Paper Title: The design and social enterprise ecosystem: How can design be applied to a developing social enterprise ecosystem?

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The United Kingdom's social enterprise sector has grown radically over the past two decades, as a result of various government-led efforts to create an environment which enables social enterprise development. However, financial weaknesses still impede the sustainability and growth of most social enterprises. Typically, businesses recognise design as an important factor in the growth of their potential competitiveness which is crucial to making profits, and as a tool enabling stakeholders and organisations to work better as a system. Design is thus regarded as potentially playing a significant role in overcoming the financial weaknesses of social enterprises, in order to encourage their growth and sustainability. To date, few studies have been undertaken on the use of design for social enterprises, so there is insufficient data about the relationship between stakeholders and the role of design. This current research project proposes the need to study how encouraging the strategic use of design can address the growth and sustainability of social enterprises, from the multiple stakeholders' perspectives in the social enterprise ecosystem.

Social enterprise ecosystem; Role of multiple stakeholders; Use of design; Sustainable development

1. Introduction

Globally, social enterprises are becoming increasingly popular because their innovative approaches to business activities contribute to human development and economic prosperity (Samia, 2008). Some governments, therefore, encourage them to grow and become more sustainable organisations (Phillips, 2006; Teasdale, 2011; Burstyn, 2013; Blundel & Lyon, 2015). The United Kingdom government, for example, has established policies and initiatives to create an environment which enables the social enterprise sector to flourish (British Council and SEUK, 2015; Cabinet Office, 2016). The UK currently has the world's most advanced institutional support structure for social

enterprise (Nicholls, 2010) with over 70,000 UK social enterprises contributing more than four per cent of GDP (British Council and SEUK, 2015; Cabinet Office, 2016), and playing a significant role in delivering and reforming of public services (DTI, 2002; British Council and SEUK, 2015). Despite the UK government's efforts, however, weaknesses persist in social enterprises' finance, which affect their sustainability and growth (Social Enterprise UK, 2011;2013;2015;2017). The author's recent study hypothesises that design could be used to help social enterprise overcome financial difficulties.

Commercial businesses evidently recognise using design as an important factor in the growth of their potential competitiveness and sustainability (Roy & Riedel, 1997; Borja de Mozota, 2003; Best, 2010; Hertenstein, et al., 2013; D'lppolito, 2014; Holland & Lam, 2014). Joziasse and Selders (2009) note that design adds different values according to an organisations' specific positions, purposes, sectors and needs. Design can achieve four objectives (Joziasse & Selders, 2009): (1) increasing profits, (2) increasing brand equity, (3) innovation through maximising the efficiency of technologies and knowledge and (4) improving organisations, environments and societies. Since the late 1960s, this has led to wider changes and controversies in the design culture which can be characterised as 'social benefits' (Bason, 2010). The accompanying changes and arguments are partly captured by the social entrepreneurship movement, social enterprise creation and, more broadly social innovation (The Young Foundation, 2006; Ellis, 2010). Bason (2016) maintains that design can provide a platform for solving problems in social innovation and social entrepreneurship/social enterprise through the cooperation of various fields, users and suppliers.

Despite the claims associating social enterprise with design, there is still insufficient evidence to demonstrate that the social enterprise sector, especially small-and-medium-sized organisations, have used design strategically. This research aims to develop a better understanding of how design can be used to strategically improve the UK's social enterprise ecosystem, to encourage the sustainable economic development of social enterprises. The study's objectives are to: (1) explore how the UK's social enterprise ecosystem was established and developed, (2) investigate the roles of multidisciplinary stakeholders in the UK's social enterprise ecosystem, and (3) identify the current state of design knowledge and the use of design in the UK's social enterprise ecosystem.

2. Research Methodology

The research project comprises four phases: exploration, investigation, development and evaluation. The outcome of this paper draws mainly on the project's initial exploration: an investigation of the UK's existing social enterprise ecosystem, identifying the status of design knowledge and use of design among key stakeholders. The study employed a combination of qualitative and quantitative methods, including both primary and secondary research tools.

Literature reviews initially sought an in-depth understanding of the research context: design, social enterprise and the social enterprise ecosystem. An overview of design studies identified the comprehensive roles of design, ranging from businesses to societies. Studies of social enterprise ecosystems were examined to classify their key elements. A case study - the United Kingdom - was then chosen because it has had the world's most highly-developed institutional support structure since the late 1990s (Nicholls, 2010) and is a country which recognises the value design can bring to the business and/or the public sphere (Innovate UK, 2015). The UK case was examined to understand the configuration of the social enterprise ecosystem in a national context. Two of the UK's social enterprise related projects - 'Good Finance' and 'Better by Design' - were selected as case studies where design is used at social enterprise ecosystem level. Both cases met the current study's selection criteria: (1) addressing social enterprise problems, (2) design's problem-solving role, (3) they are led by key stakeholders in the UK social enterprise ecosystem. Exploratory interviews were then conducted with seven respondents from the social enterprise sector (including academics, policy directors, a managing director, and a membership officer) and four respondents from the

