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Business planning in nonprofit: Laying the ground for customer relationship management in Instituto de Empreendedorismo Social

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Abstract: The following Work Project analyzes the implementation of a Customer Relationship Management tool in Instituto de Empreendedorismo Social, a Portuguese nonprofit that does research and provides training on Social Entrepreneurship (S.E.). Existing literature was revised, IES was analyzed, and conclusions were taen in order to develop a proposal for the successful implementation of Salesforce.com, the chosen CRM tool.
Keywords: CRM; nonprofit; successful implementation.

1 – Introduction

1.1 – Scope of the project

This Field Lab focused on assisting IES – Instituto de Empreendedorismo Social – and its objectives were broad: developing a business plan to restructure the way that IES's Mentoring department worked. It was part of a greater project carried out by one of IES's associates, a renowned consultancy firm, aiming at restructuring the whole strategy of the Instituto.

1.2 – IES

IES is a Portuguese research and training center on Social Entrepreneurship, and a not-for-profit association (hereinafter referred to as nonprofit). According to the restructuring plan, IES will have six departments: mentoring, training, research and development (R&D), communication, strategy, and shared management services. We will discuss them further in the upcoming chapters.

Its many collective and individual associates allowed IES to spread the "Social Entrepreneurship message" across Portugal and beyond. Their role was fundamental in terms of raising awareness about the subject, helping IES to grow organically, and creating the conditions for it to study the Portuguese reality in further detail – especially by evaluating organizations using their ES+ methodology, in order to assess which initiatives have a high potential of being considered as Social Entrepreneurship projects.

Being backed by the knowledge and support from INSEAD, IES aims to provide excellence in all of its activities. Moreover, having started its activity in the beginning of 2009, in the area of Cascais, IES has been increasing its reach and has identified many initiatives in the North of Portugal - in Vila Real and Oporto.

1.3 – Tuning the project

Our research revealed that IES was missing a single platform, or document, in which they could make a database and register all the relevant details about the initiatives/projects under the mentoring process. After all the expert surveys, meetings, and focus groups that we performed or participated in, we and IES figured that more was needed: more databases, more details, and a platform with more capabilities (rather than just registering contacts, project details, etc). The goal now was to make sure that IES would be collecting and managing all the information it needed for its daily activities, in a more organized and comprehensive manner.

So, we studied the hypothesis of implementing a Customer Relationship Management (CRM) tool in IES; and, after assessing each of its departments' information needs and flows, we concluded that several details should be filled-in for each of 4 different databases: first, for Entrepreneurs; second, for Initiatives; third, for Entities (i.e. associates, parent/umbrella organizations, or funders); and fourth, for Researchers and Specialists. Achieving this could facilitate the association's job of keeping its quality standards, and at the same time increasing the range of services provided: tightening the relationships with their stakeholders. The CRM tool we found to be the best was Salesforce.com.

2 – Literature review

2.1 – What is CRM

Payne and Frow (2005, p.168) state that "Customer Relationship Management (CRM) is a strategic approach that aims to develop shareholder value by establishing and maturing proper relationships with important customers and customer segments". Uniting the potential of relationship marketing strategies and IT (information technology), CRM is a way to raise lucrative, enduring relationships with customers and other valuable stakeholders. It has been considered to be the answer to shorten the perceived detachment between a company and its customers, both current and potential ones, and to solve the problems that arise from that perception: "an enterprise wide approach to understanding and influencing customer behavior through meaningful communications to improve customer acquisition, customer retention, and customer profitability" (Peppers and Rogers 2004). This is clear when we see that CRM integrates its activities throughout the whole firm, building relationships and using systems to gather and examine data, which will bind the business units to increasing firm and customer value together (Boulding, Staelin, Ehret, and Johnston 2005).

