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Increasing Scale and Impact in a Brazilian Social Entrepreneurial Initiative

ABSTRACT

Social entrepreneurship offers innovative solutions to solve social challenges, but it tends to remain small and local. This paper aims at exploring the decision-making processes as an organisation navigates a scaling path, including the internal cracks and tensions in its structure. The enquiry was grounded on an intra-organisational case study, following the points of view of the actors themselves. It examined the awarded Instituto Dara in Rio de Janeiro, Brazil, which developed an intersectional method to tackle poverty alleviation. The organization has pursued scaling for over two decades and has experimented with multiple strategies, including networking, dissemination, social franchise, licensing, and government consultancies. The research found that the scaling process has been flexible and contingent on opportunities and resources that presented themselves, as opposed to a carefully considered strategy that may be more common among for-profit enterprises. It led to a reconceptualization of the link between scaling and impact.

KEY-WORDS

SOCIAL ENTREPRENEURSHIP, SCALING, FUNDING, PARTNERSHIPS, DARA, BRAZIL

1. Introduction

Social entrepreneurship (SE) has gained prominence within the current shift in development policies and addresses the various ways in which citizens become agents of development and take more active roles when governments and markets fall short (Davies, 2014; Seelos and Mair, 2017). SE is found primarily in social enterprises as a new and legitimate institutional model (Dart, 2004), but it is also present in for-profit enterprises inclined towards creating social value and in non-profits such as foundations and NGOs that aim at operating, at least partially, in the market (Helmsing, 2015). SE has collectively contributed to significant improvements in welfare in the global South, but these still appear as a drop in the ocean compared to the huge challenges in developing countries. Increasing the social impact of SE is critical, as noted by Bocken, Fil and Prabhu (2016), but happens rather exceptionally and the reasons for this need further examination.

Social entrepreneurship initiatives normally start small and local and even when they are successful, their developmental impact remains limited in scale and geographical scope (Agapitova and Linn, 2016). The literature on scaling presents a picture of planning and strategic decision-making common among for-profit enterprises or traces back strategic factors as identified by van Lunenburg, Geuijen and Meijer (2020). Few initiatives succeed in scaling and experts even acknowledge that "remarkably little is understood about how to design scalable projects" (Chandy et al., 2013: 3). Van Lunenburg, Geuijen and Meijer (2020) note that there has been progress in understanding the conditions that facilitate the scaling of social and sustainable initiatives (for example, Bocken, Fil and Prabhu, 2016; Voltan and De Fuentes, 2016; Warnecke and Houndonougbo, 2016) but corroborate that there is insufficient knowledge on how social entrepreneurship scales or why some succeed when others fail. Meanwhile, the concerns with the limits to scaling appears prominently among international organisations. For example, in 2016, the United Nations Development Programme (UNDP) joined forces with Impact Hub, purportedly the world's largest network of social entrepreneurial communities, to create the "Accelerator 2030—Scaling Impact Globally" project, an endeavour to encourage social entrepreneurs to centre on the SDGs (Lessa Bastos, 2019). In 2019, the World Economic Forum established a coalition of renowned organizations such as Ashoka and Schwab Foundation to leverage their work and increase impact (Lessa Bastos, 2019).

This research seeks to explore the hurdles that affect the scaling of social entrepreneurship to increase impact, with a focus on the cracks and tensions of the organisational process. It is guided by the question: how do internal and external factors affect the scaling efforts of a social entrepreneurial initiative? Unlike most research on scaling, that explores the question once the initiatives have grown (Bocken, Fil and Prabhu, 2016), this paper offers an in-depth analysis of the points of view of the actors during their pursuit of scale.

This enquiry is based on the intra-organisational analysis of a best practice, according to the rankings of social entrepreneurship associations worldwide. We selected Instituto Dara[1], in Rio de Janeiro, Brazil, which focuses on fighting poverty with an integral approach. For the past 10 years, the organisation has been selected the 20th best NGO in the world and has received multiple rewards[2]. The organization has proven records of its active pursuit of growth and forming the capacities to do so, as has been shown in previous research (Habyarimana, Nieto and Tobin, 2013). In its origins as Saúde Criança, the organisation developed an innovative methodology called *Plano de Ação Familiar* (Family Action Plan) to solve health shocks of poor children by tackling the long-term causes of sickness, namely the living conditions of households under poverty. In recent years the methodology transitioned from a focus on health to a multidimensional intervention that tackles poverty at the household level. For over two decades, Dara has been experimenting with scaling strategies, such as partnerships, licenses, government contracts, consultancies, and knowledge sharing, making a unique source of lessons to learn.

After this introduction, the article proceeds by discussing the literature on scaling and social entrepreneurship, according to the strands of social innovation and earned value. The third section describes the methodology and provides background on Dara. Section 4 gives an overview of Dara's scaling history, which is analysed in section 5 together with the challenges and tensions that the process implied. Section 6 closes the research and suggests areas for future research.

2. Social entrepreneurship—a conceptual framework

Social entrepreneurship (SE) is defined in the academic literature as innovative business ventures that create social value (Austin, Stevenson and Wei-Skillern, 2006; Peredo and McLean, 2006; Zahra et al., 2009; Helmsing, 2015; Defourny and Nyssen, 2017). In many cases, hybridity is considered an intrinsic characteristic of social entrepreneurship (Mitra et al., 2019). Hybridity is an aspect that describes organisations that combine multiple value systems, sectoral paradigms and logics under one organisational form (Doherty, Haugh and Lyon, 2014). In Europe, the concept emerged in the 1990s and evolves from the cooperative tradition (Defourny and Nyssens, 2010; Defourny and Nyssens, 2012; Davies, 2014), while in the United States it centres on the market-based approaches to social change and coincided with the reduction of public funding to non-profits (Defourny and Nyssens, 2012; Davies, 2014).

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[1]   The organisation was founded under the name Renascer. The name was later changed to Associação Saúde Criança (Child Health Association) because of a corruption scandal involving an unrelated evangelical church going by the same name (Lessa Bastos, 2019). In 2020, the organisation changed to Instituto Dara as part of a shift in positioning that will be discussed throughout this paper. Dara means guiding star in Sanskrit. With this name they wish to position themselves as guides for poor families while these families guide them in turn.

[2]   "Instituto Dara has been recognized as the most innovative NGO in Latin America" (Lessa Bastos, 2019: 18) and 21st best NGO in the world according to NGO Advisor Award (https://dara.org.br/conheca/quem-somos/reconhecimento/ accessed: June 2022). It is positively recognised by the key international organisations Ashoka and Schwab Foundation—see Skoll Foundation Biography (https://skollr.org/contributor/vera-cordeiro/ accessed: December 2020).