design sector (including an academic and strategy director, a research & evaluation manager, and a programme manager - two of whom had working experience in the social enterprise field) to gather their perspectives on the current the UK social enterprise ecosystem, explore their awareness of design in the system, and to gain an overview of the relationship between the social enterprise ecosystem, the role of stakeholders and of design. These interviews were conducted face-to-face, or on skype, or by phone-call. The exploratory interview data were then underwent thematic analysis. Figure 1 is an overview of the current study's research design, with the correlation of the Phase one objectives and the research methods.
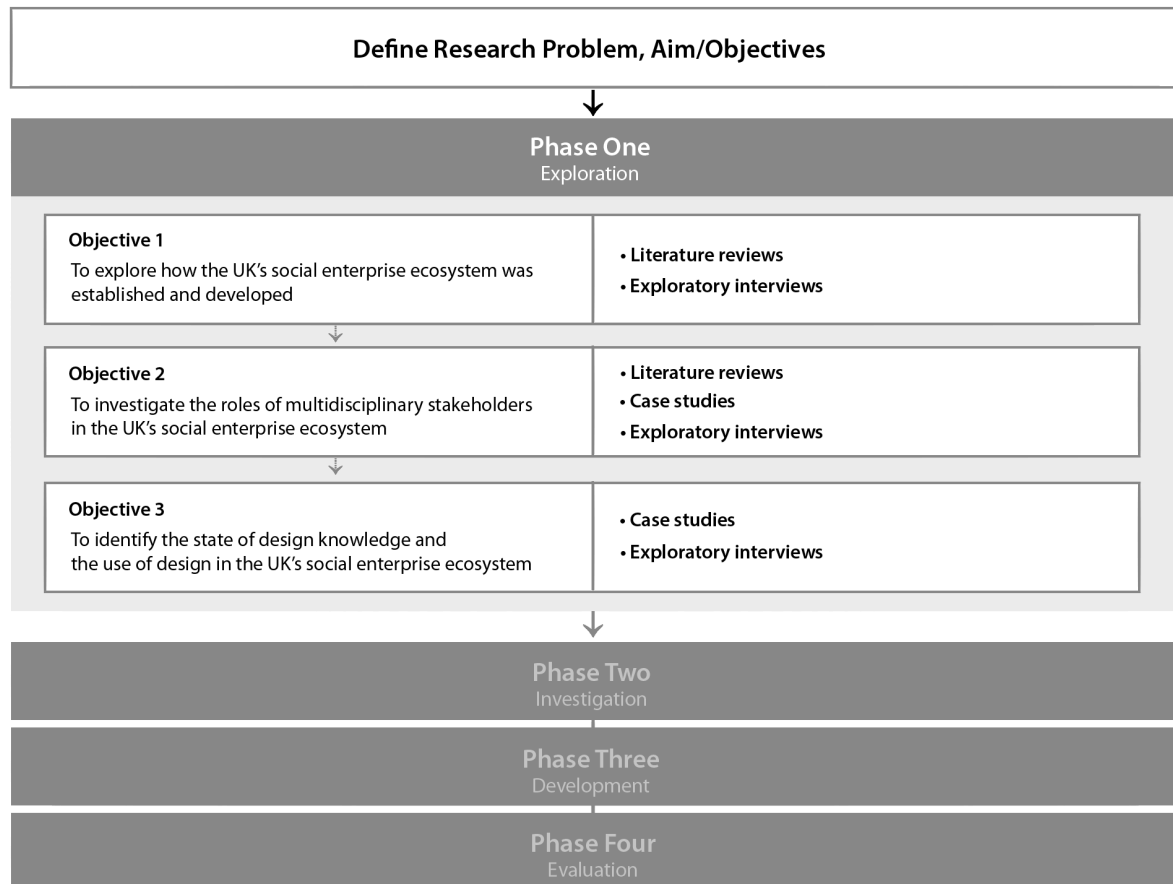

Define Research Problem, Aim/Objectives

Phase One
Exploration

Objective 1 To explore how the UK's social enterprise ecosystem was established and developed	• Literature reviews • Exploratory interviews
Objective 2 To investigate the roles of multidisciplinary stakeholders in the UK's social enterprise ecosystem	• Literature reviews • Case studies • Exploratory interviews
Objective 3 To identify the state of design knowledge and the use of design in the UK's social enterprise ecosystem	• Case studies • Exploratory interviews

