private foundations and universities. For example, the company maintains relationships with area universities, and a member of the leadership team is also a member of an advocacy group for a private health foundation. One finding in our interactions with HL is that the logic of alliance-building as a mechanism to secure additional resources (Bloom & Smith, 2010) has not been a driving force behind the company's alliance-building efforts. Indeed, HL describes itself as "resource-rich" in relation to some of its partners. This is somewhat counterintuitive, in that the logic of stakeholder salience would suggest greater responsiveness to (and a greater desire to form alliances with) more powerful stakeholders (Mitchell et al., 1997). A possible explanation is that social ventures may tend to prioritize potential alliances on the basis of other elements of stakeholder salience – legitimacy and urgency. It should also be noted that an imbalance in resources, among other factors, creates a need to clearly define roles and responsibilities in its relationships with its partners. While our conversations with HL's members did not suggest an additional situational contingency influencing the relative importance of alliance-building, an important lesson for social ventures is that establishing clearly defined roles and responsibilities enhances the prospects for long-term success of any partnerships.

Lobbying

The fourth capability of the SCALERS model is lobbying (the 'L' of SCALERS). Social ventures with well-developed lobbying capabilities are better able to advocate for government actions that advance their mission (Bloom & Chatterji, 2009). Such actions may involve legislation, regulations, or budget allocation that is beneficial to the social enterprise. Social ventures with effective stakeholder management strategies understand that securing the support of government stakeholders may be critical to the venture's ability to scale social impact, or even to survive. Unlike with alliance-building, in which the power element of stakeholder salience (Mitchell et al., 1997) appeared to be less relevant, we would logically expect ventures to prioritize the lobbying or attempted influence of the most powerful government stakeholders. The importance of lobbying diminishes, however, in contexts in which public policy is already largely supportive; in such contexts, the benefits of additional lobbying efforts may not outweigh the costs.

Perhaps not surprisingly, the development of lobbying capabilities was not a subject identified by HL employees as central to the company's ability to scale. Supportive public policy—a recognition by government stakeholders of the value of health literacy—may be seen as a given. While there are certainly additional opportunities to advocate for further actions in support of health literacy, such as increased funding at the local, state, and federal levels, an absence of lobbying would not negatively impact scaling potential. HL's experiences support the argument that supportive public policy is an important contingency for scaling.

Earnings Generation

The fifth capability addressed in the SCALERS model is earnings generation (in 'E' in SCALERS). Earnings generation is the organization's ability to generate revenues that exceed expenses (Bloom & Chatterji, 2009). Well-developed earnings generation capabilities and timely cash flow allow the venture to fund those activities that are most critical to scaling impact. Earnings generation further provides access to financial resources without the need to access capital markets; given the limited access to those markets of social ventures in relation to commercial ventures, earnings generation is particularly important. Earnings generation is less critical to scaling social impact when a venture has already built a sufficient pool of capital from which to draw for funding any scaling efforts.

In seeking to understand the importance of earnings generation capabilities to HL's ability to scale social impact, we learned that a client's ability to pay in a timely manner is a key variable to consider. It may seem self-evident that attracting clients with higher ability to pay will strengthen earnings generation capabilities. For social ventures, however, there may be significant opportunities to create social value by engaging with clients with low ability to pay. Finding the appropriate mix of clients based on ability to pay thus becomes a critical variable. A sufficient number of clients with relatively higher ability to pay may, for instance, provide the venture with the flexibility to work for clients with lower ability.

In the case of HL, there was discussion of establishing a "pro bono pool" of projects with clients that provide high social value but low ability to pay. Some of the issues surrounding this special pool included which criteria should be used to select the projects, and what percentage of HL's resources, especially in terms of labor, should be dedicated to this concern, in order to stay true to the organization's mission and vision. The issue of striking the right balance between making a profit and "giving back" to the community or society was a recurring theme in our observations and interviews.

For social ventures more broadly, clients' ability to pay may be an important situational contingency: with an existing client base characterized by higher ability, further development of earnings generation capabilities would arguably be less important to scaling social impact.