The US birthed two influential schools of thought on social entrepreneurship. The first is based on "earned income" while the second is identified as the "social innovation" school (Defourny and Nyssens, 2012). "Earned income" refers to hybrid organisations that combine market practices with social purposes (Defourny and Nyssens, 2012; Davies, 2014). Bocken, Fil and Prabhu (2016) propose a spectrum of hybrid organisations that range from non-profits entirely dependent on donations, those with various income generating activities, and traditional for-profits. In contrast, the "social innovation" strand focuses on the impact achieved by social entrepreneurship, the entrepreneurial qualities, and the social problem at hand, instead of focusing on the origin of the income flows and the institutional model (Davies, 2014). Making a profit is not the end goal but a way to achieve social impact with a limited dependency on donations (van Lunenburg, Geuijen and Meijer, 2020) in a context of fiscal austerity and market encroachment (Battilana et al., 2018). A key influencer within the "social innovation" approach is Ashoka, an association founded in the 1980s in the US, that portrays social entrepreneurs as *change-makers:* "individuals with innovative solutions to society's most pressing problems" (Seelos and Mair, 2017: 3). So, while the social innovation school emphasises social entrepreneurship as a process, the earned value school focuses primarily on the social enterprise as an organisation.

2.1. Directions of scaling

With a metaphor borrowed from manufacturing (Murray, Caulier-Grice and Mulgan, 2010), the expansion of impact has been captured by the notion of scaling. Scaling suggests "expanding, adapting and sustaining successful policies, programs or projects in different places and over time to reach a greater number of people" (Hartmann and Linn, 2008a as cited in Agapitova and Linn, 2016: 4). Seelos and Mair (2017: 2) characterise scaling as all the "actions that use established products, services, or interventions to serve more people better". It relates to increasing customers, members, skills, organisational structures, or partnerships (Bocken, Fil and Prabhu, 2016), as well as organizational growth, collaboration and diffusion of methodologies (Murray, Caulier-Grice and Mulgan, 2010). These notions of scaling establish a direct relationship between scale and impact, on the one hand, and a certain action plan and resources to achieve it, on the other.

In contrast to for-profit enterprises, scaling is not only about growth but refers to sustaining initiatives in time and space in pursuit of transformative change. This leads to a crucial point: scaling is a condition to increase impact. Uvin and Miller (1996) distinguish four types of scaling up among NGOs: quantitative (increase in numbers), functional (expansion and more complex activities), political (pursuit of structural change) and organizational (diversifying sources of endowment and income generation). The management literature characterises scaling in four categories: scaling deep (tackling "a problem from different angles to provide a more rounded solution" (Lessa Bastos 2019: 10) and enriching the quality of an approach to increase impact), scaling wide (increasing the capacity to accept more beneficiaries without affecting quality), scaling out (reaching more beneficiaries with a solution) and scaling up (connecting to resources, policies, values in broader

economic, political, legal, or cultural arenas) (Bloom and Chatterji, 2009 as cited in Heinecke and Mayer, 2012). Scaling deep and wide indicate internal expansion, while scaling up and out refer to external growth. At the same time, scaling out is quantitative and scaling up implies qualitative growth (van Lunenburg, Geuijen and Meijer, 2020).

Whereas social entrepreneurship literature commonly focusses on scaling out (van Lunenburg, Geuijen and Meijer, 2020), qualitative scaling is seen as the type with the furthest transformative potential. Westley and Antadze (2013) argue that most social entrepreneurs focus on the quantitative direction because qualitative scaling-up requires a different set of political skills. The World Economic Forum contends that scaling up entails a systemic change that requires:

> "Working at different levels and spheres to disseminate and institutionalize change. It defines systemic change as the one that changes 'the way a majority of relevant players solve a big social challenge, such that a critical mass of people affected by that problem substantially benefit'. Systemic change involves affecting the rules and standards that make a system work the way it does, as well as the goals, norms and beliefs that, if left unchallenged, can prevent systems from working more inclusively" (World Economic Forum, 2017: 47).

Therefore, it relates to altering the mindset of a group of people to tip the balance towards a new paradigm of thought and action (Lessa Bastos, 2019).

Table 1 summarises the different categories.

Table 1. Categorising scaling

Type of scaling	Outcome
Deep	Internal; qualitative growth, improves quality
Wide	Internal; quantitative growth, increases capacity
Out	External; geographical; growth in numbers
Up	External; political; system change

Source: Own elaboration based on Bloom and Chatterji (2009) as cited in Heinecke and Mayer (2012) and Westley and Antadze (2013).

2.2 Scaling strategies and organisational structure

The distinction between directions of growth suggests a causal relationship between scaling and structure. Weber, Kroger and Lambrich (2012: 10) claim that "the range or spectrum of strategies that social enterprises can pursue is restricted from the outset by the characteristics of the organization". Securing the human and financial resources and the skills is central to any scaling strategy (Austin, Stevenson and Wei–Skillern, 2006; Bocken, Fil and Prabhu, 2016; Warnecke and Houndonougbo, 2016) and the lack of funding can easily become a bottleneck (Weber, Kroger and

Lambrich, 2012; Bocken, Fil and Prabhu, 2016). To avoid failure, Weber, Kroger and Lambrich (2012) stress the importance of flexibility to identify what is core to an organization's work and what can be adapted or discarded when scaling.

There are different possible strategies to achieve scaling, including the spread of know-how and influence, the establishment of new delivery networks (franchising, licensing, micro consignment), strategic partnerships (collaborations with private companies, governments, NGOs, foundations), and organisational growth (new branches stores, broadening the consumer base) (Warnecke and Houndonougbo, 2016). Dees, Anderson and Wei-Skillern (2004) offer a widely used framework with three pathways of scaling: dissemination, affiliation and branching. Each one requires more financial and human resources as they increase in complexity, with the following characteristics:

Dissemination makes an innovation available via "publications (e.g., brochures, manuals, and public speeches), training, consulting and definition of standards sometimes in conjunction with accreditations" (Heinecke and Mayer, 2012: 194). It centres on knowledge sharing, network creation and partnerships. On the positive side, costs are low and effects are fast (Heinecke and Mayer, 2012), so it is adequate when resources are limited because SE can transfer the risks and costs of scaling to the adopting SE (Weber, Kroger and Lambrich, 2012). On the negative side, formal links to the source organization are loose and the quality of the final work is not guaranteed (Heinecke and Mayer, 2012).

Affiliation is characterized by the collaboration between the original organization and those adopting the social innovation (Heinecke and Mayer, 2012). It involves a formal agreement with guidelines on "brand name, program content, funding responsibilities, and reporting requirements" (Dees, Anderson and Wei-Skillern, 2004, as cited in Heinecke and Mayer, 2012: 195). Affiliation implies more control over implementation but requires more financial and human resources from the source organization to provide technical support (Dees, Anderson and Wei-Skillern, 2004). Affiliates replicate the source organization's model and maintain close ties while paying a fee and covering the costs of expansion, but this model contradicts the principle of open diffusion of innovations. There are various modes of affiliation, such as *licensing*, "where the link to the original organization is looser and the licensee has the right to use the intellectual property" (Lessa Bastos, 2019: 12), and *social franchising*, where the relationship is tighter and control is stronger (Heinecke and Mayer, 2012).

