



thinkers

IN RESIDENCE

• SOCIAL CAPITAL RESIDENCIES •

SOCIAL CAPITAL RESIDENCIES

FINAL REPORT

**DON DUNSTAN
FOUNDATION**
Inspiring action for a fairer world



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This report was written with the assistance of:

Thinkers in Residence: Allyson Hewitt, Dr Ilse Treurnicht, Dr Guy Turnbull, Suzi Sosa, Dr Vic Strecher.

FOREWORD

The Social Capital Residencies (SCR) program has come to an end, and in doing so this Report aims to assemble what we have learnt from all of our visiting Thinkers, to give us tangible recommendations that we can implement together to continue growing the Purpose Economy in South Australia (SA).

The SCR specifically set out to create employment opportunities in SA by bringing our economic development and social innovation efforts together. Over the journey of the SCR we've started calling this work the Purpose Economy – which is the fastest growing jobs sector in SA and encompasses business models and industries which seek to balance doing good, and doing well.

This is a collective ambition which is owned by each of our Partners in the Thinkers Program, with the shared understanding that we have an opportunity to do something big and important for SA. This is in fact why we've called it the Social Capital Residencies, because by getting this right we can make SA the social capital of our nation.

Throughout the SCR our Partners have been creating and acting upon their own initiatives to achieve this goal of a more purposeful economy with the guidance and expertise of our Thinkers in Residence. These Partner Initiatives can be sourced on the Don Dunstan Foundation website Thinkers in Residence page. There you will be able to see all of the work that has been done previously, presently, and perhaps a few ideas for future initiatives.

Our primary thinkers in Residence for the SCR, Allyson Hewitt and Dr Ilse Treurnicht, have collectively visited South Australia five times

from 2017 – 2019. Our primary Thinkers have brought great expertise and experience to the program. Allyson is the Vice President, Impact at the MaRS Discovery District (MaRS) and Ilse is the former founding CEO of MaRS.

Successful innovation models like MaRS cannot be simply transposed to a different place and time. The intention of their visits throughout the program was to examine the lessons from Allyson and Ilse's experience at MaRS that can help inform the development of the entrepreneurship/innovation ecosystem in Adelaide and South Australia.

The SCR produced in total nine visits, which resulted in our five Thinkers attending 136 meetings, 164 events/roundtables/workshops, and engaged with 8,194 people. The SCR work is being continued through the previously mentioned dedicated Partner initiatives and through the newly established Purpose Council of SA.

I would like to thank all of our Thinkers for being involved in the SCR. Your insights and recommendations have been invaluable to the growth of the Purpose Economy in South Australia. I would also especially like to thank the Partners – this has been a collaborative program that would not have been possible without you.



ROB DIMONTE

A handwritten signature in black ink that reads "Rob Dimonte".

Chair
Social Capital Residencies

THE THINKERS IN RESIDENCE PROGRAM

Established in 2003, the Adelaide Thinkers in Residence program was a global first. It is a tested social innovation, developed in South Australia, to either address urgent challenges or to explore areas of opportunity, through new policy development and systems reform.

Through facilitation of visits to Adelaide by experts from other jurisdictions, the program introduces fresh thinking into the state and translates ideas into practical solutions to improve the lives of South Australians. The precise application of the Thinkers methodology relies upon the nature of the issue at hand, the expertise of the visiting expert (known as the Thinker), and the leadership of the public, community, university and private sector Partners who invest in the residency and commit to supporting the implementation of the Thinker's recommendations.

The Thinkers in Residence program has helped guide the state's response to some of the most important issues of the last decade including within the areas of health, education, water, climate change, manufacturing, transport and road safety.

In 2017, the Don Dunstan Foundation launched the Social Capital Residencies – a series of residencies over two years.

THE SOCIAL CAPITAL RESIDENCIES

The Social Capital Residences were focused on developing, identifying and laying the foundations of a more purposeful economy in South Australia – one that will achieve high levels of social, cultural and environmental impact.

Our mission was to inspire and inform growth in the Purpose Economy through:

- Breaking down the silos between:
 - other business and social innovation sectors, and;
 - the entrepreneurship and social enterprise sectors.
- Supporting and inspiring start-ups, small, medium and large businesses to improve their social, cultural and environmental impact.
- Helping to bring social innovations to scale by improving the ability of the innovation ecosystem to create investment-ready social businesses, social enterprises and other for-purpose businesses.
- Being a catalyst for the promotion of policy development and culture change to support these goals.

OUR THINKERS



ALLYSON HEWITT

Vice President, Impact, MaRS Discovery District.

Former Senior Fellow, Social Innovation with the [*JW McConnell Family Foundation*](#), based at the [*MaRS Discovery District*](#), Toronto, Canada.

As the Vice President, Impact at the MaRS Discovery District in Toronto, Canada, Allyson has assisted hundreds of social ventures to become economically sustainable and increase their social impact. She firmly believes it is possible to make money and achieve a positive social/environmental outcome at the same time. She has been privileged to help many people and organisations achieve those dual outcomes.

She is a global leader in the field of social innovation and has developed many programs at MaRS to take this work from theory to action. This includes: Social Innovation Generation (SiG); the Centre for Impact Investing; Solutions Lab; and Studio Y which helped develop young leaders for success in the innovation economy.

Allyson is deeply committed to creating spaces for cross-sectoral collaboration and after many years working with social purpose organisations, academia and government she is currently spending her time engaging corporates in solving our most complex challenges.

Allyson's work with Canadian government included membership on the federal Social Innovation and Social Finance Strategy Co-Creation Steering Group which resulted in a significant investment (\$805M CDN) of social finance funds into the sector. Most recently, she was the Social Entrepreneur in Residence at the University of Waterloo where she was a lecturer in Social Entrepreneurship and Corporate Social Responsibility. She was also a member of the Dean's Council at the Ted Rogers School of Management at Ryerson University. Allyson was our lead Thinker in Residence starting with us in May 2017 and wrapping up in June 2019.