Replicating

Replicating is the sixth capability in the model (the 'R' in SCALERS), and refers to effectiveness in reproducing the venture's products or services (Bloom & Chatterji, 2009). Replicating might be accomplished through franchising, among other potential mechanisms. The social value created by the venture is reproduced, without regard to restrictions such as geography, through effective replicating. But replicating becomes less important to scaling when the potential beneficiaries of the venture are less widely dispersed. A single office might be sufficient, for example, if those the venture would like to serve are restricted to a specific geographic area.

The case of HL demonstrates the importance of replicating. Although HL began in one U.S. state, there was acknowledgement that many potential clients, as well as competing providers, were located in other states. Being a service organization, the leadership team felt "like we needed to have some presence and some staff there to be able to do face time." Accordingly, a second office was opened in another state, facilitating HL's ability to serve those clients. While this action has been beneficial to the organization's growth, allowing HL to take on more contracts, the launch of the second location has not been without its challenges, particularly with respect to the aforementioned issue of staffing and maintaining the culture of the home office, as one of the leadership team shared:

> And I think there's—a little bit of a different...I mean there's a fundamental [HL] culture, but I think there is a little bit of a different culture there just based on...even, age of employees, and type of work...Yeah, I mean it's an interesting dynamic.

Beyond the opening of the new office, HL employees also expressed an interest in replicating by empowering other organizations through training. Effective training of key partners enables the cause of health literacy to be advanced, further enhancing social value. Although this does not constitute an additional situational contingency, an issue for social ventures to consider with any form of replication is degree of control: the extent to which the efforts of replicators are either tightly or loosely controlled by the venture.

Stimulating Market Forces

The last factor of SCALERS is stimulating market forces (the second 'S' in SCALERS). Stimulating market forces involves finding ways to incentivize the pursuit of private interests in a manner that creates social value (Bloom & Chatterji, 2009). An example is micro-finance, in which small loans are provided to entrepreneurs who might be unable to secure a loan with a large commercial bank. For ventures in industries or services where economic incentives are generally unable to influence individuals' behavior, stimulating market forces is less important to scaling social impact. In our discussions with HL, this capability was not identified by any of our respondents and did not appear to be relevant to the organization's ability to scale.

Additional Capabilities

In reviewing our data, it became evident that SCALERS provides a useful, though incomplete, guide to understanding HL's ability to scale. In order to offer a fuller explanation of social venture scaling, our findings from the HL case study suggest two additional capabilities are needed: internal organizational systems and client selection.

We define internal organizational systems as the formal processes and procedures used to run the organization, including information systems and planning systems. As noted by Filion (2002), small business entrepreneurs focus on management practices that tend to be frugal yet effective, and that aids formulation of action plans. The social entrepreneur shares this concern, and considers capabilities and internal resources strongly when considering growth or scaling. In the case of HL, rapid growth caused time tracking and financial systems to "break." One new client, for example, required a level of detail in time tracking for which HL's existing software did not allow. As a member of the leadership team explained:

> …we took on a big federal client who needed really specific break-downs, like sub-sub- break-downs of tasks, so it'd be like, there's seven tasks and then under each task I need all of the employees, and how many hours went to this. And we needed to add it this way, and like our Quickbooks was just beyond...being able to enter it in and report back out the level of detail they wanted in their invoicing. So that was a huge pain point in the growth process, for sure for us.

As two elements of the stakeholder salience framework (Mitchell et al., 1997)—power and urgency—would suggest, this large client was particularly salient, and a high degree of responsiveness to the client was called for. Thus, the effort to accommodate the demands of this client required modifications to the internal organizational systems, such as upgrading software and ensuring staff were trained in using these programs and familiar with the new procedures.