Phase Two
Investigation

Phase Three
Development

Phase Four
Evaluation

Figure 1: Research design of the current study

3. Social enterprise and the social enterprise ecosystem in the UK

Social enterprises adopt business practices to achieve their mission but operate with manifold configurations as co-operatives, non-profit organisations (Spear, 2006) and social purpose for-profits firms (Volkmann, et al., 2012). Social enterprise thus does not fit neatly into the traditional categories of private, public or non-profit organisations (Doherty, et al., 2014). This distinctive characteristic of social enterprises often causes ambiguity describing them. Some research suggests that the core features of social enterprises can be used to capture a definition (Thompson & Doherty, 2006; Peattie & Morley, 2008; Moizer & Tracey, 2010): a social enterprise must (1) have primarily social objectives, (2) be a business whose primary activity involves trading goods and services, and (3) re-invest any surpluses generated principally in the community, rather than distribute them to shareholders and owners. This study, by comparing existing definitions of social enterprise, proposes a working definition: *a social enterprise aims to solve social (and environmental) problems through economic activities.*

Social enterprises are now seen in many countries as catalysts for economic growth and social renewal, because of their influence. Improving the quality and impact of social enterprises can directly contribute to both reducing social inequality (Cabinet Office, 2006) and improving the national economy (British Council and SEUK, 2015; Cabinet Office, 2016). The UK particularly recognises the significant contributions of social enterprises in terms of the national economy and social development. The UK government emphasises the importance of policies for social enterprises development as a means of creating social opportunities, building civil society, investing in marginalised communities, and providing a mixed social welfare economy (McCabe & Hahn, 2006). Since the late 1990s, in the UK - which has the world's most highly-developed institutional support structure (Nicholls, 2010) - social enterprises have received strong government support through various policies and initiatives (DTI, 2002; Office of the Third Sector, 2006). Following the first mention of social enterprise in the UK's policy landscape - the national strategy for neighbourhood renewal report 'Enterprise and Exclusion', produced by the Treasury of Tony Blair's New Labour government in 1999 (Treasury, 1999; Teasdale, 2011; Ridley-Duff & Bull, 2016) - various institutions and policies have emerged to promote the development of the UK's social enterprise sector. In the early 2000s, the UK government sought to create and maintain a stable macro-economic environment in which businesses - including social enterprises - flourished (DTI, 2002). The Social Enterprise Unit (SEU) was established in the Department of Trade and Industry (DTI) in recognition of its contribution to the UK business environment and the national economy (DTI, 2002), and the UK's first social enterprise strategy was published by the DTI (DTI, 2002; British Council, 2015; European Commission, 2014). The Social Enterprise Coalition (SEC) was established to secure government support and improve the operating environment for social enterprises (Social Enterprise Coalition, 2003; British Council, 2015).

As a result, in the mid-2000s the number of social enterprises in the UK increased sharply (from around 5,300 to 55,000) (The Guardian, 2013), and the UK government sought to create appropriate conditions for social enterprise to thrive by establishing a Social Enterprise Action Plan (Cabinet Office, 2006; British Council, 2015; European Commission, 2014). The UK government's Social Enterprise Action Plan hoped to encourage more people to understand social enterprises, raise awareness of potential investors and customers, ensure that social enterprises have access to business support and finance, and support inclusion in public service delivery (Cabinet Office, 2006; European Commission, 2014). In the 2010s, the UK government's support for social enterprises became concrete and specific, and the Public Service (Social Value) Act (European Commission, 2014; British Council, 2015) - a guide to legal forms for social enterprise - was published by the Department for Business Innovation & Skills (DBIS) (DBIS, 2011). The SEC was rebranded as Social Enterprise UK (SEUK) and SEL was integrated with SEUK (Third Sector, 2011). Thus, over the past two decades, the UK's social enterprise sector has made considerable progress, establishing an environment in which the development, growth and sustainability of UK social enterprises have become more favourable, as a result of the government's approach and the response of the sector itself (British Council, 2015). In order to help the sector develop further, it is important to understand its key components and the interrelationships of all these elements.

3.1 Essential components of the UK social enterprise ecosystem

Just as biological species in ecosystems share their fate with each other, so do firms in a business ecosystem: **"If the ecosystem is healthy, individual species thrive. If the ecosystem is unhealthy, individual species suffer deeply"** (Iansiti & Levien, 2004). Each business in the 'ecosystem' affects and influences other businesses, creating a constantly evolving relationship in which each business must be flexible and adaptable to survive, as with biological ecosystems (INVESTOPEDIA, 2017). However, relatively little research has been conducted on the ecosystems of the social enterprises, using terminology and the conceptualisation of 'ecosystems' in social enterprise by practitioners (CASE, 2008; Ashoka, 2014; European Commission, 2014;2015; NESTA, 2015; British Council, 2015), ,

or academics (Bloom & Dees, 2008; Grassl, 2012; Lee & Hwang, 2013; Roy, et al., 2015; Hazenberg, et al., 2016a;2016b;2017), and few studies have attempted to expose the conceptual elements of a social enterprise ecosystem. The current study therefore sought the opinions of practitioners and scholars in the social enterprise field in order to define the social enterprise ecosystem, and understand the 'ecosystem' of social enterprise and to further expose its conceptual elements. A definition of the social enterprise ecosystem was reached: ***a network and system relationship comprising various stakeholders in the social enterprise domain, including government, intermediary organisations, social enterprises and consumers.***