2.2 – How CRM evolved

Having mentioned what CRM is currently, let us look at how it evolved. As Boulding, Staelin, Ehret, and Johnston (2005) proposed, CRM results from the ongoing progress and assimilation of marketing ideas and newly existing information, technologies, and organizational forms. "Fulfilling needs", as Levitt put it in 1960, was one of the earliest marketing ideas mentioned about a firm's main responsibility – this meant dual value creation, both for customers (obtaining the product or service) and the firm (staying in existence). In 1969, the same author brought the concept of augmented product, pointing out the whole buying experience and how the customer values that much more than just the product itself. Five years later, 1974, Bagozzi shifted people's focus toward the exchange process: it only happens when both parties perceive value acquisition. Then, Berry (1983) relocated the emphasis to the relationship between company and customer, focusing in the service sector. Afterwards, building relationships was a concept used in many fields: Dwyer, Schurr, and Oh (1987) applied it to industrial buyer-seller affairs; Gaski (1984) looked at distribution channels. Other researchers developed the concept in various ways that are meaningful for CRM (Boulding et al. 1993; Grönroos 1994; Gummesson 1987; Webster 2002), such as the pressure of past experience on future customer expectations, the different ways of handling every customer, and the importance of durable relationships, among others.

At the same time, further marketing academics were focusing on the main capabilities that firms needed to grow and keep great customer relationships, and other concepts were developed: market orientation (Kohli and Jaworski 1990; Narver and Slater 1990), market focus (Day 1994), and market-based learning (Vohies and Hunt 2005), highlighting the importance of creating useful information processes and competences inside the firm, in order to comprehend customers' necessities and desires, therefore becoming more efficient and successful in managing customer relationships. Besides that, Keller (1993) acknowledged that brand equity lays in consumers' minds: this is part of the reason why product/brand management evolved to customer management (Sheth 2005) and product portfolio management shifted to customer portfolio management (Johnson and Selnes 2004).

As data on customers boomed during the 1980s – this lead Peppers and Rogers (1993) to establish the notion of one-to-one marketing, foreseeing hardware and software solutions to solve data management issues, and Pine (1993) complemented it with the concept of mass customization. CRM was sold as the gathering of data and "activities related to managing the customer-firm interface": enabling companies to get, store, and analyze information about customer behavior and company actions more simply. In turn, this would mean a change in the company's mindset, concentrating on obtaining and keeping customers, developing the desired long-lasting relationships via tailored communications, cross-selling, and customer segmentation according to their value for the firm (Payne and Frow 2005). To do so, the previous authors mention that CRM "requires a cross-functional integration of processes, people, operations, and marketing capabilities that is enabled through information, technology, and applications".

In order to implement the required CRM solutions, this implied that firms should possess a customer relational orientation (Jayachandran et al. 2005; Srinivasan and Moorman 2005), and to set up procedures to accumulate, analyze, and use the obtained customer information (Jayachandran et al. 2005).

2.3 – Why it is relevant

What companies really want, in the bottom line, is to obtain, maintain, and develop customers (and their value) (Treacy and Wiersema 1995). Nowadays, customers have become more demanding and critical, and have been given the chance to communicate further with companies: allowing them to share not only their complaints, but also their suggestions, companies have established the bases for fostering mutually-beneficial relationships – learning relationships, that create value for shareholders (via long-term firm profitability) and value, or utility, for customers (Vargo and Lusch, 2004). And, with a world changing so fast, managing these relationships is being considered fundamental for organizations to be up-to-date and to remain competitive.