In addition, as HL grew in size and hired additional staff who worked primarily in remote locations, the videoconferencing software used to facilitate meetings with remote staff proved insufficient. When HL's staffing level reached "40 including consultants", as one leader put it:

> I was like 'Ok, we've hit that point!' Like all of our—we have pushed sort of the limits of our abilities to even do like, even like staff meeting, do we all fit in the same room, you know? [laughs] You know, what is...our Skype, we have more people remote and like it keeps crashing…

Furthermore, the addition of new staff during periods of rapid growth raises the question of which employees should be involved in the company's strategic planning process moving forward. In an attempt to revamp the customary leaders-only meetings, HL created the "Rethinking Project Management" meetings to try to involve all the relevant parties in important discussions, despite the organizational title one holds. As one of the three-member leadership team told us:

> …at one point we also had a failed effort...we wanted to have senior staff and start to have senior staff meetings more so that the three of us could learn from them and teach them...have more of this collaborative thing, and then we ran up against some challenges with that, of like, who was invited to that meeting, who wasn't. Some people think they were senior staff, but they'd be—or some people who we moved up into that meeting, then maybe took that a little too seriously in other parts of their job [laughs]. And so we disbanded and like backed up, and said: 'Ok, we won't do this...'

Transition to software more appropriate for larger organizations, and the establishment of more formal processes and procedures, are two manifestations of internal organizational systems capabilities that facilitate social impact scaling.

As the elements of the original SCALERS model suggest, various contingencies may influence the relative importance of any given capability. A contingency that may impact the importance of internal organizational systems is heterogeneity of clients or beneficiaries. To the extent that a venture's client base has fundamental similarities in reporting requirements, software utilized, or other areas, the need to develop systems capabilities may be somewhat less important to scaling. With a greater diversity of requirements among different clients, the need to build robust systems to manage this diversity becomes more important to scaling.

Client selection—choosing which clients to serve and, conversely, which not to serve—is a capability that may have significant impact in a venture's ability to scale social impact. The importance of client selection is heightened by the risk of choosing clients whose projects do not align with the company's mission. HL noted past circumstances in which this lack of alignment arose, leading HL to end its relationship with those clients. While such outcomes can be expected to arise in the course of doing business, the risk of such outcomes, and the resulting risk to scaling social impact, can be mitigated by the development of client selection capabilities—establishing policies and procedures to ensure an appropriate degree of fit with the venture's mission. Client selection is akin to market selection, a key attribute of entrepreneurial feasibility analysis. Opportunity formalization, or client selection, is a crucial step in the entrepreneurial growth process (Ucbasaran, Westhead, & Wright, 2001), and can be critically important to resource mobilization. It is arguably more important in the context of social enterprises, given the potential difficulty in documenting the well-being of any given social endeavor on the basis of established financial performance indicators (Doraldo, 2006).

As an example of client selection policies, HL has chosen not to serve pharmaceutical companies, due to what the HL leadership team perceives as fundamental philosophical differences in mission and goals. To illustrate the complexity involved in the establishment of any specific policy, though, there is recognition of potential circumstances in which the policy would change, as one member of the leadership team offered:

> We don't work with pharmaceutical companies… when they want to do consumer education…it's because they're basically marketing their product. And so that's really the line we drew…I could see a case where it would get grey and we'd have to make a decision.

The distinction between education and marketing is an important one for HL, in that the former is consistent with the company's mission and creates social value. HL did express openness to engaging with a pharmaceutical company in the future, should an appropriate opportunity to arise, and noted one firm that was, in fact, "one of the first and biggest investors and supporters of health literacy." The dilemma for social ventures in client selection is informed by stakeholder salience – there may be an inherent tension between two components of the stakeholder salience framework (Mitchell et al., 1997): power and legitimacy. A pharmaceutical firm may be quite powerful in terms of the resources it has (resources that may be deployed to advance health literacy), but some of the firm's goals (a focus on profit and marketing vs. education) may lack legitimacy from the standpoint of a social venture. Seeking to manage this type of tension is a capability many social ventures may need to develop as they begin to scale their social impact.