In addition to public speaking, Allyson is also a highly skilled facilitator and moderator, and is often called upon to act as the facilitator, panelist, keynote or rapporteur at high profile events.



DR ILSE TREURNICHT

**Former Chief Executive Officer, *MaRS Discovery District*,
Toronto, Canada**

Dr Ilse Treurnicht's career spans scientific research and commercialisation, health and clean-tech firms, venture and impact capital, and public policy. From 2005-2017 she served as CEO of MaRS

Discovery District in Toronto, overseeing the development of the organisation from a start-up to a leading urban innovation hub.

Ilse is recognised for advancing a Canadian innovation ecosystem that fosters economic, environmental and social prosperity. She was chair of the Canadian Task Force on Social Finance (2010), served on the Government of Canada's Science, Technology and Innovation Council (2014-2016), Canada's Advisory Council on Economic Growth (2016-2019) and on the boards of several technology firms and non-profit organisations. She is currently a member of the Advisory Committee on Open Banking and chairs the Impact Canada Advisory Committee. She also serves as executive chair of Triphase Accelerator Corporation (a cancer drug development firm), and as chair of the Public Policy Forum. She holds a Doctorate in Chemistry from Oxford University, which she attended as a Rhodes Scholar.



DR GUY TURNBULL

**Founding Partner, *Rapid Enterprise Development* (RED) and former
Managing Director of Care & Share Associates (now
known as *BeCaring*), United Kingdom**

Guy has been involved in the co-operative and social enterprise sector since 1988 and is a Social Entrepreneur and Former Managing

Director of Care & Share Associates (CASA), an employee-owned social enterprise he helped to found in 2004.

He previously worked across the UK as a social economy consultant, specialising in business planning, social franchising and replication, program leadership, training, research and strategic planning. His recent achievements include driving the growth of Care & Share Associates Ltd from a start-up pioneering social franchise to a £17m employee-owned social enterprise and creating 'RED' (Rapid Enterprise Development) Workshops – an innovative training approach to social enterprise development with people with a disability.

In 2016 Guy's work in the care sector was recognised by the Great British Care Awards, where he was national winner in the 'Outstanding Contribution to Social Care' category. He was also the winning UK national finalist in the prestigious global competition, 'Entrepreneur of the Year'. In 2017 his work was recognised by Social Enterprise UK through the award of an Honorary Fellowship.



SUZI SOSA

Co-Founder and Chief Executive Officer, [Verb](#), Texas, USA

Suzi is the Co-Founder and Chief Executive Officer of Verb, a global corporation specialising in social innovation. Verb produces global social impact competitions like the MetLife Inclusion Plus challenge, and also offers an online leadership training platform that turns corporate employees into purpose-driven leaders. Previously Suzi created and led the social entrepreneurship program at the University of Texas at Austin where she also ran the Dell Social Innovation Challenge, which was the largest student social entrepreneurship competition in the world. The Dell Challenge engaged more than 25,000 student social entrepreneurs from 100 countries. Suzi has been in the start-up and entrepreneurship space for over 15 years, has co-founded several Austin non-profits focused on social innovation and entrepreneurship, and in 2014 was awarded the Ernst & Young Social Entrepreneur of the Year award.



DR VIC STRECHER

Chief Executive Officer, [Kumanu](#), Michigan USA

Dr Vic Strecher was the inaugural visiting fellow for the SAHMRI Wellbeing and Resilience Centre. For over two decades Vic Strecher (PhD, MPH) has been a leader and visionary in the fields of health and well-being, creating new solutions that operate at the intersection of the science of behaviour change and advanced technology. A noted researcher and successful entrepreneur, Vic has cultivated a passion of connecting academic findings to practical applications that translate to meaningful outcomes. In 1998, Vic created Health Media pioneering Web-based 'digital health coaching'. The company set a new benchmark for scalable, effective lifestyle and condition management program delivery in the employer and health plan wellness markets. Health Media was acquired by Johnson & Johnson in 2008.

Vic is also a Professor at the University of Michigan's School of Public Health and Director for Innovation and Social Entrepreneurship. His research has led to over 100 studies of digital health interventions, with over \$45 million in NIH grant funded research. Since January 2014, Vic has given keynote presentations about the role of purpose in life, energy, and willpower to over 1,500 employers, providing him the opportunity to not only respond to the growing interests of the market, but to also continue to help shape it. In late 2014, JOOL Health was founded by Vic as a major paradigm shift in how individuals engage in the pursuit of well-being while offering organisations a more insightful means to support positive, healthy change. Vic's work has recently appeared in the Wall Street Journal, the Los Angeles Times, WIRED, the Chicago Tribune, and at TEDMED and TEDX events. Over the course of his career, Vic has been the recipient of numerous awards in areas of health and innovation, including two Smithsonian Awards, four International Health and Medical Media Awards (the 'Freddie') and The National Business Coalition on Health's Mercury Award.

EXECUTIVE SUMMARY

The Social Capital Residencies were launched in May 2017 and continued until June 2019. During the Social Capital Residencies, the five visiting Thinkers met with over 8,000 people to produce recommendations on how to best promote a strong and vibrant South Australian Purpose Economy. This Report consolidates those Thinkers in Residence recommendations to provide a roadmap for the sector's future.

To navigate the numerous themes covered, the Thinkers created a Theory of Change. This model features five interdependent chains of action encompassing contributions, conditions for success, levers of change, outcomes and impact.

Ultimately, the goal is to grow the Purpose Economy, and do so by scaling high potential interventions in critical areas, building networks of collaboration and shifting culture and behaviours – in short, do things differently. As the Thinkers emphasised, these multi-layered approaches need to be kept in the forefront of the minds of South Australian stakeholders to achieve substantial and long-lasting change.