Branching refers to "opening new sites controlled by the original organization. It provides the most control, but also requires more time, human and financial resources for coordination" (Lessa Bastos, 2019: 12). This implies the capacity to adjust to different circumstances (Heinecke and Mayer, 2012).

Van Lunenburg, Geuijen and Meijer (2020) argue that the desire to control influences pathways, thus shaping organizational structures. Smith and Stevens (2010) similarly contend that actors' desire to scale fast or to have greater control affects the strategic choices. So, dissemination is

the most open method and entails looser organisational structures while affiliation and branching involve progressively more control and closed structures (Smith and Stevens, 2010). For instance, a social entrepreneur that desires control would choose a less open structure but would achieve slower impact unless the strategy secures access to resources and management skills at the same time (Smith and Stevens, 2010).

3. Methodology

To explore the question on how an organisation navigates the ambitions and challenges of a scaling trajectory, we decided to employ a qualitative methodology and ground the research with a case study. A case study enables an empirical understanding of a phenomenon within a context (Yin, 2014). We selected the Brazilian organisation Dara to get an empirical understanding of the actors' endeavours to scale. Dara is well-structured and has been trying to scale since its foundation in the 1990s, so it enabled us to trace the processes over time. Moreover, Dara is particularly open to researchers. For example, Schwab Foundation referred Dara for a case study conducted by Battilana et al. (2018) that shaped our initial understanding of the organisation. The research is based on different kinds of data gathered via interviews, observation, and scanning of internal documents. This combination of methods allowed for a holistic interpretation.

The research initiated with a literature review and focused on central concepts to assist in fieldwork and analysis of the information collected (Lessa Bastos, 2019). Secondary data and grey literature were collected to analyse the narratives, context, mechanisms and challenges around scaling and included research on social innovation, social enterprises and nonprofits. The actors within Dara had discussed their own categorisation and it was ambiguous, so we were as inclusive as possible in the initial literature review. The second phase was composed of semi-structured interviews (online, phone and face-to-face) with Dara staff across different levels of the organisation and Ashoka Brazil representatives, who were important because of their influence and strong ties to Dara. Fieldwork took place in 2019 and 2021, so before and after the COVID-19 pandemic. The focus was understanding the organization's scaling trajectory and the intricacies of the operation that could enable or impede scaling. Subsequently, a series of interviews were conducted with current and former Dara staff, partners, and representatives of Ashoka Brazil. The round of interviews in 2019 began with the Founder, who is President of the Board, followed by the CEO. The latter referred the Brazilian author to all higher-level directors and all relevant middle managers, the licensees that agreed to answer questions, and some operational staff chosen on the basis of their experience and finally, beneficiaries that were present during fieldwork in 2019. The Brazilian researcher sat in staff meetings, beneficiary consultations and group sessions. In November 2021 a new series of interviews was conducted with management to update the scaling process and discuss the most significant changes as a result of the pandemic; this data was gathered only online. The two rounds of data collection produced a qualitative data set that was

organised along a chronology with details and explanations for the key decision-making events and divergences in the narratives of the actors. All the interviewees (list in Appendix 1) gave explicit consent for the study, which is based only on the material authorised by each interviewee or publicly available in other research, blogs, and its website. In turn, the Brazilian author had a long-term relationship with the Board, which allowed its members to be particularly candid about views and opinions on their work.

An important question we had to resolve was the fit between the case selected and the lens of social entrepreneurship. Dara is legally constituted as a "non-profit private law association, for non-economic purposes, of social and philanthropic nature", according to its statutes. The Board of Dara admits that they depend mainly on donations but contend they are a hybrid with multiple sources of income and a track record of their efforts to generate more revenues via market activities. They also underline the social innovation components of the organisation, which conceived a novel methodology, maintained an innovative attitude with constant learning and experimentation on poverty alleviation tools, motivation of volunteers and the diversification of sources of funding (i.e., donations, events, Anzol Project, endowment fund, consultancy, etc.). Furthermore, they claim that they promote social entrepreneurship among staff in addition to income generation activities among beneficiaries. Finally, they argue without reservations that the founder is a social entrepreneur and has been recognised as such by networks such as Ashoka and the Schwab Foundation. So, while Dara is in principle an NGO, their efforts condense the essence of social enterprises in the dual mission to achieve financial sustainability and create social value (Borzaga and Defourny, 2001; Defourny and Nyssens, 2012). Following this reasoning, we aligned with Battilana et al. (2018), who categorise Dara as a hybrid organization and not a traditional NGO.

4. From health to poverty alleviation

Dr. Vera Cordeiro founded Dara in 1991 in Rio de Janeiro. She was in the paediatric ward of a public hospital in 1988 and used to treat children from deprived areas only to see them be re-admitted again and again, while some would ultimately die. Battilana et al. (2018: 2) reported that the recurrence of child sicknesses "reflected a broader problem in Brazil: high mortality among children ages five and younger, with 61 deaths for every 100,000 births, more than five times the rate in the US and more than 20 times that of Sweden." This social problem motivated Cordeiro to seek a more lasting solution than providing immediate healthcare, based on supporting vulnerable households. She understood the children's sicknesses as merely a symptom of poverty and to make this point, Cordeiro freely quoted Amartya Sen in one of the interviews, "*it is in health that poverty shows its most cruel and perverse face*" (Interview at headquarters as cited in Lessa Bastos, 2019: 17).

With a team of volunteers, Cordeiro began offering meetings, food, and medicine to change the conditions of households referred to them by doctors and nurses (Battilana et al., 2018). In time, they registered reoccurring themes coming up in interviews with beneficiaries and this became a guide for developing the *Plano de Ação Familiar* (Family Action Plan - PAF), an innovative multidimensional approach to poverty alleviation (Figure 1). PAF focusses on five pillars, namely health, housing, citizenship, income, and education[3]. The five technical areas rely on professionals and volunteers, from architects to nutritionists and lawyers. Cordeiro states, "*I did not create the Family Action Plan methodology. It was created by 1,600 volunteers, Ashoka, Avina, Schwab, Skoll and over 100 employees. It was created from bottom-up, listening (to beneficiaries)*" (Interview at headquarters as cited in Lessa Bastos, 2019: 20).