Using this definition, this study attempted to reveal the fundamental components of a social enterprise ecosystem. "The conceptualisation of a social enterprise ecosystem is based on commonly recognised features able to contribute to providing an enabling environment for social enterprise including the potential to address key constraints and obstacles" (European Commission, 2015). Some researchers have already conceptualised the components of a social enterprise ecosystem. The Centre for the Advancement of Social Entrepreneurship (CASE) (2008) claims that a social enterprise ecosystem can be seen as having two principal divisions: capital infrastructure, and the socio-economic and cultural environment. The capital infrastructure offers essential resources for the success of social enterprises, and the socio-economic and cultural environment creates the conditions in which social enterprises and their capital providers operate (CASE, 2008). This broad environment includes social enterprise policy, media relations, economic and social conditions.

Moreover, a social enterprise ecosystem, according to the European Commission (2014), relates to the characteristics of market and non-market environments including legal, financial, institutional, cultural, political and socio-economic aspects, and is an environment which operates in many ways to support or restrict social enterprise activities from thriving in specific contexts. Hazenberg et al. (2016b; 2017) argue that social enterprise ecosystems and various types of social enterprises may be formed differently, depending on a range of historical, legal, political cultural, social and economic structures. Table 1 shows the elements of a social enterprise ecosystem, explored by the Centre for the Advancement of Social Entrepreneurship (CASE) (2008), the European Commission (2014) and Hazenberg et al. (2016a; 2016b; 2017). Among these studies, the European Commission (2014) and Hazenberg et al. (2016b; 2017) conducted studies of the comprehensive components of social enterprise ecosystems at the national level in the UK. The earlier study by Hazenberg et al. (2016a) explains how English and Scottish social enterprises have developed differently because of historical (genetic) and institutional/environmental (epigenetic) factors.

Table 1: The elements for the conceptualisation of social enterprise ecosystem

CASE (2008)	European Commission (2014)	Hazenberg et al (2016b; 2017)
Financial capital	The policy and legal framework for social enterprises	Procurement policies/regulation for social innovation
Human capital	Tax exemptions and incentives	Financial activities for ecosystem growth
Intellectual capital	Publicly-funded support measures for social enterprises	Impact and dissemination
Social/political capital	Network and mutual support mechanisms	Collaborative stakeholder systems
Policy & politics	Marks, labels and certification systems	System drivers
Media	Systems for measuring and reporting social impact	Training and education in support of ecosystem growth
Economic and social conditions	Social investment markets	Inclusive labour market practices

Related Fields	Other specialist support and infrastructures available to social enterprises	

For the comparison and analysis of these three studies, the current study established criteria: (1) factors which are commonly mentioned in the three studies, and (2) themes which can be used to categorise elements common to the three studies. The current research can confirm that the conceptualisation of a social enterprise ecosystem requires four crucial components through comparison and analysis of these three studies with the criteria: (1) policy and regulation structure, (2) finance and investment, (3) business development support, and (4) collaboration and networking. The four fundamental elements are explained as follows:

(1) Policy and regulation structure: policy frameworks for social enterprises are found within a broader policy framework aimed at the socio-economic, civil society, non-profit sector, active labour market policy or social inclusion policy. Social enterprise legislation also follows a broad range of approaches: firstly, applying the existing legal form to take into account the characteristics of social enterprises, and secondly, creating the legal status or qualification of the social enterprise (European Commission, 2015).

(2) Finance and investment: Many social enterprises struggle to access external capital when capital supplies are scarce, especially when they start with subsidy dependence or when they grow (DTI, 2002). These components show the overview of publicly or individual funding or investing for social enterprises' development (European Commission, 2015).

(3) Business development support: As with any other business, social enterprises need good corporate culture training. Social enterprises often lack commercial and managerial capabilities (Peattie & Morley, 2008; Doherty, et al., 2014), so it is essential to recognise their needs and provide appropriate advice and support (DTI, 2002).

(4) Collaboration and networking: This factor can be used to construct a framework for social enterprises to interact with governments, intermediaries, and other organisations with characteristics and goals similar to those of social enterprises. It also provides practical guidance and advice as a mutual support mechanism, plays a role in advocating the field, and interacts with various organisations (DTI, 2002; European Commission, 2015).

Design is evidently still not perceived as an essential component of the social enterprise sector. It is important to understand the key players in this field in order to find out how strategic use of design can be introduced and effectively integrated in their work.