CRM explicitly recognizes the long-run value of potential and current customers, and seeks to increase revenues, profits, and shareholder value through targeted marketing activities directed toward developing, maintaining, and enhancing successful company-customer relationships (Berry 1983, p.25; Morgan and Hunt 1994, p. 22; Grönroos 1990, p.138). To exemplify this, let us consider "Permission Marketing", popularized by Seth Godin (1999): instead of shooting in every direction, interrupting every customer in their daily routine by trying to sell them products or services, firms should "date" customers, carefully selecting and seducing them into establishing a relationship – the same way people do when trying to get companions in their regular lives. CRM works that way, but only if organizations remember the following key aspects about a relationship (Peppers and Rogers 2004): it implies mutuality (both parties participate in and are aware of the relationship's existence); it is driven on interaction (exchanging information to build the relationship); it is iterative (building a history over time, setting a context that increases future interactions' efficiency); there is ongoing benefit to both parties (if not, it will end); it also demands a change in behavior (both parties' current and future decisions should reflect that historical context); its uniqueness ("every relationship is different"); trust ("the ultimate requirement and product of a successful, continuing relationship").

The relevance of all of the above, that make CRM worthwhile, has been tested by many researchers: mainly how did firms' performance (profits) improve after applying several CRM practices. For example, Ryals (2005) demonstrated that one of the business units (b.u.) she examined had a 270% increase in b.u. profits (above target) after putting into practice various simple CRM measures. Analyzing a cross-sectional database, Srinivasan and Moorman (2005) found that companies with higher investments in CRM activities and technology obtain superior customer satisfaction. Mithas, Krishnan, and Fornell (2005) used a different multifirm database to prove that using such applications leads to greater customer knowledge, which is linked to higher customer satisfaction once again. Others analyzed the cases of single firms to develop specific CRM applications: Cao and Gruca (2005) focused on getting the "right" customers; Lewis (2005) devised a procedure to identify and take into account dynamic customer behavior, in order to establish a pricing scheme that raises long-term profits; Thomas and Sullivan (2005) made a decision support system that helps the company to change its communication message according to where specific customers live and how they purchase.

2.4 – Implications for nonprofit organizations

In the case of nonprofits, we can consider the term CRM to stand for Constituent Relationship Management. Similar to the case of Customer RM, Constituent RM is "the set of processes and supporting technology that an organization uses to acquire, retain and enhance relationships with the different constituent groups with which it interacts" (Hagen and Bernard 2008). Jessica Tsai (2010) wrote that "understanding constituents is critical to capturing their interests", especially when considering specific segments: for example, there are many kinds of donors – "new", "continuing", "key", "midlevel", "lapsed", and "reactivated" donors. Still about these constituents, she states that "a good CRM system can trigger a donor notification when, say, six months have passed since a prior gift". Bearing in mind other nonprofits' constituents, she also mentions that having their respective data gathered in a single place allows for cross-marketing opportunities: while helping nonprofits to spot relationships between those in need, they can supply improved quality services and run programs more effectively – an unimaginable scenario when the information is spread out in several databases.

Having a system that stores and manages "reliable, thorough and easy-to-access information about an organization's relationship with each constituent" enables nonprofits to be wiser about developing and intensifying connections — and frequently taking advantage of them for fundraising, mobilization, awareness and other support (Hagen and Bernard 2008). But, as it happens in the case of profit-seeking organizations, the CRM system doesn't work by itself: the organization that wants to obtain the abovementioned benefits must institute a customer-focused strategy and processes to boost customer loyalty, supported by CRM technology (Kristoffersen and Singh 2004).

2.5 – Implementing CRM

"The objectives of the CRM strategy are to target, develop and retain customers (…) encouraging them to stay longer, buy more and recommend the company to others" (Kristoffersen and Singh 2004). What Microsoft found, in its Great Plains survey (2001), was that companies' C-suites wanted three specific results from a CRM system: *Improved customer service*; *Organization of information*; and *Better efficiency*. How to achieve them? Through real-time data availability, putting several data sources into a unique place, and doing more with fewer resources (Peppers and Rogers 2004). New technologies have been fulfilling that, and they are allowing companies to reach another level – satisfying each customer in a unique and different way, according to their individual preferences. And, as Frederick Newell and Katherine N. Lemon (2001) had predicted 11 years ago, companies now are facing the *A-cubed* (A^3) customer, "a customer who expects to engage with the organization *anytime*, *anywhere*, on *any* wireless device." Luckily, they too are now able to have A^3 working capabilities, with the 3G- and 4G-connected wireless tablets, mobile phones and laptops.