Figure 1. PAF life cycle
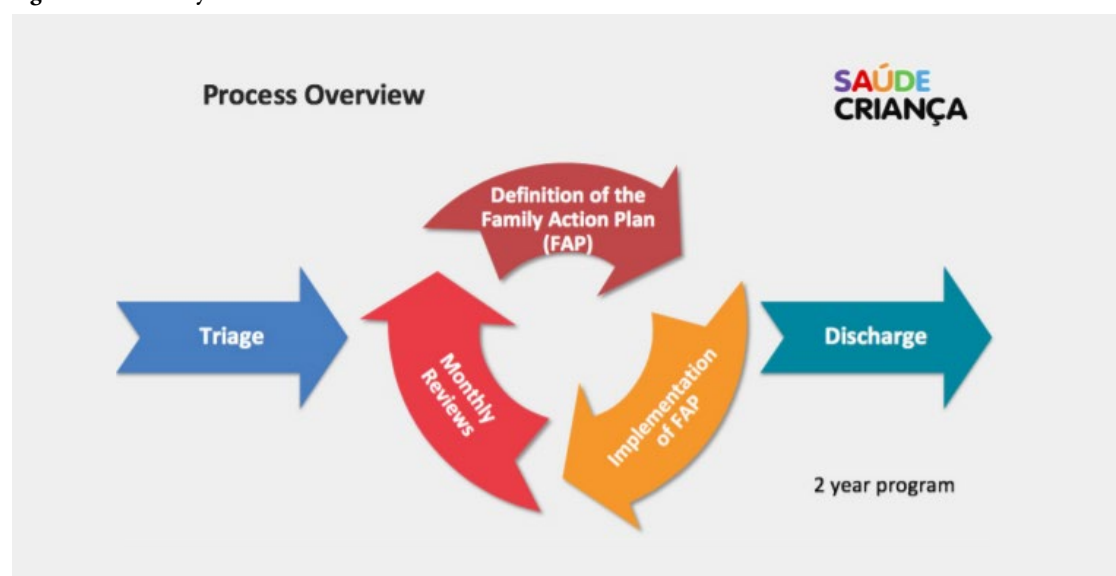
Source: Instituto Dara internal documents.

After an initial assessment on whether to admit a referred family to the programme, a household participates for about two years. The family first receives a professional evaluation in each of the five technical areas and they identify critical points for change. It may include a visit to the dwellings of the family and the identification of its support networks in times of distress. The PAF is catered to the needs of the family and includes monthly visits to Dara to discuss progress, participate in group therapies or take a lecture on a common topic. After a year, another examination is done to determine how the family is evolving and if needed, the PAF is appropriately reviewed. Once concluded the second year, another assessment is done and after two years, most families graduate. PAF relies heavily on volunteers, who have been trained to listen, identify issues, and forwarding families to the technical areas.

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[3]   Based on DARA internal document entitled "ASC Narrative".

Dara is a "one-stop-shop", a place that centralizes all professionals and projects needed to assist families. Georgetown University conducted an impact assessment in 2013 on how families were doing three to five years after graduating from the program. The study showed that there was a 92% increase in family income, 86% decrease in the hospitalization time of children and substantial improvements in well-being and housing conditions (Habyarimana, Nieto and Tobin, 2013). The effectiveness of this method is what Cordeiro calls the *proof of concept* and is what motivates them to scale. "On the one side, this has proven to be an effective model; on the other, it makes the operation complex and expensive" (Lessa Bastos, 2019: 22) and indirectly sets limits to the number of beneficiaries it can serve. In 2019, Dara served directly 250 families per month but the economic shock of the pandemic raised the number to 310 families (1400 people) by the end of 2021. Dara then had 37 staff members and 120 volunteers and the monthly cost per family was of 850 Reais (USD 168.66[4]). It has no political or religious affiliation.

Although it has several income generating activities, it depends on donations (Figure 2) and is still searching for a business model that will secure autonomous funding. Donations comprised between 85 to 98% of the organization's revenue over the past 5 years, a significant amount of which comes from overseas donations "via Brazil Child Health, a New York-based non-profit organization established in 2001 to raise funds" (Battilana et al., 2018). Attempts to create products and services such as events, financial investments, consultancies and a handicrafts project represented over 10% in 2019 but dropped to less than 1% of the revenue in 2021. Administrative costs have been kept under 20% of Dara's expenses and approximately 70% have gone to direct assistance of families and indirect services (expansion and correlated products). The rest is channelled to awareness and fundraising.

Figure 2. Revenue breakdown
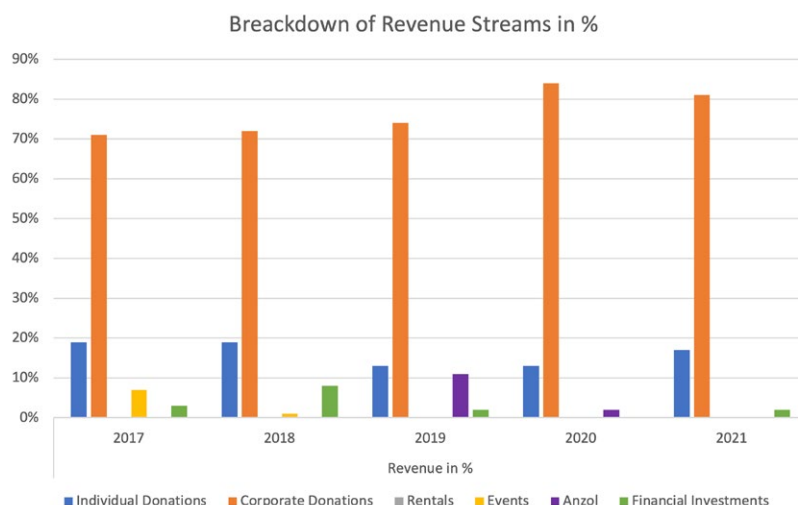
Source: Own table based on Dara annual reports for 2017, 2018, 2019, 2020 and interview with Leader of Financial Department concerning figures for 2021.

4   Calculation based on official exchange rate on 3 May 2023.

Dara's financial results had been negative in the years leading up to the pandemic, but during the pandemic a perceptible surge occurred. The likely explanation was society's perception that COVID-19 would strongly hit the poor and that Dara could deliver impact. In addition, part of the budget was not executed due to lockdown and this resulted in a surplus in 2020-2021. Between 2011 and 2019 Brazil went through the worst recession in over 120 years and unemployment soared along with household debt which resulted in the plummeting of the confidence in the economy (Ferrari, 2019). The end of the cycle of high commodity prices in foreign markets, inefficient macroeconomic policies and corruption scandals resulted in a political crisis that led to the president's impeachment. Years of turmoil culminated in the election of a populist leader and far-right candidate in 2018, which was followed by the shock of the pandemic. It is difficult to ascertain to what extent this economic environment affected Dara; while the revenue streams demonstrate a stability in donations, the income generating activities took a hit during these years and Dara had to rely on its endowment fund to close a rather small gap. The political environment did not seem to affect Dara. In 2019 a board member claimed that the nature of Dara's work on early childhood with a liberal capabilities approach was not contentious so it was hardly affected by the change in political climate.