3.2 Key players in the UK's social enterprise ecosystem

Although the European Commission (2014) and Hazenberg et al. (2016a; 2016b; 2017) explored the fundamental features of the UK social enterprise ecosystem, only the European Commission (2014) study disclosed specific stakeholders related to the essential elements of the UK's social enterprise ecosystem. Hazenberg et al. (2017) mapped the key stakeholders and the relationship of each stakeholder in the social enterprise ecosystem at national level across the Europe, including the UK (England and Scotland). Referring to those earlier studies, the current study attempts to expose the role of key stakeholders in the social enterprise ecosystem and to summarise the support programmes or activities each stakeholder carries out according to the ecosystem components.

Firstly, the main stakeholders in the policy and regulation structure of the social enterprise ecosystem are the government and various government departments. Their fundamental role is to enact policies and legal forms which encourage the growth of social enterprises and the wider sector. In order to carry out this role effectively, they must listen to what social enterprises really

want, as other stakeholders claimed. Important and influential strategies and policies for the UK's social enterprises sector include the Social Enterprise Strategy (2002), the Social Enterprise Action Plan (2006), "Building a stronger civil society: a strategy for voluntary and community groups, charities and social enterprises" (2010). They also participated in supportive programmes and/or activities for social enterprises, including 'Good Finance project' and the 'Buy Social Corporate Challenge', led by intermediary organisations including SEUK (a national body for social enterprises) and UnLtd (a foundation which represents social entrepreneurs).

Secondly, government and various intermediary organisations including the Big Lottery Fund, Big Society, Big Issue Invest - play a significant role in developing finance and investment in the social enterprise sector, by providing direct investment, donations or loans to social enterprises. Other organisations - SEUK and Inspire2Enterprise - provide consultative information on the financial support social enterprises can access, rather than direct investment, loans, or donations. The government has regularly investigated the social enterprise sector since 2012, publishing reports on social enterprise market trends in 2013, 2015, and 2017. This governmental investigation has exposed the financial market conditions of social enterprises and some of the barriers social enterprises face in accessing financial markets. The Design Council has also conducted a project to identify how social entrepreneurs can better access social finance.

Thirdly, as with finance and investment factors, business development support is related to various stakeholders. Stakeholders provide support for the practical business operation of social enterprises, including building business models, marketing, accounting, etc. SEUK contributes by leading social enterprise campaigns, including the 'Buy Social Corporate Challenge', 'Social Saturday', and the 'Buy Social Campaign'. Those campaigns are intended to raise awareness of social enterprise in the private and public sectors and encourage people to buy social enterprises' products and services. UnLtd provides specific business support to start-up social enterprises. Inspire2Enterprise helps social enterprises with bespoke business supports for social enterprises' development stages, problems, and needs. The Department of for Business Innovation & Skills conducted a study of business support for social enterprises in 2011, to identifying gaps and market failures in business support for social enterprises in a changing economic environment (DBIS, 2011).

Lastly, some intermediary organisations are involved in the advocacy of collaboration and networking element of the social enterprise ecosystem, encouraging or providing a platform for networking and collaboration between social enterprises or social enterprises with agencies, local and/or central government. SEUK, for example, leads the 'Social Enterprise Place programme' to promote, raise awareness, and build the markets for social enterprise by communicating with local stakeholders (Social Enterprise UK, 2017a). Table 2 is an overview of existing programmes and supports with various key stakeholders. More organisations can be included in the ecosystem's constitutional categories, and some organisations perform multiple roles within the sector.

Table 2: Key stakeholders in the social enterprise ecosystem

Components of SEE	Key stakeholders		Support programmes or activities
	Direct involvement	Indirect involvement	
Policy and Legal structure	Government • Cabinet office • Department for Business, Innovation and Skills • Department for Communities and Local • Government Department for Work and Pensions • Other Government Departments	Co-operatives UK Social enterprise UK UnLtd British Council Nesta Design Council	Good Finance (website) Buy Social Corporate Challenge Buy Social campaign Buy Social dictionary Social Enterprise Places

		Co-operatives UK	
Finance and Investment	Cabinet Office Big Lottery Fund Big Society Capital Social Finance UK UnLtd Big Issue Invest Social Invest Business ACCESS	Social enterprise UK Real Ideas organisation Inspire2Enterprise Social Enterprise East of England School for Social Entrepreneurs Young Foundation Nesta Design Council Flip Finance Department for Digital, Culture, Media and Sport Department for Business, Energy and Industrial Strategy	Good Finance (website) Buy Social Corporate Challenge
Business development support	Real Ideas organisation UnLtd Social Firms UK Inspire2Enterprise Social Enterprise East of England School for Social Entrepreneurs British Council Flip Finance Matter&Co	Social enterprise UK Social Enterprise Solutions Social Enterprise Mark company Young Foundation Nesta Design Council Department for Business Innovation & Skiils	Buy Social Corporate Challenge Accelerator programme Social Enterprise Places Social Saturday Buy Social campaign Buy Social dictionary
Advocacy of collaboration and networking	Social enterprise UK UnLtd Co-operatives UK British Council	Social Enterprise Solutions Social Enterprise Mark company Inspire2Enterprise Social Firms UK School for Social Entrepreneurs Young Foundation Nesta Design Council Flip Finance	Social Enterprise Places Buy Social Corporate Challenge Social Saturday Buy Social campaign