So, what will reaching our goal of a more purposeful economy look and feel like?

- Lot Fourteen is established as a central hub in an inclusive innovation network.
- Larger sums of capital invested into social procurement across all sectors.
- All sectors report on their progress towards the Sustainable Development Goals.
- There is a broader engagement in the Purpose Economy of businesses of all sizes.
- An increase in the allocation of resources towards positive social impact.
- The inclusion of the Purpose Economy in innovation and economic development policy frameworks.
- Brain drain reduced and brain gain increased.

KEY RECOMMENDATIONS

1. Strengthen the Purpose Economy ecosystem by advancing the following

Conditions for Success:

- Create a **compelling narrative** that resonates with different audiences for engagement in the Purpose Economy
- Finalise an **ecosystem map** of the key stakeholders engaged in this work
- Promote **cross-sector collaboration** in policy and program development
- Engage in the **tertiary education sector**
- Provide **network co-ordination and support**
- **Benchmark data** on where we are now and milestones that show progress
- Enable **Collaborative Leadership**

2. All sectors to measure their contribution towards the achievement of the Social Development Goals.

3. Government and the tertiary education sector to implement a plan to attract, develop and retain talent needed to grow a more purposeful economy.

4. The Social Impact Investment Network SA (SIINSA) to develop a cross-sectoral strategy to mobilise more investment for social impact.

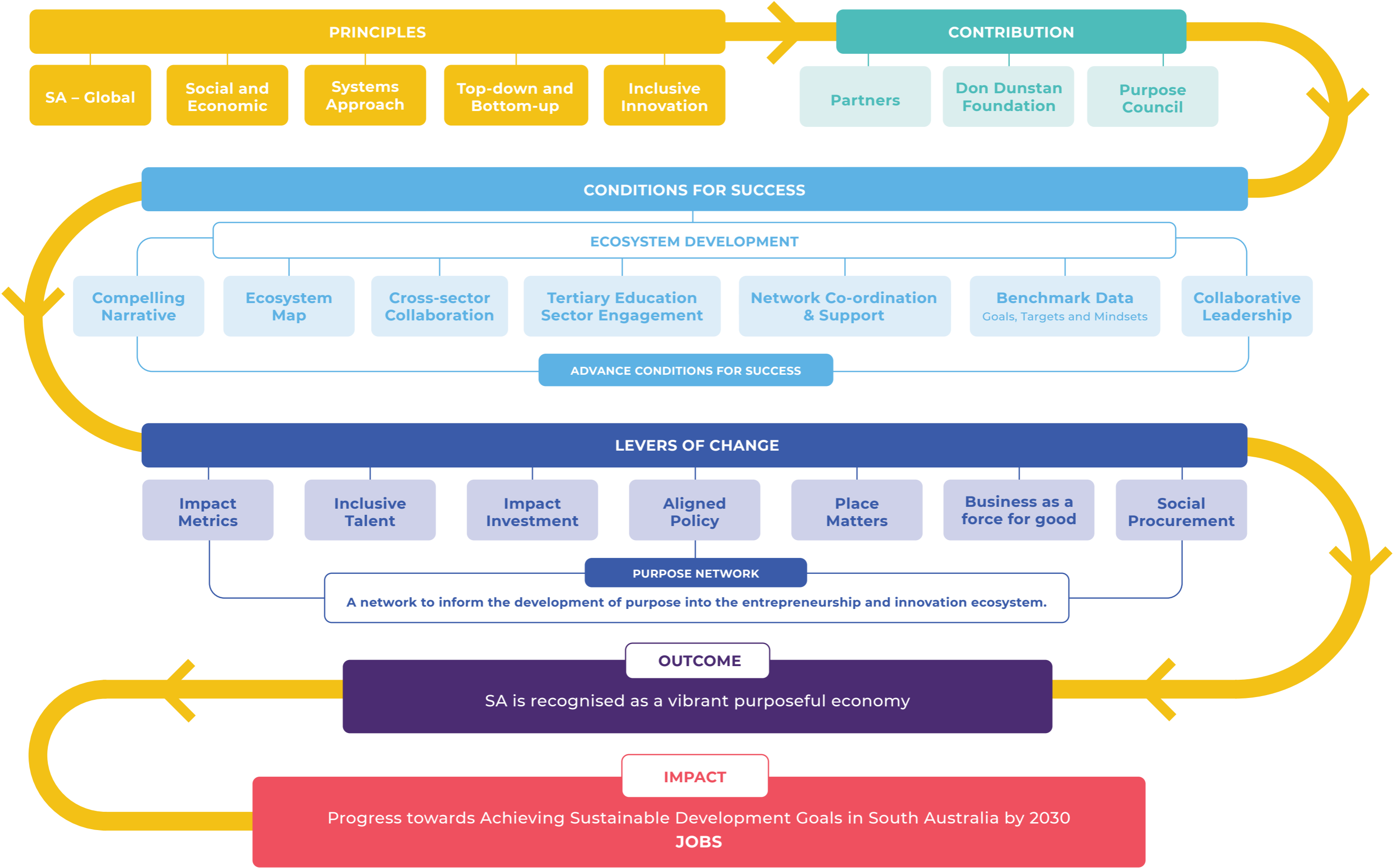
5. Government to embed social impact into their innovation and economic policies.

6. Creation of an independent cross-sectoral governance mechanism for Lot Fourteen to serve as the central hub of a globally relevant innovation network.

7. Businesses of all sizes in all industries to become a force for good by actively contributing to the Purpose Economy.

8. All sectors to utilise procurement to improve social outcomes.

9. The Purpose Council to build and support a purpose network to champion the implementation and widespread adoption of these recommendations and the Theory of Change.



WHAT IS THE PURPOSE ECONOMY?