A potential factor that would impact the relative importance of client selection is the client base's degree of concern with social vs. economic goals. While recent corporate social responsibility scholarship has urged managers to view economic and social goals as mutually reinforcing rather than mutually exclusive (Porter & Kramer, 2006, 2011), we would expect such tensions to persist. In the rare cases where there has been a stark conflict in goals, HL has taken the extreme measure of terminating the relationship with the client—in essence "firing" them:

> Yeah, I mean we get really good reviews, except for the, you know, one or two that we've frankly had to fire, just because our mission did not align. But you know...we have said: 'This isn't a good relationship.' Because of that, you know, if you don't believe in user-centered design...and you know, appreciate what our vision and goal is, it's not going to be a good match. Now again, that rarely—that's not happened really that much, but...

To the extent that the venture's potential client base is primarily concerned with social goals rather than economic goals, the type of tension identified in the case of HL may be less likely to arise. In this context, developing client selection capabilities may be somewhat less important to scaling social impact.

DISCUSSION AND CONCLUSION

In this paper, we sought to develop a modified model of scaling social impact, grounded in insights from stakeholder theory and new venture growth, and empirical data from a case study of rapid social venture growth. To that end, this paper seeks to extend theory underlying Bloom and Chatterji's (2009) SCALERS framework. While our case study's findings are largely supportive of SCALERS, we identify additional capabilities and situational contingencies that offer a more robust framework for practitioners, as well as a basis for further academic research. A summary of these additional capabilities and contingencies is presented in Table 1.

Insert Table 1 about here

Beyond these findings, our research also revealed a deeper understanding of how key capabilities can be developed. The development of social ventures' staffing capabilities, for example, should entail establishing mechanisms to ensure fit between the employee and the organization's mission and vision. Such mechanisms may be especially important for new members, whose prior experiences are limited to commercial ventures, in which economic value creation is prioritized over social value creation.

Development of alliance-building capabilities should focus not strictly on selection of potential allies, but also on effective implementation. Our research showed that resource imbalances between the venture and its ally may, in some circumstances, create ambiguity in roles and responsibilities. It is imperative that social ventures address this ambiguity by clearly defining roles and responsibilities at an early stage in the alliance. This clarity can help to improve the effectiveness of the alliance's implementation, providing a foundation for longer-term success.

With regard to replicating, there are a number of potential avenues by which to pursue the ability to reproduce a venture's products or services, including mechanisms such as franchising or training. An important variable for ventures to consider is how tightly or loosely controlled any replicators should be. Tight control may ensure consistency of products or services, but may have the unintended consequence of suppressing creativity. Effective replication of capabilities rests, to a large extent, on finding the balance most appropriate for the venture.

While we feel this research offers important insights for practitioners and scholars, our paper's limitations should be noted. Although case study research is well-established as a means of developing and extending theory through an in-depth, contextualized investigation (Eisenhardt, 1989; Eisenhardt & Graebner, 2007), generalizability is a limitation. To date, research in social entrepreneurship has been constrained by a lack of available large samples with which to conduct quantitative research (Short, Moss, & Lumpkins, 2009). Ongoing efforts to build such samples offer a promising means to enhance generalizability. An additional limitation relates to the examination of situational contingencies. Those factors identified in the original SCALERS model and in our modifications represent, by necessity, a simplification. We anticipate that future research, comprising a range of industries, sizes, and missions, will reveal further variables that impact the relative importance of each capability for successful scaling.

Despite these limitations, our research contributes to existing scholarship on scaling social impact, and illustrates additional insights that may be gained by integrating research on stakeholder theory and new venture growth with social entrepreneurship. By understanding the capabilities most likely to impact their ability to scale, social ventures can significantly improve their ability to create social value. This study is an initial attempt to develop a more nuanced appreciation of the challenges of scaling, and we hope that our findings will encourage future research to seek additional insights into scaling social impact.

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TABLE 1

Modifications to SCALERS Model of Scaling Social Impact

Capability	Definition	Contingency
Communicating	Persuading critical stakeholders to support the organization	Public support *Communication as service (new)*
Earnings Generation	Organization's ability to generate revenues that exceed expenses	Access to capital *Clients' ability to pay (new)*
Systems (new)	*Formal processes and procedures used to run the organization*	*Heterogeneity of clients/beneficiaries*
Client Selection (new)	*Choosing which clients to serve and which not to serve*	*Clients' concern with social vs. economic goals*