Despite the large number of players in the UK's social enterprise ecosystem, accessing finance and/or funding remains the most significant barrier to sustainability and growth of social enterprises in the UK (Social Enterprise UK, 2011;2013;2015;2017b). Social enterprises' access finance can be divided into two categories: (1) obtaining grants or loans from the social investment market, and (2) increasing their income through trading goods and/or services. Many social enterprises, for example, struggle with applying for social investment and have a perception that the funding ecosystem pressures them to expand too quickly (Design Council, 2014b). Many supportive measures are available to support start-up social enterprises, but it is less easy to find specific support for a social enterprise to expand its business scale. Furthermore, according to some UK social enterprise ecosystem stakeholders, although the UK's social enterprise ecosystem includes a pluralistic network of stakeholders operating in different sectors, it is fragile because of commissioners' and markets' lack of awareness of social enterprise.

Design is not integral to social enterprise infrastructure support, which may be an underlying reason why design is not utilised strategically in this sector, especially among small-and-medium-sized

organisations. Arguably, effectively introducing design into this sector will have to occur at the policy and ecosystem level. The role of design in the commercial sector will therefore be examined to pinpoint good practices which can be applied to social enterprise at both the organisational and ecosystem levels.

4. Design's expanding role in the business sector

Design is understood differently by individuals and organisations, covering a broad range of activities and outputs (Henderson & Whicher, 2015). According to the Danish Business Authority (2011), design is narrowly understood as producing a certain quality and the process of crafting products, and is recognised as part of knowledge – an extensive field characterised by innovation, and multidisciplinary strategic processes. Design need not be limited by types of design: graphic, product, or service design. Broadly, the design process includes both technical design (including engineering for manufacture) and non-technical design (including experience and identity) (Design Council, 2011). Several reports have already found considerable evidence for using design as a mechanism for business development and innovation (Hertenstein, et al., 2001; Danish Design Centre, 2003; Design Council, 2007; 2008; 2012; 2014a). Design can play a significant role in promoting the growth and sustainability of enterprises e.g. design has a number of meanings for businesses including designing for function, aesthetic appeal, ease of manufacture, sustainability, reliability or quality, and business processes themselves (DTI, 2005). These design roles can increase profits by adding value to businesses (Design Council, 2014a) and increasing brand equity by implementing and strengthening a company's brands and delivering its value and uniqueness to the outside world (Design Council, 2014b). Using design in enterprises is widely recognised as a significant element of a company's sustainable development through influencing increasing potential competitiveness and improving the quality of products and/or services (Roy & Riedel, 1997; Borja de Mozota, 2003; Best, 2010; Hertenstein, et al., 2013; D'Ippolito, 2014; Holland & Lam, 2014), and design today is applied in a wide variety of business areas. Accordingly, to understand the broader contribution of design in business, Na et al. (2017) developed an accessible 'design spectrum' tool. The role of the design in their design spectrum is as follows: (1) designing (product/production/communication/service), (2) design strategy (managing design), and (3) corporate-level design thinking (managing the company). The design spectrum briefly describes the various roles of design. The current study refers to Na, et al.'s design spectrum to examine the current status of design knowledge and use of design at social enterprise ecosystem level in the UK.

4.1 Current UK understanding and use of design at the social enterprise ecosystem level

The UK is among the more advanced countries which recognise the value of design in the private and public sectors (Design Council, 2007;2011;2013;2015a;2015b). Various UK studies have examined the value of design to help accelerate innovation and growth of businesses and/or public services (Design Council, 2011;2015b; Micheli, 2014; Design Commission, 2014, Innovate UK, 2015). The UK government views design as playing a central role in its strategy for economic growth and rebalancing (DBIS, 2011), recognising design as an integral part of the sustainable development of the UK national planning policy framework (Department of Communities and Local Government, 2012). Design was identified as having the potential to support both the UK government and businesses and to strengthen UK competitiveness (Design Council, 2013). However, despite the acknowledging the value of using design in the UK's business and public sectors at national level, most important stakeholders in the social enterprise ecosystem have poor understanding or a negative perception of the design approach, which makes understanding the intention of using design in the UK's social enterprise ecosystem problematic. To date, this research has identified only two cases of using design strategically in the UK's social enterprise ecosystem level: (1) design

influenced directly at the systematic level of the social enterprise ecosystem, and (2) design applied at the operational level of social enterprises.