The Purpose Economy encompasses those business models and industries that seek to balance doing good and doing well. Previously, it was thought that you had to choose between being a charity or a business with a single bottom line. Increasingly, businesses are becoming more socially and environmentally conscious, while many charities are developing more commercially viable business models. What's left in the centre of this spectrum is a 'messy middle' called the Purpose Economy.

OUR THEORY OF CHANGE FOR THE PURPOSE ECONOMY

As shown in the flowchart, the Theory of Change consists of: a set of principles, three contribution points, seven conditions for success and seven levers of change. Progress at each level will help South Australia to move closer towards achieving a thriving economy driven by purpose.

PRINCIPLES

The Thinkers have assigned five principles to guide the task ahead:

- 1. SA – Global:** South Australia needs to have a bold vision of getting SA on the world stage. In order to do that, the state must get better at solving big challenges and should develop solutions and innovations that are globally relevant while acting locally.
- 2. Social and Economic Together:** There needs to be an intentional and bold adoption of a dual strategic posture: economic growth and social benefits.
- 3. Systems Approach:** South Australia needs to take a system approach to deal with big challenges and wicked problems.
- 4. Top-down and Bottom-up:** South Australia needs to activate our large existing players such as the State Government, universities and large corporations to provide supportive regulation, funding, co-ordination and leadership. The community also needs to take a bottom-up approach to the development of the Purpose Economy by establishing new ventures or initiatives that combine both profit and social impact, including start-ups, charities, conferences, competitions and awards.
- 5. Inclusive Innovation:** It is important to promote inclusivity by developing a structure where ethnic, gender, intellectual, cognitive, physical, neurological and cultural diversity becomes a core constituent of the innovation ecosystem of South Australia.

HOW TO READ THIS REPORT

From this point on, this report explores how the identified Conditions for Success apply to each Lever for Change, and its corresponding Key Recommendation.

1 KEY RECOMMENDATION ONE

Strengthen the Purpose Economy ecosystem by advancing the following Conditions for Success:

- 1) Create a **compelling narrative** that resonates with different audiences for engagement in the Purpose Economy
- 2) Finalise an **ecosystem map** of the key stakeholders engaged in this work
- 3) Promote **cross-sector collaboration** in policy and program development
- 4) Engage in the **tertiary education sector**
- 5) Provide **network co-ordination and support**
- 6) **Benchmark data** on where we are now and milestones that show progress
- 7) Enable **Collaborative Leadership**

This report maps each of the Conditions for Success across each of the remaining recommendations.



2

KEY RECOMMENDATION TWO

All sectors to measure their contribution towards the achievement of the Social Development Goals.



LEVER OF CHANGE #2 - IMPACT MEASURES

Measuring social impact is crucial for the development and growth of the Purpose Economy in South Australia. Four elements need to be taken into consideration when measuring social impact; source, focus, design and implementation of impact metrics. These variables are recommendations from the Thinkers as a starting point for measuring social impact. Frameworks and methods help to create a plan of impact metrics, whereas evaluation, findings and feedback loops are linked to measuring social impact.



CONDITIONS FOR SUCCESS

Compelling Narrative

Measurement can be used to showcase the successes and strengthen the global profile of purpose-driven organisations. South Australia needs to develop an Impact Award for the best purpose-driven company in the state. This type of prize could form part of a broader social impact index that the Thinkers wish to establish for South Australia. Further to this, the creation or adoption of a set of measurement tools that showcase success in South Australia's Purpose Economy would help to standardise language that the community can use.

Cross-sector Collaboration

To help grow the Purpose Economy, there is a significant opportunity in Adelaide to better use data that is regularly collected. Trans-disciplinary groups need to come together to use data more efficiently, particularly to enhance the broader wellbeing of South Australia. Although there is evidence of cross-sector collaboration to measure wellbeing (e.g. the Wellbeing and Resilience Centre Fellowship program), more work is needed in this area.

The state needs to implement incentives for organisations to encourage the sharing of their data and to establish joint strategies. This needs to be accompanied by a clear explanation of how participating organisations will be able to realise social return through sharing of such data.

Tertiary Education Sector Engagement

Working together, South Australian universities could play a proactive role in improving the community's capacity to measure social impact; in various regions, in community services, in pockets of social disadvantage, and in economic development. For instance, universities could assist in the measurement of how well connected the South Australian ecosystem is. They could also examine and track the level of enhanced engagement in the Purpose Economy.

Network Co-ordination and Support

The community needs to engage with and support the work of the Social Impact Measurement Network Australia (SIMNA) to establish a What Works Centre in the state. This centre would support policy formulation as a source of evidence-based advice and insight on what is and isn't working. This would result in the avoidance of duplication within policymaking and enhanced social outcomes. The Thinkers recommend that the SIMNA's work continue to be supported, with the membership remaining connected to global efforts, including the What Works Centres in the United Kingdom.

Furthermore, State government agencies, such as the South Australian Treasury, need to take a greater role in evaluating the potential of social impact bonds and similar instruments; that is measure outcomes rather than outputs. There is a global trend to models of 'pay for success' or 'pay for outcomes' that we should further explore.

Benchmark Data: Goals, Targets and Mindsets

- Mapping of the innovation ecosystem of South Australia (including the social innovation and arts and culture innovation system).
- Measuring the shift in mindset of key stakeholders working on or in the Purpose Economy in South Australia.
- Development of an Impact Index that South Australian organisations can use to measure their impact.

Collaborative Leadership

South Australian universities need to collaborate with research practitioners within the field of impact measurement. For instance, the University of Adelaide's South Australian Centre for Economic Studies is ideally placed to build on its work on the state of social enterprises in South Australia. In addition, the South Australian government, local government and the SAHMRI Wellbeing and Resilience Centre should take leadership roles in the identification of relevant indices to measure the state of wellbeing in the state. Also, the South Australia government needs to encourage cross-sectoral, open data to support the growth of the Purpose Economy, and dedicated work is needed from all South Australian players to capture any open data adoption by 2021.