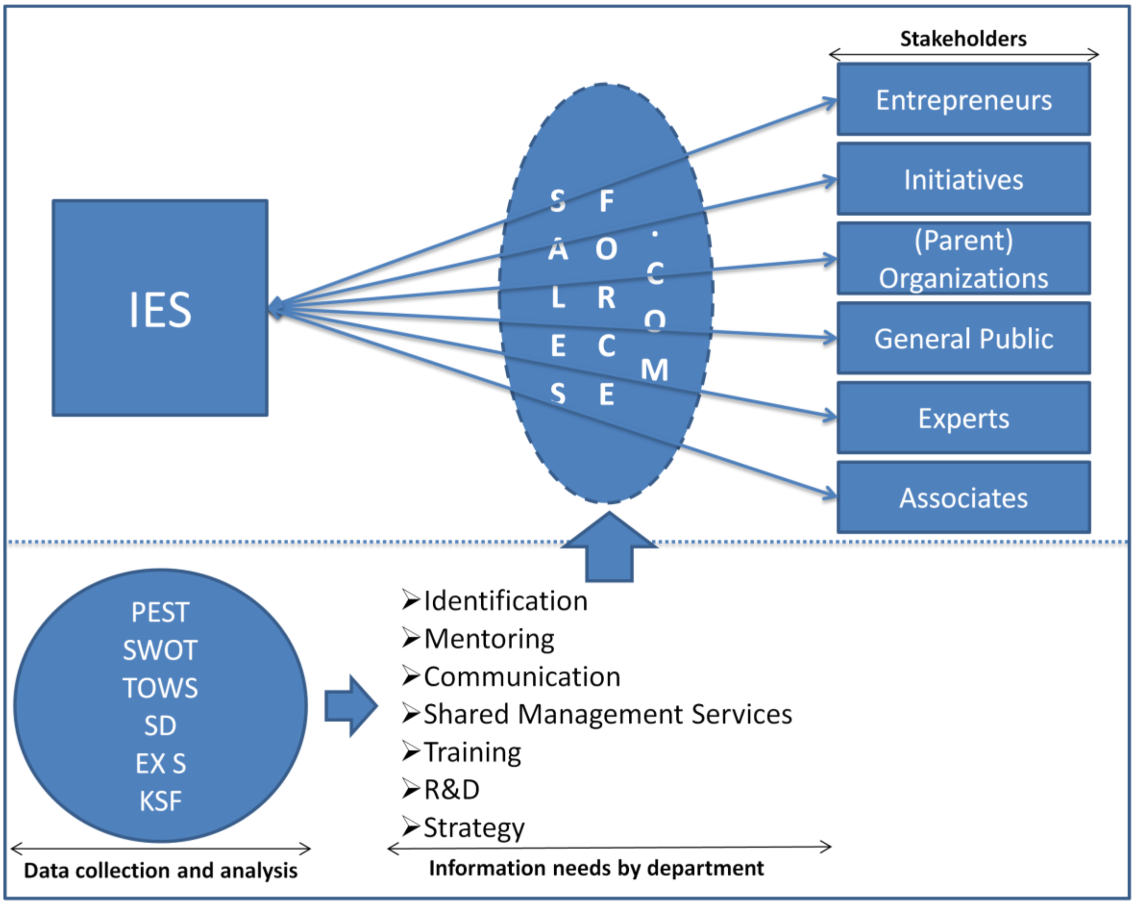
To successfully implement a CRM program in an organization, especially in a nonprofit, it is of the utmost importance that five key success factors are taken into consideration: strategy, people, processes, technology, and customers or market.