5. Overview of scaling trajectory

On their website and annual reports, Instituto Dara informs that 75,000 people in six different Brazilian states have been beneficiaries over 30 years. These figures comprise direct recipients as well as those reached via network members, social franchisees, licensees and public policy in the city of Belo Horizonte. The official narrative is that Dara expanded to achieve these outcomes via 24 organizations in Brazil and inspired 19 programs operating in Africa, Asia, Latin America and Europe[5]. It sustains that the social innovation developed by Dara is "mature program or product, disseminating it through social networks, and building a platform of trust and legitimacy" (Westley and Antadze, 2013). This section will review the three decades of Dara's scaling trajectory and its recent rebranding summarized in Figure 3 below.

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[5]   Based on DARA internal document entitled "ASC Narrative".

Figure 3. Scaling milestones
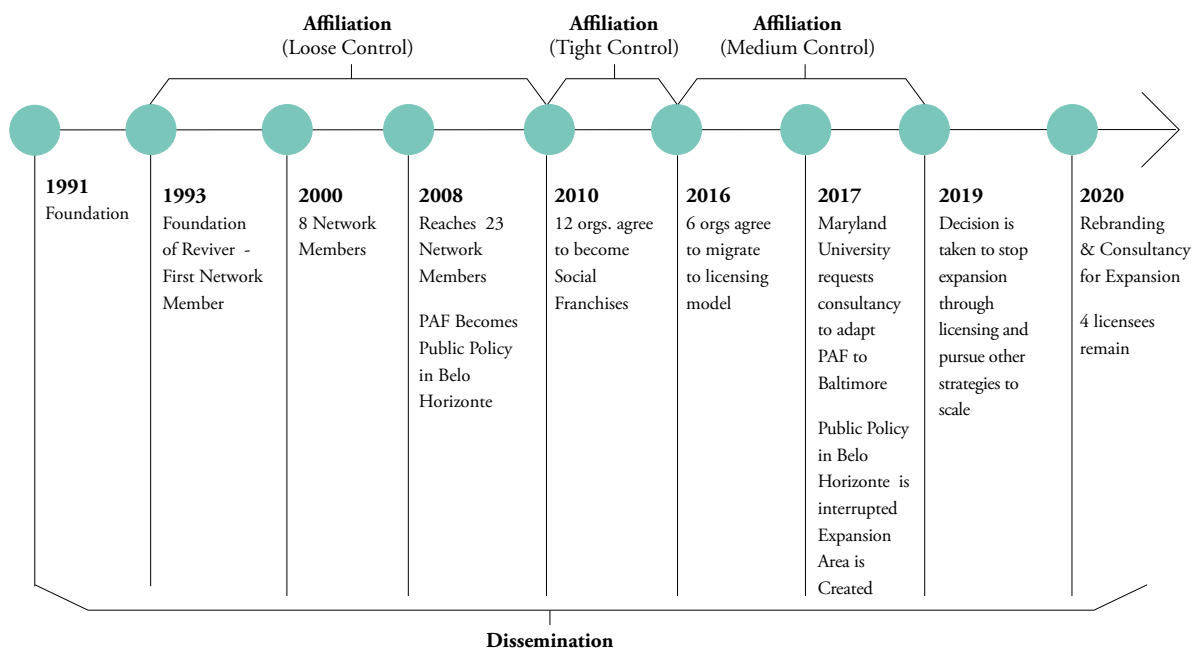
Source: Own elaboration based on interviews, Dees, Anderson and Wei-Skillern (2004) and Smith and Stevens (2010) framework for scaling.

5.1 Building a civil society network

The dissemination of the PAF started almost as soon as it was perfected and Cordeiro was active exchanging knowledge, giving public lectures, and participating in events in Brazil and abroad. Expansion by dissemination gradually gave rise to informal forms of affiliation and Dara started building a network of organisations to share knowledge and technical support with "training, monthly calls, quarterly reports, operation manual, and periodic meetings to review lessons learned" (Lessa Bastos, 2019: 26). This informal affiliation sparked a scaling-out process that benefited communities and individuals in different geographies.

In tandem to scaling out (geographical growth in numbers), Dara scaled deep (improvements in quality) and wide (number of beneficiaries). Growth was boosted when Ashoka Brazil offered 5,000 *probono* consultancy hours by Mckinsey[6] in 1998, which was key to Dara's expansion for several reasons. First, Mckinsey helped develop a platform for monitoring and evaluation (Bornstein, 2004). Secondly, consultants helped establish documentation systems and operational manuals that resulted

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6   Global business management consultancy company.

in an increase in the number of network members and later helped in the standardization necessary for the social franchise model (Lessa Bastos, 2019). Thirdly, it improved the organization's governance, which had positive consequences on external legitimacy, especially with donors. It helped develop a Strategic Plan to expand, resulting in a 30% increase in operations (Bornstein, 2004).

For seventeen years until 2010, several organisations received knowledge from Dara through dissemination and replicated their organizational model. The period was rich in exchanges between partners but a former Dara director recognized that there was a lack of uniformity and quality across the network (Interview at headquarters, 2019). With McKinsey's support, they designed a more formal method of affiliation by social franchising with quality control. Dara provided them with training and support in finance, marketing, and technology[7]. Franchisees needed to grant access to all operational and financial information, including monthly financial reporting and annual auditing. Dara would visit organizations to oversee quality. The software developed to implement and track PAF was also adopted by franchisees. The shift "was decided because Cordeiro was worried about the quality of the work and the weaker impacts achieved by other organizations" (Lessa Bastos, 2019: 26). She wanted to avoid that PAF "*lost its DNA while scaling*", in her own words. Some organizations opted not to migrate to this formal franchising, and only 12 organizations became social franchisees in 2010 out of 23 network members. The rest continued implementing PAF on their own or closed their operations when they were unable to fundraise or to make successors, according to a former Chief Operating Officer (Interview at headquarters, 2019).

While the primary reason for adopting the social franchising model was quality control, an additional expectation was to earn income. "In theory, the franchisee would pay a fee based on how much they were able to fundraise and these funds would be reinvested in the Methodology Development Fund (i.e., directed at monitoring and evaluation of all organizations, management system, website, etc.)" (Lessa Bastos, 2019: 27)[8]. A Dara Director underlined that "*the social franchise opened many doors. The intention was to find a model in which the expansion could happen in an organized way*" (Interview at headquarters, 2019). However, social franchisees could not, or did not, pay their fees and they lacked the institutional capacity to be autonomous. In the meantime, Dara lacked the resources or the will to enforce fee collections. Dara's experience resonates with the argument that the scaling pathway chosen is ultimately related to the desire to control, as exposed by van Lunenburg, Geuijen and Meijer (2020), but departs from the claim that resource scarcity is one of the main motivators in pursuing franchising as a form of expansion (Smith and Stevens, 2010).