KEY RECOMMENDATION THREE

Government and the tertiary education sector to implement a plan to attract, develop and retain talent needed to grow a more purposeful economy.



LEVER OF CHANGE #3 - INCLUSIVE TALENT

The Purpose Economy cannot flourish without a strong talent base and the development of suitable 'brain-gain' strategies. To become the region of choice for social innovation and impact, South Australia should grow the pool of diverse talent from a range of disciplines and areas of expertise. The mix should include those with global experience, and represent different age groups, genders, abilities/disabilities, and ethnicities. Priority should also be on attracting international talent.



CONDITIONS FOR SUCCESS

Compelling Narrative

The state of South Australia needs to be branded as a hub for those who have an interest in achieving both social and economic impact. Presenting a social entrepreneurial orientation signals a culture that embraces risk-taking and tolerates failure. This is crucial as emerging international, national and local talent is driven to engage in experimentation and innovation. To achieve this, the state needs to challenge our status quo by showcasing innovative local talent (individual and collective) and praising their accomplishments and distinguished endeavours.

Cross-sector Collaboration

South Australia must encourage individuals from different industries or disciplines to tackle challenges that matter to both the region and the world. To grow the state's Purpose Economy and global image SA needs to push technological and social boundaries and develop innovative models.

Furthermore, there should be a focus on developing both existing and new mentoring programs. Trained professionals from larger enterprises can act as advisers for emerging, purpose-driven entrepreneurs in related industries. This sharing of critical knowledge will develop the talent pool within the state's Purpose Economy.

Tertiary Education Sector Engagement

There is a need to develop for-purpose curriculum, programs and challenges that focus on both social and economic impacts. Such initiatives should be integrated within existing educational models. For instance, rather than developing a new purpose-driven programs for students, South Australian universities can incorporate purpose-oriented content within existing entrepreneurship courses. This will enable universities to equip students for the workforce of the future, which will allow for the exchange of knowledge between generations.

Network Co-ordination and Support

A supportive culture and co-ordinated infrastructure needs to be developed, bringing together different forms and types of talent. For example, the State government's investment attraction arm provides time-limited, free-access to co-working spaces for newly relocated social entrepreneurs. These spaces need to integrate socially-oriented entrepreneurial programs that promote employment opportunities. Working groups need alignment with prospective employees' values and interests. Spaces need to offer a culture that embraces risk-taking, experimentation and the opportunity to solve real world challenges. In addition, existing incubators and accelerators need support so they can act as magnets to attract experienced social entrepreneurs from interstate and overseas.

Benchmark Data: Goals, Targets and Mindsets

- Engagement and empowerment of Aboriginal talent.
- Encouragement of female participation.
- Enabling talent from all generations to make the most of their full potential; finding synergy between who they are and what they do.

Collaborative Leadership

When discussing leadership, it is important to stress that collaborative leadership and collective action will result in accessing talent. The government cannot bear the full responsibility of attracting, developing and retaining talent. Rather, all actors in the ecosystem have a responsibility to exploit opportunities and support initiatives that strengthen the talent pool in South Australia. Hence, it is the role of network weavers to master the co-ordination of the ecosystem and provide an inclusive and intergenerational social scaffold. Such a mechanism would be easily accessed by local and international, experienced and nascent, older and younger, those of all gender identities and all Aboriginal, culturally and linguistically diverse talent. Furthermore, it is the role of universities to champion the design and implementation of high-quality entrepreneurial curricula and programs. Enabling the development of a strong entrepreneurial culture and fostering the development of talent are important steps to solve real world challenges. In addition, South Australia's creative industries need to present the state's entrepreneurial culture to the world through stories, successes, ambitions and vision of talent. Lastly, the State government should develop and maintain inclusive policies that incentivise the relocation of talent to South Australia, and provide for the development and retention of talent in the state.



KEY RECOMMENDATION FOUR

Social Impact Investment Network SA to develop a cross-sectoral strategy to mobilise more investment for social impact.



LEVER OF CHANGE #4 - IMPACT INVESTMENT

South Australia needs to develop investment bodies to consider opportunities that are both economically and socially viable, those opportunities with a social mission at their core. The Social Impact Investment Network SA is well placed to establish a cross-sector strategy to mobilise more investment for social impact.



CONDITIONS FOR SUCCESS

Compelling Narrative

There is a need to develop a narrative around social enterprises and not-for-profit organisations as viable investment opportunities. This storytelling needs to explain that investment in these organisations does not compromise profitability or returns for shareholders, but adds a layer of value from which funders can generate further meaning and distinctively portray their work as providing higher social impact.

Cross-sector Collaboration

Interaction between stakeholders from the superannuation industry, venture capital, impact investment intermediaries, government and expert practitioners from the accountancy and legal professions should be fostered so that they can collectively improve investment opportunities for purpose-driven organisations. This can be done by co-operatively working towards earmarking a set portion of the funds deployed into the traditional financial market to investment in purpose-driven ventures.

Tertiary Education Sector Engagement

Universities should be further supported in their role of connecting investors to investment opportunities. ThincLab at the University of Adelaide, the Venture Dorm at Flinders University and The Australian Alliance for Social Enterprise at the University of South Australia are examples of entry points for interested investors.

Network Co-ordination and Support

There is a need to identify and fund similar initiatives to the social impact bond Aspire. By design, social impact bonds require a robust network of organisations to manage and deliver both funds and a dedicated response to a particular societal challenge. The growth of such networks throughout South Australia must be fostered to enhance the opportunities for impact investment in purpose-driven enterprises. In addition, there is a need to establish new forms of risk-tolerant and patient equity vehicles that seek both social and financial returns. A starting point would be the development of new forms of venture philanthropy to support innovation in a wider range of enterprises, than is done through traditional philanthropic funding.

