

# ICSB GAZETTE

THE GLOBAL LEADER SUPPORTING MICRO-, SMALL AND MEDIUM ENTERPRISES

MONDAY, MARCH 25, 2019. ISSUE 16

## HALCYON INCUBATOR AND THE SOCIAL ENTERPRISE ECOSYSTEM – A GLOBAL BEST PRACTICE WITH HEART

WRITTEN BY: RYAN ROSS, CHIEF INNOVATION OFFICER, HALCYON HOUSE



**"Halcyon Incubator, the flagship program of Halcyon, equips early-stage social entrepreneurs with the support that they need to transform audacious ideas into scalable and sustainable ventures to solve 21st-century challenges."**

The purpose of this paper is to help all stakeholders understand the activities surrounding social entrepreneurs and the current social enterprise ecosystem. To do this, the first part of this paper introduces our program, the Halcyon Incubator, as a case study. Followed by this, it glances at the status of social enterprise ecosystems in the United States and how these ecosystems fuel MSMEs.

Halcyon Incubator, the flagship program of Halcyon, equips early-stage social entrepreneurs with the support that they need to transform audacious ideas into scalable and sustainable ventures to solve 21st-century challenges throughout the nation and the world.

Halcyon's well-honed methodology fosters creativity through an environment of freedom, access, collaboration and support. It gives prospective impact leaders the physical and mental space to freely take risks and exercise their ingenuity. Fellows accepted into the program receive free residency for five months at the historic Halcyon House in Washington D.C., workspace, mentorship and leadership coaching, robust support from business, legal, and technology consultants, and a living stipend to develop their social entrepreneurial vision into reality.



Fellows live and work at the Halcyon Incubator with unfettered access to expert guidance. They also participate in core programming that includes pitch sessions, a skill development series and other events, ultimately taking part in a “Showcase” in front of partners and investors. After the 5-month residency program, Fellows continue to work at the Halcyon Incubator for 13 months, with free access to all resources to further build their networks, secure funding, and grow their venture. By removing barriers and supplying resources, Halcyon empowers visionaries regardless of their means or circumstances. In this way, it disrupts the status quo of who has access to entrepreneurship opportunities.

The Halcyon Incubator launched in September 2014 and has supported 69 ventures to date. These social entrepreneurs are building solutions to a wide range of challenges such as poverty, education, gender equality, health, energy, environment and climate action. The ventures have collectively raised \$37 million, created 460 jobs, and impacted the lives of almost half a million people around the world. The fellows are also quite diverse, with 54% of our ventures having a female founder and 59% of the ventures having a founder of color.



"The Halcyon Incubator launched in September 2014 and has supported 69 ventures to date. The ventures have collectively raised \$37 million, created 460 jobs, and impacted the lives of almost half a million people around the world."

The Halcyon Incubator believes that we need to invest more of our time and resources as a society to fuel social entrepreneurs, as they are the people building MSMEs targeting some of the greatest challenges we face across the world. To put it bluntly: we have enough dating apps; we need our talented founders to solve for critical SDGs.

In addition to our work as practitioners, we also have developed the first framework for social enterprise ecosystems in the United States and have accordingly ranked the top U.S. ecosystems for social enterprise. The report, “A Deeper Diver: Social Enterprise Ecosystems in the US” aims to deepen and expand our analysis of social enterprise ecosystems across the county based on public data and survey responses from 416 individuals who are personally or professionally active in a social enterprise ecosystem. Social entrepreneurs identified four key pillars of an ecosystem: Funding, Human Capital, Quality of Life, and Regulation and Receptivity.

#### The Four Pillars of a Social Enterprise Ecosystem:

- Funding - The fuel of the ecosystem: sources of capital including seed funding, grants and philanthropic and venture capital (representing both public and private sources).
- Human Capital - The engine of the ecosystem: finding great people – as team members, mentors, employees, and advisors.
- Quality of Life - The fabric of the ecosystem: everything from diversity, cost of living, and transportation that determines an entrepreneur’s experience living in a region.
- Regulation and Receptivity - The operational environment of the ecosystem: regulations, market receptivity and even perception and attitudes towards a social enterprise can create an environment that either nurtures or stifles social enterprise.

Our research and our day-to-day practitioner knowledge in running the Halcyon Incubator has given us an in-depth look into how MSMEs develop and grow. Below we highlight a few of our key takeaways from this work:

1. The 'why' matters. People creating MSMEs are certainly driven by an entrepreneurial spirit, but increasingly people are aligning their values with their business. Social entrepreneurs, on the forefront of this new shift, blend the impact seamlessly into the fabric of their venture.

2. Founders are much more diverse than we think. In our operational experience, founders come from all walks of life. Gender and racial diversity have been an important focus, but we also see incredible diversity in professional background, age, and socioeconomic background as well.

3. The public sector has significant untapped potential. In Washington D.C. we see firsthand the alignment between the goals of social entrepreneurs and the public sector. However, we are just at the beginning stages of figuring out how to properly align the innovative potential of these MSMEs and the impact goals of public actors. Creating more pathways for public sector engagement to get to the level of MSMEs, particularly through intermediary organizations that support MSMEs, will be critical to unleashing innovation, economic opportunity, and social impact.

Halcyon enjoys serving as launching pad for talented social entrepreneurs, and we hope that our experience and research helps to launch innovative platforms for impact MSMEs across the world. Through a holistic approach from all stakeholders to support the impact ecosystem, we can achieve a beautiful symbiosis between profit and impact for a better world.

Small business owners must also develop an entrepreneurial and innovative mindset, which is impeded by traditions that outnumber new paradigms, with deeply embedded social values dictating business behaviors and strategy.

Frustration abounds when people can't get what they want. But frustration turns desperate when they can't get what they need.

\*To learn more about Halcyon and our work, please visit [halcyonincubator.org](http://halcyonincubator.org).



### **About ICSB Gazette:**

The ICSB Gazette is a weekly edition of a key topic that ICSB will showcase. The content is varied from research, practice, policy, and education. The editor of the ICSB Gazette is Ms. Jordyn Murphy, ICSB Operational Manager. She will be soliciting ideas and articles from ICSB members world-wide.

### **ICSB Executive Director Comment:**

Halycon Incubator is a great example of social entrepreneurs coming together to support the SDGs.

Dr. Ayman El Tarabishy



### **Jordyn Murphy Editor, ICSB Gazette**

Jordyn is the Operations Manager at the International Council for Small Business in Washington, D.C and the Editor of the ICSB Gazette.

### **Contribute:**

Have a topic you would like to see or an article to share? Please submit for consideration to [jordyn@icsb.org](mailto:jordyn@icsb.org)