The disappointment with social franchising led Dara to experiment with licencing, a looser modality of affiliation, in 2016. This meant Dara supported the network with continuous online and on-site training. It resigned control but saved resources (financial and human). Licencing permitted more "flexibility in the implementation of PAF as they could implement the five pillars of

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[7]   Based on internal DARA document entitled "Saúde Criança Expansão 2019".

[8]   As per clause 7.2 of the *Social Franchise Contract* model shared by DARA during fieldwork.

the methodology without the use of the IT system which was previously mandatory" (Lessa Bastos, 2019: 27). In addition, licensees did not use Dara's name and gained administrative independence, which many preferred. However, licencing did not give the expected results after four years and in August 2019 the organization decided to discontinue this expansion model. Licensees were allowed to stay, but subsequent expansion focused on other strategies. In November 2021, there were four licensees in Dara's network, two less than in August 2019.

5.2 Adaptation into public policy

At the same time as Dara experimented with different modalities of scaling out, other expansion strategies were occurring. The Latin American Foundation Avina approached Dara and proposed to turn PAF into a public policy. The local government of Belo Horizonte, the third largest city in Brazil, decided to adopt PAF in 2008. This did not imply a growth in Dara's organizational structure and created the opportunity to scale up their impact through the state's government. With Avina's support and funding, "the methodology was adapted so that public authorities could work on the social determinants of health in an integral way" (Lessa Bastos, 2019: 28)[9]. Dara trained local government agencies for two years within a programme known as *Família Cidadã*. The program reached 18 thousand people in Belo Horizonte before it was interrupted in 2017. According to Dara's former director, they did not receive an explanation for the cancelation (Interview at headquarters, 2019) but the decision may be related to an economic crisis in Brazil or a change in government. Other Dara board members mentioned that implementing across government areas was extremely challenging for government bureaucracy (Group interview at headquarters, 2019). In other research, Bold et al. (2013) caution that low capacity and lack of bureaucratic efficiency may relate to vested interests, but that cannot be determined in the case of *Família Cidadã*.

5.3 Consultancy services (2017- ongoing)

In several internal meetings, Dara managers have been pondering on the question "how do we sell what we know, our accumulated expertise?". The former Chief Knowledge Officer, and later CEO, designed a strategy to offer consultancy services for a fee, which occurred three times in the United States, Mozambique, and Brazil since 2017. Dara's CEO was convinced of this strategy and stated that "*the best Dara can do is to provide consultancy because we understand the reality of different organizations*" (Interview online, 2021).

The first consultancy opportunity emerged when the Global Health Department of the University of Maryland sought Dara in 2017. The consultancy was related to a research project that would last three years and intended to adapt PAF "to overcome the issue of social isolation in the

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[9]   Based on internal DARA document entitled "Saúde Criança Expansão 2019".

context of Baltimore, United States" (Lessa Bastos, 2019: 29). About 30 families participated in the project which was in the final implementation phase in 2022 and its continuation depended on funding. Dara was responsible for transferring the methodology, helping with cultural adaptation, training, supervising, and auditing to ensure the method was followed[10]. Dara's former expansion coordinator considered that both institutions learned from the process, so the project went beyond the sale of consultancy services (Interview at headquarters, 2019). Beyond the income, it was a fruitful exercise for Dara to reflect what was really core and what was adaptable in PAF. For example, donating milk and medicine was not necessary in Baltimore and there were no transport costs because the project took place in the community where the beneficiaries lived. In addition, "it showed them that the methodology could be used to solve other issues related to poverty, not only health shocks" (Lessa Bastos, 2019: 29)[11].

A second consultancy project was with the Brazilian national government for the improvement of the Social Assistance Reference Centres in 2019. The consultancy was suspended due to the pandemic, but in 2021 a technical cooperation agreement was signed and work would resume in 2022. Dara would provide recommendations to improve technical guidelines regarding family monitoring and the implementation of the Follow-up Plan within the Service for Protection and Integral Assistance to Families. This work would potentially influence how 8,000 centres operated in the country. The CEO saw this as an opportunity to scale-up (Interview online, 2021), while a board member feared that Dara would not be able to claim ownership (Interview online, 2021).

A third consultancy service had been agreed with Girl Move, an organisation in Mozambique that aims at giving women access to opportunities so they can contribute to the political, social, economic, and cultural development of the country. Dara presented PAF in a series of workshops held with a group of Girlmovers (students of medicine, nursing, nutrition, among others). In 2021 they offered an immersion in the five areas of the PAF and how to work with the social determinants of health.

5.4 Diversification of portfolio (2020-present)

Due to challenges to fundraise[12], in early 2019 Dara hired a new CEO who attempted to improve performance and promote more autonomy in decision-making, reducing the dependency on Cordeiro as the key figure in the organisation. The manager believed that depending on a hero social entrepreneur did not help the sustainability of the organization (Interview at headquarters, 2019). Other board members believed Cordeiro was central for the organisation's survival, as she

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[10]   Internal Dara document about expansion methods.

[11]   PowerPoint Presentation, named "Study About Expansion", shared by Dara staff during fieldwork in August 2019.

[12]   In 2008 an endowment fund was established by Dara. Between 2014-2020 this fund was instrumental to keep the organization financially afloat.

rallied most human and financial resources (Interview online, 2021).

During the second half of 2020, a consultancy company was hired to develop a theory of change with a focus on expansion. Through this process Dara reflected on its trajectory, what, how and why they existed, among other issues[13]. In the end, they were convinced that PAF had outgrown its initial focus and mission because their intervention went beyond children and health. Their subsequent intersectional work was a more powerful social technology to tackle poverty and promote human development. A board member argued that "*the knowledge of how to implement a multidisciplinary family treatment transcends PAF*" (Interview online, 2021). As a result of the process, the organization changed its name from Associação Saúde Criança to Instituto Dara, hence launching a new positioning and rebranding, and moving towards a methodology to tackle poverty with a multidisciplinary approach.

The soul-searching exercise reiterated that Dara had to let go of control if it desired to scale, but their valuable know-how would be disseminated via a diversified portfolio of products, both open and closed source. The focus was set on sharing know-how as their main strategy to increase impact. Income generation activities included trainings offer within the online knowledge hub and sales via an application under development with the support of donors. The former Expansion Coordinator defined Dara's headquarters as "*a laboratory for continuous improvement and innovation*" (Interview at headquarters, 2019). The issues of customisation and open sourcing continued to be debated, especially how information should be freely shared and when to start charging fees. During interviews in 2019 some top managers seemed more willing than others to operate as open source and in mid-2021, the CEO left the organization due to tensions regarding her views on this matter, among other reasons.