Benchmark Data: Goals, Targets and Mindsets

- The provision of tax incentives for projects demonstrating social impact.
- Attraction of new models for the financing of social innovation in South Australia.
- Indication of government, insurance and superannuation funds engaged in impact investing.

Collaborative Leadership

The State government has the ability to lead a new wave of impact investors by investing in projects that address difficult social challenges. Otherwise, non-government pioneers of impact investment will focus elsewhere in Australia including; Impact Investing Australia, Impact Investment Group, Social Enterprise Finance Australia, Social Ventures Australia and others. More local investors are needed to tap into what these and other social investment funds are doing to adopt similar models. Blue Sky is well placed to take a leading role in this space by allocating part of their funds towards purpose-driven businesses.



5

KEY RECOMMENDATION FIVE

Governments to embed social impact into their innovation and economic policies.



LEVER OF CHANGE #5 - ALIGNED POLICY

Governments must embed social impact into their policies to support and foster innovation and the wider economy. In particular, these policies should focus on purpose-driven frameworks, designs and implementation.



CONDITIONS FOR SUCCESS

Compelling Narrative

South Australia needs to be branded as a state that is resolved to not only foster economic growth, but the community's wellbeing. The impressive policy and program innovations generated by the public sector should also be communicated and celebrated. This depicts governments as active contributors in the development of the Purpose Economy and tackling challenging societal issues.

Cross-sector Collaboration

Collective, cross-sector engagement with policy makers is critical to identify gaps, possible solutions and directions for the development of grassroots policies. For instance, the State government could work with regional communities and care organisations to identify capacity that can address NDIS gaps. Another avenue of cross-sector collaboration is for the State government and the City of Adelaide to find synergies in the branding and marketing of the State and the City.

Tertiary Education Sector Engagement

Universities can inform the preparation of purpose-focused and evidence-based policy, and offer forums and spaces to run innovation challenges and/or hackathons.

Network Co-ordination and Support

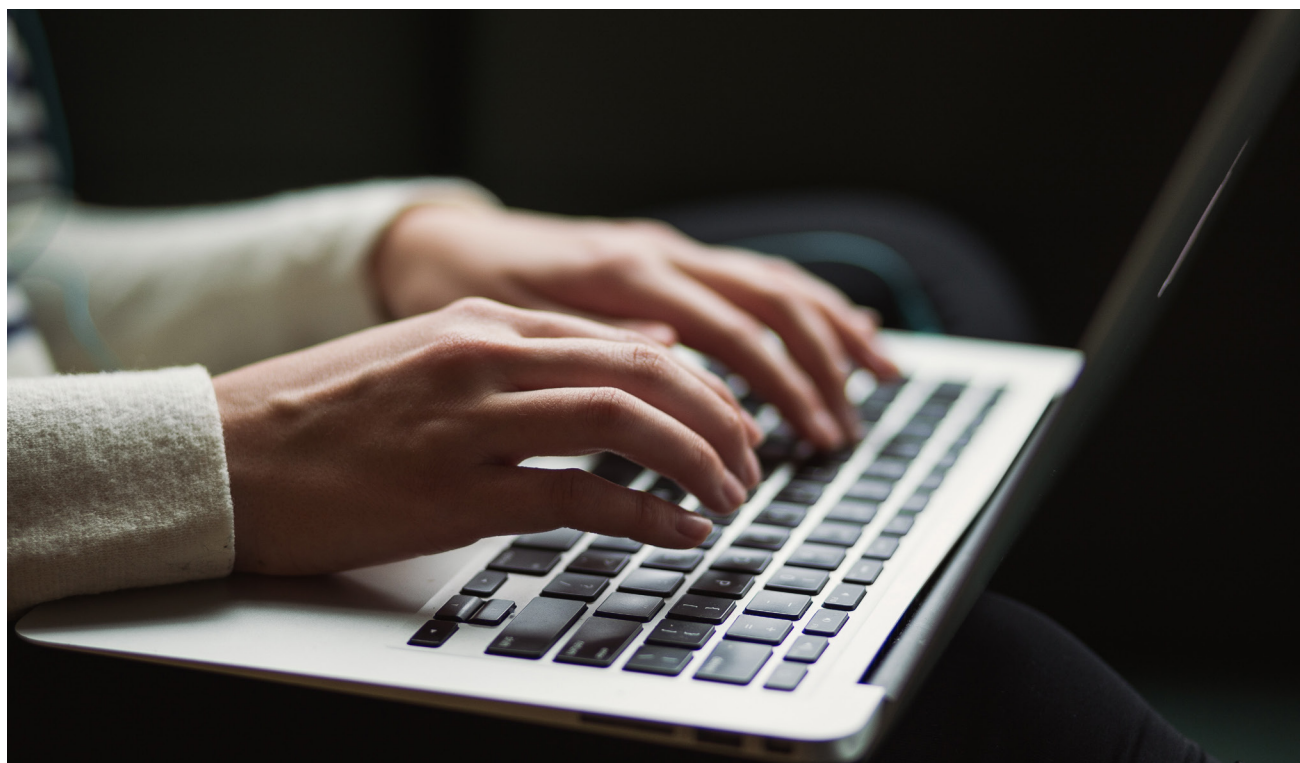
By reducing red tape, the State government could become an active group that brings purpose-driven stakeholders together. This would further develop innovation policy and business thinking, promoting new purpose-driven business models and supporting community outreach. In addition, the Don Dunstan Foundation has identified opportunities and challenges facing the Purpose Economy in South Australia, as well as articulating its value to the State Government. Although this is a good start, more work is needed to further identify network brokers to create wider and stronger links between the government and industry stakeholders.