First, the CRM program must arise from the organization's business strategy. Rigby et al. (2002) affirmed that strategy is basically "allocating scarce resources in such a way that they provide a competitive advantage with superior company performance". Possessing a strategy aids a company to optimize the advantages from its resources, and also helps their employees to comprehend the company's vision and mission (why they do what they do). A second success factor, referred by Croteau and Li (2003), and Kotorov (2003), is the "support, involvement and commitment of top management", fundamental to promote and endorse CRM endeavors inside the organization – it is particularly important in situations where CRM efforts demand altering work processes and functional activities – and, if done so with enthusiasm, such support facilitates the acceptance, for the employees, of necessary changes (Croteau and Li 2003). Kristoffersen and Singh (2004) complement this idea with acquiring the commitment of employees at all levels, so they participate in the decision making process – and feel the sense of ownership. In third come processes: Kotorov (2003) considers that it is critical to "elevate the CRM strategy from the department to the corporate level", helping to delineate a fit for the CRM strategy with the business needs and also determining the scope of the project. This leads to spotting the needed cross-departmental infrastructure changes that allow them to confront the tactical challenges of business process and systems integration. Technology is the fourth success factor, and its relevance has been described previously. In fifth place are customers, or market, in the sense that CRM's philosophy is nothing more than "developing relationships with customers". So as to having the formerly mentioned "mutually satisfying relationships", organizations must understand what exactly customers want from such relationships. Identifying the customers is a first step for CRM, allowing the organization to gather, process, and apply their profile and purchasing data so it can realize customer needs – providing the value that guides customer loyalty to increase.

3 – Methodology

3.1 – Conceptual framework

Figure 1 - Conceptual framework



Our Work Project began with getting to know IES, its people, how they worked, and some of the entrepreneurs they work with. One can see that these entrepreneurs are just one of the six stakeholder groups with which IES interacts on a daily basis, and such interactions are what the association needs to better systemize and organize. In order to achieve this, while strengthening each of those relationships, CRM could be a solution. To evaluate if this was truly a possibility, we made a diagnosis of IES's current situation, assessed alternatives in terms of CRM tools, collected both primary and secondary data (respectively through expert surveys, meetings and focus groups, and databases and other documents IES supplied to us), and were able to gather the information needs of each of IES's departments. With all this data, we ended up concluding that yes, implementing a CRM strategy can be a solution for the association's problem, and we propose that they adopt Salesforce.com.

3.2 – First phase: diagnosis and evaluating alternatives

As it was important to analyze IES and to know what its market overview looked like, we used three strategy tools: the macro perspective given by the PEST analysis; the micro-view of the SWOT analysis; and its subsequent TOWS analysis – to define some strategy hypotheses.

PEST Analysis – It is an acronym for the Political, Economical, Social, and Technological factors that affect a region or country, which should be taken into account in decision making. Helping organizations to "zoom-out" and see the big picture, it allows them to consider how the world is changing and to check if their idealized strategy is aligned with those changes. If so, such strategy has more chances of being successful.

SWOT – It is the analysis of an organization's internal Strengths and Weaknesses, and also its external Opportunities and Threats. One can get a picture of the organization's situation in a certain moment, allowing it to discover opportunities that may be easily grasped and to realize its weaknesses, so as to take care of any unexpected threats. Moreover, it aids companies in thinking about how to differentiate themselves from their competitors.

TOWS – Considering the results previously obtained from the SWOT analysis, the TOWS analysis assists organizations to recognize and propose a solution for issues such as: Opportunities they can take advantage of, using their Strengths; which existing and probable Threats can be dodged by exploiting their Strengths; which Opportunities should be grasped in order to diminish their Weaknesses; and how to decrease their Weaknesses and evade Threats.

After that, we searched the web for CRM software packages, compared them according to predefined criteria, and concluded that we should propose the adoption a platform that: they could easily customize, feed, and search at anytime and anywhere; would keep constantly updated; would be accessible to all of IES's members; and, most importantly, would be free of charge.