A new CEO was hired internally and the degree to which knowledge remains open source seems to be less a point of contention. In 2019 discussions revolved around dissemination, licencing and adapting PAF to new contexts, but in 2021 Dara's management was keener on marketing their know-how through diversified interventions, including those that required less customization. The biggest hopes were on consultancies, a knowledge hub, trainings at university level and the development of the mobile application. More focus was being given to adjusting products and services before these could translate into significant revenue streams. Dara was pursuing different scaling possibilities in parallel. Dara's "Study About Expansion" (2019) expressed two concerns: the first one related to developmental motivations such as serving more people better and the second one on growth in scale and revenues as indications of efficiency. Cordeiro stressed that expansion was Dara's future so they should have "*a foot in family assistance and a foot in expansion*" (Interview online, 2021). However, expansion requires different skills than those necessary to run operations, so a board member explained that Dara needed to invest in people with expansion skills (Interview online, 2021).

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[13]   Internal Document named "Consulting for Development of Expansion Strategy", shared by Dara staff in November 2021.

The organisational structure hence shifted from a focus on scaling out to one on scaling deep and up. Recently Cordeiro stated, "*I like to create initiatives. Financial sustainability is like a naval battle (game). Water, water, until you hit a target. We have to try various forms of dissemination. Some will work, others will die, others will work more or less. If we don't try, we will achieve nothing*" (Interview online, 2021). Her testimony demonstrates that Dara was comfortable in experimenting, in pursuing a trial-and-error approach. It has been learning from the past, developing new products, and structuring their strategy. Diversifying the portfolio of products and services was an attempt to achieve impact while telling their story in new ways that befitted Dara's capacity and experience. In this sense, rebranding in 2020 institutionalized the evolving understanding of barriers and opportunities. It was a new chapter for Dara.

6. Discussion: is impact equal to scaling?

For Dara, scaling happened reactively and far from the controlled planning representations in the management literature. In relation to the model proposed by Dees, Anderson and Wei-Skillern (2004), Dara's trajectory kept bouncing from dissemination to affiliation. Expansion took place when it was possible to combine opportunities and contingencies that appeared on the way of Dara's capacities to raise funds or increase commercial activities. As these events can seldomly be planned together, scaling ultimately happened via trial and error, and the organisation is still searching for a sustainable pathway to scale that befits its size and the barriers and opportunities it has encountered over the years. Additionally, Dara's scaling process followed diverse internal and external expectations according to the priorities of different actors that passed the organisation; the need for control was a recurrent concern.

The entire idea of expanding impact has been reframed and that reflects the understanding that systemic change is approached as a multi-level and multi-stakeholder endeavour (Howaldt et al., 2016). According to Cordeiro, "*system change works as acupuncture, tackling several points in the ecosystem*" (Interview at headquarters, 2019). The evolution of Dara and its efforts to expand address three issues tied to this reconceptualization of scaling for impact.

The first one relates to the viability that social entrepreneurship can achieve the ideal of system change or social transformation by scaling. In 2017, Dara created an Expansion area with dedicated staff. Its first coordinator explained that "*the objectives of expansion are changing. It used to be reaching more direct beneficiaries and then it was moving towards the conceptual level*" (Interview at headquarters, 2019). At the conceptual level, the reflection refers to seeking system change through dissemination of knowledge and multi-level engagement instead of aggregate growth through organisational replication. Coincidentally in 2017, Schwab Foundation and the World Economic Forum published a study entitled "Beyond Organizational Scale: How Social Entrepreneurs Create Systems Change" that aimed to decouple the notion of organizational scaling from system change

and growing impact. The Schwab Foundation was promoting the idea of *systemic entrepreneurship* where even small organizations may pursue systemic change (World Economic Forum, 2017). Cordeiro is a Schwab fellow herself and this publication and Dara's "shift can indicate a saturation of the notions of organizational growth in this field" (Lessa Bastos, 2019: 31). The shift in narrative signals that organizational growth might not be the pathway to system change. Similarly, Ashoka was speaking of *targeted system change* to make big visions actionable (Mühlenbein, 2018). The focus has "shifted to engaging in coalitions to disseminate innovative approaches and work to influence key aspects (i.e., political, legal, economic, etc.) of a given system" (Westley and Antadze, 2013: 7 as cited in Lessa Bastos 2019: 14). While system change seemed "daunting or unattainable to many social entrepreneurs, targeting minor changes that contribute to a different system architecture seems more doable" (Lessa Bastos, 2019: 14). In addition, Seelos and Mair (2017: 56) contend that dissemination is effective "particularly when resource scarcity prevents scaling through replication" but the developmental effects of this pathway are not certain because they are contingent on the capacity of adopting organizations. "Hence the importance of identifying and proactively reaching out to different levels and multiple stakeholders with capacity for impact" (Lessa Bastos, 2019: 33-34). "This requires systemic entrepreneurs with the ability to spot opportunity and to let go of direct control (Westley and Antadze, 2013: 7 as cited in Lessa Bastos 2019: 14). It is precisely the process through which Dara was undergoing after the pandemic and why it pivoted towards dissemination and diversification of products.

The second issue refers to reorienting the expectations and communications with donors. Making donors think beyond numbers is a challenge (World Economic Forum, 2017) and the Expansion leader of Dara explained that sponsors have influenced their forms of expansion (Interview online, 2021). Dara would report on how many organizations were replicated and how many direct people were beneficiaries. Communicating on dissemination of knowledge and systemic change is harder to show. Dara's CEO suggested that impact could be communicated by reporting to who services were provided, where, in what format and to which sectors (Interview online, 2021). The interviewee emphasised that "*today we can speak of this more than before. Not about the total of licensees, but that we are in different consultancies in different places. We can speak about a bigger number of activities. Numbers continue to be important, but a wider range of activities can translate into more interesting results*". What is yet to be seen is how donors will receive this narrative. Scaling-out is quantifiable, while scaling-up for system change is harder for investors to grasp (World Economic Forum, 2017). This means the market measures success through the level of replication, numbers, aggregate results and returns of investments. Since Dara depends on donations, attracting donors is relevant for their financial sustainability. It is not enough to prove the concept has a deep impact on beneficiaries' lives. Donors want to see how transferable PAF is and how many people are directly impacted. Therefore, scaling capacity (wide) and numbers (out) matters for legitimacy. Herein lies a conundrum: doing more of the same or becoming more relevant? Or both, despite resource restrictions? Even the knowledge hub, which is a strategy to promote dissemination, will

not be completely open source and presents tensions between competition (closed source) and cooperation (open source). It confirms that organizations pursuing blended goals need to "prove both its economic and social legitimacy to various partners and clients with different expectations" (Battilana, 2018: 1283).