The first case - the 'Good Finance Project' - is led by a wide range of key stakeholders in the social enterprise ecosystem across government, intermediary organisations, and design associations, to improve access to social investment information for charities and social enterprises. This project appears to be the first attempt to consider the use of design to improve the finance and investment component of the social enterprise ecosystem. Before this project was conducted, a Design Council study exposed a problem in the social finance market - social enterprises' difficulty in obtaining appropriate funding and support - and tried to identify better solutions to this problem (Design Council, 2014b). Several later studies have shown that it is necessary to help social enterprises and charitable organisations to obtain social investment effectively (Social Enterprise UK, 2015; Alternative Commission on Social Investment, 2015; Cabinet Office, 2015). The Good Finance project responded directly to those studies, and created a digital platform to educate and guide social enterprises and charities to appropriate investment opportunities (Snook, 2016). In this project, design provided a new perspective on social enterprises' investment needs. According to Snook (2016), "Good Finance is the most developed design-led project in the sector to date but there is huge potential to use the iterative, user-centred and collaborative approaches offered by design for a range of sector challenges."

Another case of using design in the UK's social enterprise ecosystem level is Better by Design which was developed by key stakeholder Big Lottery Fund Scotland. Although this case study is not directly related to the social enterprise ecosystem development, it demonstrates the importance of using design in solving problems in participating organisations and achieving their main purpose. This project encourages third-sector organisations to achieve sustainability by supporting the maximum change process to better meet the needs of their current and future beneficiaries (Big Lottery Fund, 2014). To achieve this, fifteen third-sector organisations applied for the two-year support package to accompany the funding. Each organisation received bespoke support through the programme. According to the Big Lottery Fund (2014), the programme "guides the organisations through a design-led change process that draws on insight from a wide range of stakeholders and uses innovation and practical design tools and techniques to put people at the centre of the services they want and need." In this project, design was used to provide a simple framework to help people map and share patterns, connections, and change opportunities which enabled them to identify and share problems. The role of design in the programme also enabled stakeholders to gain new insights and develop new perspectives on the unmet needs and services currently offered (Big Lottery Fund, 2014).

The current study examines two cases of using design at the social enterprise ecosystem level in the UK, giving a glimpse of some opportunities which can be beneficial in developing a social enterprise ecosystem. The design spectrum was applied in both cases, and the Good Finance project is an example of how design can be used strategically to dovetail with the social enterprise ecosystem. Better by Design has shown that design can play a bespoke role to fit the problems and purposes of individual organisations. The current research believes that if the key stakeholders are aware of the positive impact of design on their role, it may be advantageous to developing the social enterprise ecosystem.

4.2 The anticipated relationship between the role of design and the essential components of social enterprise ecosystems in the UK

Design can play a variety of roles, depending on the situation, and is particularly useful for problem-solving (Borja de Mozota, 2003; Holland & Lam, 2014). The two cases of using design in the current social enterprise ecosystem demonstrate design's influential role in problem-solving. This study seeks to explore existing challenges facing the UK's social enterprise ecosystem, drawing on

exploratory interviews with experts and key stakeholders in the UK's social enterprise ecosystem. Key findings from the expert interviews with key stakeholders in the UK social enterprise ecosystem, and about the difficulties faced by the UK's social enterprise ecosystem appear below.

Firstly, stakeholders are required to establish policies and regulation structures which encourage the growth and development of social enterprises and its sector, evaluating and developing it by reflecting social enterprise needs and opinions. However, the current policy and regulation structure fail to reflect the real needs and/or opinions of social enterprises, and there are practical barriers to implementation. Some policy directors in the social enterprise field confirmed that this may be due to a lack of awareness of social enterprise, even though the policy-makers are key stakeholders. They also appear to lack understanding and knowledge of social enterprise needs. Secondly, key players in finance and investment - including the Cabinet Office, Big Society Capital, UnLtd, etc., - should make it easier for social enterprises to access capital, because most social enterprises currently experience difficulty accessing finance and applying for grants and loans. In order to solve those problems, The Good Finance project has used design, but the current study research questions how many social enterprises, social entrepreneurs and other intermediary organisations are aware of Good Finance, and how it impacts on the real market. Thirdly, business development support stakeholders should play an extensive role in providing support at various social enterprise business stages. Social enterprises need different business development support from stakeholders depending on their business step, scope, size, purpose, etc., However, most stakeholder support is at the start-up phase, and support for business development to encourage expansion is often inadequate. Lastly, most of the study's interviewees indicated that the UK's public and private sectors have little knowledge of collaboration and networking, partly because of inadequate communication in those areas. Collaboration and networking stakeholders can play a role in building networks between social enterprise and lobbying government or private businesses to increase awareness of social enterprises.