Benchmark Data: Goals, Targets and Mindsets

- Development of evidence-based policies.
- Introduction of a grassroots approach to policy-making to improve the allocation of resources.

Collaborative Leadership

Rather than taking a reactive stance to policy-making, the State needs to act entrepreneurially to create and implement policies that favour experimentation, risk-taking and social impact. That is, it must tailor its policies to create alignment with purpose-driven stakeholders, existing and emerging technology and the pressing challenges of our time.



6

KEY RECOMMENDATION SIX

Create an independent cross-sectoral governance mechanism for Lot Fourteen to serve as the central hub of a globally relevant innovation network.



LEVER OF CHANGE #6 - PLACE MATTERS

The transformation of physical spaces into places of innovation is crucial for the development and the positioning of South Australia as a global leader of the Purpose Economy. It's important to develop liveable spaces across the innovation system of Adelaide, such as the development of activity at and around Lot Fourteen.



CONDITIONS FOR SUCCESS

Compelling Narrative

South Australia could become as well known for social innovation as Geneva is for diplomacy or Tamworth for country music. A first step into this direction is to brand Lot Fourteen as the symbol of inclusive innovation. By adopting a human-centred design approach and introducing MIT's Living Lab in the premises, Lot Fourteen would be able to position itself as a hub of design, technology and social impact as well as a pioneer in finding novel solutions to pressing world challenges. Communication experts such as The Story Catchers, NATION and groups like the former Brand SA are the ideal types of actors needed to shape the social impact story of South Australia.

Cross-sector Collaboration

It is necessary for South Australia to embrace a cross-sector, collaborative culture in South Australia and Lot Fourteen. This can be achieved by engaging the information technology sector with a number of other sectors such as the creative industries, health care, the data sciences industry and artificial intelligence. For example, Lot Fourteen has the potential to play a big role in breaking down the silos and building collaboration between South Australian universities and industry; that is, collaboration between marque tenants, start-ups, scale-ups, research groups, investors and support services.

Tertiary Education Sector Engagement

According to the Thinkers in Residence, each South Australian university has a particular strength, enabling the creation of a unique system in Lot Fourteen with a strong competitive edge. Nevertheless, the insights from the Thinkers' visits indicate fragmented interactions among universities. In order to break such silos, South Australian universities could develop a joint commercialisation initiative in Lot Fourteen.

Network Co-ordination and Support

Lot Fourteen should be at the centre of the local, regional and national network of the Purpose Economy. It is essential to develop a regional network within Lot Fourteen, as a central hub connecting regional and rural to urban innovation precincts. This consists of engaging key actors such as Flinders University's New Venture Institute, The Tonsley precinct, the University of Adelaide's Waite Research Institute, the satellite campuses of all three universities and the Primary Industries and Regions South Australia (PIRSA). In order to provide a sound governance to oversee such a network it is important to establish an independent advisory board that is capable of functioning across multiple locations, from the city to the country. In addition, Lot Fourteen could connect to national and international hubs such as the Sydney School of Entrepreneurship, MaRS, Nesta and Kauffman. An obvious area of shared interest and competitive advantage across these nodes is in the agribusiness value chain.

Benchmark Data: Goals, Targets and Mindsets

- A single brand for South Australia, which is promoted locally, nationally and globally.
- Positioning of Lot Fourteen as the central hub for innovation that connects with all other hubs in South Australia.
- Establishment of a gateway and navigation system that links to all South Australian innovation, to enable efficient interactions with external players.

Collaborative Leadership

The big four consultancy companies such as PWC, Deloitte, KPMG and EY need to champion South Australia as a leader in the Purpose Economy. In addition, local and State Government in partnership with the Story Catchers and NATION are well equipped to lead the development of a suitable brand for South Australia as the emerging leader of the Purpose Economy. Lastly, Lot Fourteen, guided by a civic leadership and an independent advisory board, needs to champion purpose-driven innovations in South Australia. This board could tackle everything from the commercialisation of research to providing spaces for difficult conversations, all with the primary focus of strengthening the economic, environmental and Purpose Economies in South Australia.



KEY RECOMMENDATION SEVEN

Businesses of all sizes in all industries to become a force for good by actively contributing to the Purpose Economy.



LEVER OF CHANGE #7 - BUSINESS AS A FORCE FOR GOOD

The community need to engage existing and newly-emerging organisations in shared value creation. That is, the players in the Purpose Economy could develop business practices that combine both profit and social impact. Both smaller and bigger organisations need to interact more to further promote the generation of innovation with social impact. As such, businesses of all sizes in all industries need to become a force for good by actively contributing to the Purpose Economy.



CONDITIONS FOR SUCCESS

Compelling Narrative

‘Business to business’ or ‘business to consumer’ frameworks require a shift to a ‘people to people’ model. By doing that, a new understanding of business gets delivered – one that considers how people are impacted on all levels through everyday business processes. This frame enables organisations to go beyond more traditional notions of corporate social responsibility and integrate social impact within their everyday operations. The shared value project is suitable for delivering such a narrative.

Cross-sector Collaboration

Organisations need to engage with those with which they mostly disagree. By building empathy, stakeholders would likely be more willing to openly work with one another and achieve outcomes that are both profitable and socially impactful. Promoting networking events in order to enhance interaction among businesses from different sectors would build capacity in a shared vision to address the most pressing challenges that South Australia is facing. In addition, corporations need to engage with the start-up community of South Australia by mentoring emerging ventures throughout their commercialisation trajectory and maximising their chances to have real social impact.

Tertiary Education Sector Engagement

We need to enhance the commercialisation of research in South Australian universities. This can be done through more collaboration among universities and the development of a single sophisticated front end marketing operation to connect with external parties and increase the chances of research translation. Universities also need to integrate social impact components within entrepreneurship programs, either in the form of curricula initiatives or pre-accelerator vehicles.