The third issue relates to the importance of smallness of social entrepreneurship. Daunted by the realization that several endeavours have not led to a sustainable model of impact creation at scale and that in effect Dara has been de-scaling in the past decade, it is worth reflecting whether an organisation can be relevant while being (organisationally) small. This question was asked to all interviewees in November 2021. Some seemed uncomfortable with "thinking small", expressing that the nature of social entrepreneurship is to scale. The CEO stated that even a small organization will try to increase its capacity as it matures (Interview online, 2021), while a board member underlined that if the methodology is sound, then the organization can be relevant whilst being small (Interview online, 2021). The implication is that scaling deep is a way to increase the relevance of an organization, no matter the size. Cordeiro paused when asked this question, becoming cautious of her answer. She defended that "*despite being small, with few staff members, thousands of people know Dara. It is an organization with a lot of visibility*". She attributed this to its creativity and maintained that an organization is relevant "*as long as it has a big impact and offers solutions others want to copy.*" However, she added, "*our size will be according to our culture and the good will of wealthy Brazilians*" (Interview online, 2021). Her answer provided interesting insights. There is a resistance to accept that Dara is organizationally small despite its international visibility. Yet, scaling wide and out is not sustainable because of the socio-economic context, the philanthropic financial model, and the failure to raise income in other ways.

7. Conclusion

This paper aimed to examine the scaling trajectory of social entrepreneurship to increase its developmental impact. The research was grounded on a case study of a best practice organization, identified as such by key global umbrella organisations in the SE sector. Being an intra-organizational study, it followed the actors and investigated the tensions arising from the expansion process, the methods used, the motivations that triggered them and the rationale for the various decisions. The case study methodology yielded the expected in-depth analysis presented in this article but offers no scope for generalisation across the universe of social entrepreneurship or within the conditions of the global South.

There is little doubt of the transformative nature of methodologies developed by small scale organizations, such as Dara. Much can be learned about their multidimensional approach to poverty alleviation, for instance. Through headquarters, affiliates and public policy, PAF has reached 75 thousand people over 30 years. Nevertheless, PAF currently serves 310 families at headquarters and a few dozens more via licensees in three Brazilian states. However, there are 68.9 million people

undergoing poverty in Brazil, of which 27.6 million are living below the extreme poverty line[14] (FGV, 2022). "Organizational growth or small-scale replication is unlikely to meet the magnitude of this challenge" (Lessa Bastos, 2019: 31).

The study shows how the Brazilian organisation Dara has expanded, gained quality, and disseminated its methodology since its foundation in 1991. Dara has been successful in scaling deep; that is, increasing its intervention and organisational quality along a learning process. To a certain extent, it has also been successful in scaling-out, reaching more beneficiaries and transferring and adapting its methodology to partners. Most importantly, scaling has not been a linear process, carefully planned in relation to internal resources and external conditions, as the management literature often suggests. There have been overlapping strategies and failures. Organizational replication, encouraged by donors, helped Dara scale-out in numbers but did not prove sustainable or conducive to scaling-up for system change. In past years Dara "has accepted that organizational growth and affiliation are not appropriate models for their organizational capacity" (Lessa Bastos, 2019: 36). System change and large-scale impact require thinking beyond any individual organizational growth. Eventually, "dissemination has been adopted as central strategy because it offers the highest potential for social impact" (Lessa Bastos, 2019: 37) and, as argued by Dees, Anderson and Wei-Skillern (2004), it requires less resources albeit less control over implementation.

The fact of the matter is that scaling remains a major challenge for hybrid organizations as most reach a bottleneck and tend to remain small (Gradl and Jenkins, 2011; Hoffman, Badiane and Haigh, 2012). "Westley and Antadze (2013) argue that most organizations focus on scaling-out because scaling-up requires a different set of skills" (Lessa Bastos, 2019: 37). This study disclosed two additional reasons. First, a critical view on the assumption that aggregate growth would lead to system change without having to engage with broader political, legal and cultural contexts. Changing the system requires engaging with the system, and willingness depends on worldviews and not only skills. Second, most donors focus on scaling-out because it is easy for them to appreciate it (Lessa Bastos, 2019), which in turn restricts organisations to follow that path because growth seems an indication of efficiency and legitimacy. In contrast, scaling-up for system change may be desirable but it is less vital to an organization's survival and does not produce similar evidence. It will be interesting to follow Dara's work in the next years to understand how this tension plays out. Echoing Schwab Foundation's orientation on *systemic entrepreneurship* (World Economic Forum, 2017), changing how key actors in a system architecture tackle poverty may seem more feasible but not necessarily up to the scale of the systemic problem.

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[14]   For countries classified as medium to high income, like Brazil, the poverty line is USD 5,50 per day. Extreme poverty line is USD 1,90 per day (IBGE, 2018).

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Appendix 1. Fieldwork details

In August 2019 a total of 13 interviews were conducted and two meetings were observed. In November and December 2021 five new interviews were held with middle and top management about the evolution of Dara's expansion strategy.

Name	Position	Date	Place
Vera Cordeiro	Founder & board president	August 2019	Dara headquarters, Rio de Janeiro
		November 2021	Zoom
Cindy Lessa	Board vice president & co-founder of Ashoka Brazil	August 2019	Phone
Laura Gaensly	Board member	August 2019	Phone
		November 2021	Zoom
Mirella Domenich	CEO & former Ashoka Brazil executive director	August 2019	Dara headquarters, Rio de Janeiro
Cristiana Velloso	Chief operation officer (role extinct soon after fieldwork in 2019)	August 2019	Dara headquarters, Rio de Janeiro
Adriane Barreto	Chief knowledge officer—responsible for expansion strategy	Twice in August 2019	Dara headquarters, Rio de Janeiro
	Executive director (2021-2022)	November 2021	Zoom
Georgiana Esteves	Expansion coordinator	Three times in August 2019	Dara headquarters, Rio de Janeiro
Sabrina Porcher	Expansion leader (as of 2020)	November 2021	Zoom
Vagner Rocha	Financial administrative leader	January 2022	Zoom
Fatima Brandão	Licensee—*Ilha do Governador*	August 2019	Phone
Gilda Bouch	Volunteer—volunteer coordinator on Mondays	August 2019	Dara headquarters, Rio de Janeiro
Grandmother (name not disclosed for privacy)	Dara beneficiary	August 2019	Dara headquarters, Rio de Janeiro
Aconchego Familiar	Group meeting observation	August 2019	Dara headquarters, Rio de Janeiro
Meeting with Lawyer and Dara Team	Internal meeting observation about the future of licensing	August 2019	Dara headquarters, Rio de Janeiro