3.3 – Second phase: collecting the information needs

Before implementing any software, we must propose a definition for IES's CRM strategy. We started by looking at who were the exact constituents with whom IES relates. Then, we participated in meetings and focus groups with social entrepreneurs, so as to understand what kind of relationship they had with IES and what they expected from such relationship. Later, we turned our attention towards what were the information-needs of IES's departments regarding such constituents – fundamental for them to usefully feed and look up the corresponding databases. We obtained these details by:

- inquiring our business-advisor (from IES);

- using secondary data that she supplied – documents that IES had already compiled, mainly with details on social entrepreneurs and their respective initiatives;
- doing surveys to experts from each department, applying the Delphi Method: interviewing individuals knowledgeable about IES and the industry; they are all from inside the organization; a list of topics was prepared and the expert was given flexibility to express her/himself about the issue, allowing us to better grasp her/his insights.

These surveys were asked in interviews that occurred with the following people, on the following dates:

Expert's job	Department	Date
Director and department manager	Training	15/03/2012
Department manager	R&D	16/03/2012
Department manager	(Identification)*, Mentoring, and Communication	20/03/2012
President	Strategy	22/03/2012
Coordinator	Shared Management Services	26/04/2012
Coordinator	R&D	26/04/2012

* According to the restructuring plan, Identification is to be included in the R&D department

4 – Results

4.1 – First phase: diagnosis and evaluating alternatives

Passing on to IES's market overview, we shall first look at the big picture: the **PEST** analysis shows us that IES is in a somewhat favorable macro context.

4.1.1 – PEST analysis

POLITICAL: (+)Excess bureaucracy is being fought; (+)Entrepreneurship and innovation promoted by the government; (+)Reforms under way: local government, Justice system, etc; (-)Government and parliament majority, imposing extreme austerity.	**ECONOMICAL:** (+)People are more spending-conscious, also "bearish" and investing less; (+)The business world (companies and schools) are also betting on entrepreneurship and innovation; (+)Return to Agriculture, and promotion of the Creative Industries (higher added-value); (-)Recession, with difficult prospects of improvement.
SOCIAL: (+)The crisis raised awareness of social problems and possible solutions: S.E. and CSR; (+)Solidarity levels have risen; (+)Citizens have become more participative; (+)Valuing what is Portuguese; (+/-)Population is aging fast; (-)More unemployed & less public expenditure & more taxes = people are poorer.	**TECHNOLOGICAL:** (+)Great country to test innovations: Portuguese are curious and early adopters; (+)Easy to work remotely (internet access all over Portugal); (+)Some old and recent industries have modernized their equipments; (+)Enterprises and Universities are making a strong bet on R&D – e.g. EMOVE.

For a more detailed analysis, please go to page 21 (Appendix A).

4.1.2 – SWOT and TOWS analyses

We shall do the **TOWS** analysis based on the previously obtained **SWOT** analysis' results (whose extensive version is in Appendix B) and conclude the market overview.

	OPPORTUNITIES - Promote bureaucracy facilitation, "lobbying" for it; - Train more people on S.E.: students from all kinds of education, Portuguese-speaking business-men-and-women, IES's current partners; - Grasping technological tools to improve their activities; - Obtain more partnerships, in the whole Portuguese speaking world.	**THREATS** - If IES members have health/incapacitating problems, they are currently irreplaceable; - Accumulation of responsibilities & work overload = higher chances of health problems; - Loss of existing partnerships, due to the economic crisis.
STRENGTHS - Sole provider of research and education on S.E. in Portugal; - Every department has motivated experts; - Good team: mutual knowledge, sense of purpose, open and honest communication; - Well supported by associates and partners; - Famed for being good at relationship building.	**SO** 1) Provide S.E. training to their associates and partners, so they too can share the sense of purpose and be more involved with IES (strengthening the relationship); 2) Reach out to other Portuguese speaking countries; 3) Help in legislating for nonprofit and social entrepreneurs; 4) Keep alerting about social problems and promoting existing solutions; 5) Align with the U.N.s Millennium Development Goals; 6) Increase the reach of ISEP through IES's network	**ST** 1) There should be more responsibility delegation; 2) All departments should search for partners in their area of expertise; 3) More associates should be "recruited"
WEAKNESSES - Small sized staff; - Always working, hard to delegate tasks; - No central depository for information on stakeholders & much knowledge is not shared between members = members are irreplaceable; - Good relationship builder => makes some entrepreneurs dependent (as there is no formal agreement between the parties); - DNA Cascais, wasting opportunities in the enterprise niche...	**WO** 1) Further embracing new technologies and improving communication and relationships with stakeholders; 2) Promote networking sessions/events between enterprises in DNA, and even giving them S.E. training.	**WT** 1) Hiring more people/recruiting volunteers/ asking associates and partners to do specific tasks when necessary; 2) Having Mindfulness lessons, so they can work more calmly and efficiently, taking care of one issue at-a-time