This research suggests that design can help develop the social enterprise ecosystem by solving the UK social enterprise challenges mentioned above. Four specific design roles can contribute to resolving the UK social enterprise ecosystem's challenges. Firstly, social enterprises can include design in their business strategy, to raise awareness of social enterprise and deliver value to the public and private sectors. Social enterprise activities contribute value to the economy, society and the environment, depending on their business and social (environmental) purpose. Secondly, design can play a role in enhancing understanding of social enterprise needs. In the wider business sector, tactical use of design improves understanding of customer needs (Chen & Venkatesh, 2013; Holland & Lam, 2014). Thirdly, design can play a role as a strategic problem-solving tool to identify the gaps between what stakeholders do and what social enterprises really need, and be applied to bridge the gap. The role of design can be regarded at the operational level of the social enterprise ecosystem as one of the social enterprise ecosystem's main purpose: to reduce the gap between social enterprises and stakeholders. Lastly, design can play a role at the operational and systematic level, improving interaction and communication between key players and social enterprises to encourage a better mutual relationship.

Social Enterprise Ecosystem in the UK

Key components of the UK's Social Enterprise Ecosystem

1. Policy and Regulation structure: Government and Government Departments

2. Finance and Investment: Government and intermediary organisations such as Big lottery Fund, Big Society Capital, UnLtd, Big Issue Invest, etc.

3. Business Development Support: Intermediary organisations such as UnLtd, SEUK, Inspire2Enterprise, School for Social Entrepreneurs, etc.

4. Collaboration and Networking: SEUK, UnLtd, Co-operatives UK, etc.

Strenghts

• One of the most advanced institutional support structure in the world
• A large number of stakeholders in the UK's social enterprise ecosystem

Weaknesses

• Lack of understanding of role of design and its influence
• Insufficient to reflect the real needs and opinions of social enterprises
• Barriers to implement of the policies and regulations in real market
• Lack of awareness of social enterprise
• Difficulties to access the finance and apply for grants and loans
• The state of awareness of Good Finance platform and its real influence
• Excessive focus on supporting the start-up stage of social enterprises
• Lack of business development support to encourage business expansion
• Lack of communication and interaction between stakeholders and social enterprises

The role of design as solutions to the problems

1. Increasing awareness of social enterprise in public and private sectors

2. Studying and uncovering the social enterprise needs

3. Identifying the gaps between social enterprises and stakeholders and bridging the gaps

4. Encouraging interaction and communication between stakeholders and social enterprises

Figure 2: An overview of the study's findings and discussions

5. Conclusion

The study's aim was to understand the comprehensive social enterprise ecosystem, using the UK as a case study to explore the role of stakeholders in the ecosystem and identify their perceptions of using design. The study examined four important elements for the social enterprise ecosystem in the UK: (1) policy and regulation structure, (2) finance and investment, (3) business development support, and (4) collaboration and networking. Multiple stakeholders across central and local governments, intermediary organisations such as SEUK, UnLtd, Inspire2Enterprise, etc., - supportive organisations for social enterprises - and social enterprises themselves are involved in the ecosystem. Each stakeholder has different responsibilities in social enterprise ecosystem development. The results of this research illustrate that social enterprises remain poorly understood in the public and private sectors, with gaps between key stakeholders and social enterprises. Key players either do not hear the voice of social enterprises or fail to fulfil their needs. Furthermore, most stakeholders in the UK's social enterprise ecosystem have little understanding of design and are largely unaware of the influence of design. However, the excellent case study of the Good Finance project demonstrated how design can be applied in solving problems for the social enterprise ecosystem, especially in finance and investment among the fundamental elements of social enterprise ecosystem. This research suggests that strengthening connections between the role of multidisciplinary stakeholders in the social enterprise ecosystem and using design can lead to social enterprise ecosystem improvement and to seeking how best to support the sustainable development of social enterprises. Although the study identified the potential relevance of the relationship between stakeholders and design, it did not investigate in depth the practical role of design to address the problems of social enterprise ecosystem and the weaknesses of social enterprises. A further in-depth study will be conducted to hear the real voice of social enterprises about the UK's social enterprise ecosystem and using design in their organisations. The case study of South Korea's social enterprise ecosystem is also considered, and compared with that of the UK. The Korean government emphasises the importance of policies for social enterprises development (McCabe & Hahn, 2006), referencing the UK's policy, regulations and model in order to grow its social enterprise sector (McCabe & Hahn, 2006; Park & Wilding, 2013; Park, Lee & Wilding, 2016). However, the social enterprise policy established by the Korean government has greater concrete purpose than that of the UK (Park, Lee & Wilding, 2016). The current study will later explore how design can be applied to solve challenges in social enterprises and the social enterprise ecosystem with a comparative analysis of the case studies of both countries - South Korea and the UK's social enterprise ecosystems.

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