Network Co-ordination and Support

Groups such as the Social Impact Measurement Network of Australia, Chooks SA and the Social Impact Investment Network SA need to facilitate collaborations and making connections with purpose-driven businesses. Also, the Australian Centre for Social Innovation and Business Model Inc. could help to facilitate links across sectors and apply design thinking tools to further leverage convergent technologies and generate new opportunities for social innovation. Furthermore, the Don Dunstan Foundation can play the role of a network weaver, linking the creative sector to others working in the Purpose Economy.

Benchmark Data: Goals, Targets and Mindsets

- Involvement of multi-national enterprises in the development of the Purpose Economy in South Australia.
- Encouragement of experimentation in the development of new business models within the blended value space.
- Integration of a purpose-driven mindset within the existing start-up ecosystem in South Australia.

Collaborative Leadership

The State Government can lead the promotion of innovative business models, reduce red tape and enable access to finance for purpose-driven organisations. In collaboration with the creative industries, South Australian champions such as the SA Leaders Institute, Committee for Adelaide and the Shared Value Project need to aggressively promote the concept of shared value in South Australia. In addition, the four consultancy companies such as PWC, Deloitte, KPMG and EY need to coach the companies they work with on how to engage in shared value creation and provide a relevant framework to which purpose-driven organisations can refer. Lastly, it is the role of corporations to lead a purpose-driven culture by investing part of their resources in purpose-driven practices within their working models.



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KEY RECOMMENDATION EIGHT

All sectors to utilise procurement to improve social outcomes.



LEVER OF CHANGE #8 - SOCIAL PROCUREMENT

Social procurement can deliver significantly better value for government investment by providing on-cost benefits of existing spending to other areas such as the social service, health and justice sectors. Social procurement principles need to be adopted by private and public actors in the innovation and entrepreneurial ecosystem throughout South Australia.



CONDITIONS FOR SUCCESS

Compelling Narrative

We need to showcase success stories of public and private sector organisations that are currently engaged in social procurements. This narrative has the ability to portray models of impact engagement that can be easily integrated within any South Australian organisation.

Cross-sector Collaboration

The public and private sectors need to develop strategies focused on giving employment opportunities for those who need it the most. The big four consultancy firms may be able to provide greater understanding of how to drive social impact from private and public sector procurement.

Tertiary Education Sector Engagement

The Yunus Social Business Centre's at the University of Adelaide and University of South Australia can play an important role in advancing knowledge around social procurement, particularly by exploring how businesses can intentionally engage in procurement that has social impact.

Network Co-ordination and Support

Network support can be achieved by leveraging the Regional Development Australia (RDA) boards in South Australia to build the innovative capacity and develop the understanding of social innovation in regional communities. In addition, the State government may support social enterprises that train and employ people who have experienced long-term unemployment in the maintenance of public housing. This can be done by offering organisations that provide this work preferential treatment in government procurement processes.

Benchmark Data: Goals, Targets and Mindsets

- Efforts to intentionally partner, collaborate and engage with the diversity of the local workforce – in particular by focusing on hiring and contracting those from minority and underprivileged local populations.
- Promotion of public sector innovations, such as Fund My Neighbourhood or the Thriving Communities programs.
- Support for social enterprises that train and employ long-term unemployed in the maintenance of public housing.

Collaborative Leadership

Two main actors can lead the implementation of a social procurement initiative in South Australia:

1. The Government Industry Participation Advocate can take a leadership role and drive social procurement in the public sector.
2. The big four consultancy companies also have the potential to lead the change in procurement processes at the private sector level.



9

KEY RECOMMENDATION NINE

The Purpose Council to build and support a Purpose Network to champion the implementation and widespread adoption of these recommendations and the Theory of Change.

The development of a purpose hub at Lot Fourteen would be a catalyst for the networking and weaving place of purpose. This hub could help inform the development of the entrepreneurship and innovation ecosystem in Adelaide and South Australia into the future and liaise with all players in the sector.

RESIDENCY OUTCOMES

Over the course of the residencies, the dedicated Partners of the Thinkers in Residence program have, in partnership with the broader 'for-purpose' community, developed nearly 50 business prototypes and initiatives designed to grow South Australia's Purpose Economy.

The nature of these prototypes and initiatives range from the application of worker-owned co-operatives, to a South Australian social impact investment strategy. However, what they share in common is that they were imagined and developed by cross-disciplinary groups of social innovators from across South Australia.

These prototypes and initiatives are available to view on the [*Don Dunstan Foundation's Thinker in Residence Partner Initiatives webpage*](#).

NEXT STEPS

Largely, the insights and recommendations outlined in this report have systemic application. These complex, intertwined issues must be addressed in order to build a robust Purpose Economy in South Australia. This growth will only be achieved through the collaboration of a diverse collective of partners aspiring to make Adelaide, and more widely, South Australia, an ideal engine room for social enterprise and innovation.

In many respects, Adelaide is leading the way in developing and implementing strategies that build and support a well-functioning social innovation system. Many initiatives have been implemented over the course of the Social Capital Residencies, with many more to be implemented, and thousands of opportunities that lie waiting to be discovered.

The South Australian Government and community need to further invest resources into this endeavour. There is a compelling need to align with the needs and resources of purpose-driven organisations. A similar need exists to promote and celebrate Adelaide's existing and emerging success stories – building a reputation as a productive, purpose-friendly economy is central to developing national and international competitiveness in the social innovation arena.

This is an exciting time for Adelaide as it is at the forefront of becoming the face of social innovation – to be widely known as the *Social Capital* of Australia!



THANK YOU TO OUR PARTNERS

PRESENTING PARTNERS



MAJOR PARTNERS



RESIDENCIES PARTNERS



CONTRIBUTING PARTNERS



SUPPORTING PARTNERS