We found that the best solution (both in terms of results and of costs, as it is free for nonprofits and higher education institutions) was Salesforce.com. When we looked deeper into it, we found that it did all IES needed, and even more – allowing the organization to reap and establish contacts straight from a Linkedin application, or directly connecting to Facebook and Gmail, and also keeping track of each member's working hours, on each project, among others.

4.2 – Second phase: collecting the information needs

4.2.1 – Secondary data

IES has supplied us with current database files they had, containing their records of each training program they've done so far, of what each mentored entrepreneur needs next, and even of the spontaneous contacts made to IES. Analyzing these documents has helped us to understand who are the stakeholders with whom the association relates (beside their staff members), and what are their roles in the whole picture: their main customers - entrepreneurs, their respective initiatives/projects and the parent/umbrella-organizations; note that some of the parent/umbrella organizations might be IES's funders and/or associates; the general public interested in IES's activities (e.g. newsletter subscribers or Social Entrepreneurship Congresses' attendees); experts that IES "recruits" for the ES+ assessment – "privileged observers" – and trainers that will either teach a certain workshop, or that will do "specialty mentoring/coaching"; and last but not least, the several associates that IES has, both collective and individual, who have been the main supporters of IES's activity along the almost 4 years of its existence and who supply some of the abovementioned experts and trainers – also, they were the basis for creating and leveraging the Social-Entrepreneurship-favorable eco-system, one of the association's main strategic axes in 2009.

4.2.2 – Expert surveys, Meetings and Focus groups

From the **expert surveys**, **meetings,** and **focus groups** carried out with the guidance of IES members, or some of their associates, we were able to figure out that the information-needs of each of its departments are the following (Table 1, in the Appendix): **Identification** basically needs to identify and register ES+ initiatives; **Mentoring** wants to register all the contacts made to IES and the historical evolution of the relationships with the "apprentices", and to spot business opportunities; **Communication** wishes to register initiatives and whether these give IES the authorization to share their details with media or among other initiatives and constituents. For that purpose, it is important for this department to gather specific details such as the initiative's mission, its logo, photographs, etc; **Training** cares about registering the participants of each of IES's educational programs, and wants to gather all the answers given in satisfaction surveys about such training programs; the **R&D** department works according to what the **Training** department's needs, so the information-need is the abovementioned one. Besides that, we were told that the department would benefit from having a similar database with details on researchers, trainers, and other specialists; **Strategy** agreed with everything the other departments had already referred, and added that it would be valuable to include a reference on each constituent's resources (whether they be physical and/or material). Very important as well, Miguel also asked for the capability of producing documents that would allow them to have a global perspective of IES's activity.

5 – Conclusion and Recommendations

IES needs a tool to help them manage its team, its internal resources and the external ones to which they can access, and that may assist them in facilitating interactions with their external constituents. Salesforce.com is the tool they need.

5.1 – KSF for defining and implementing CRM

We recommend that a specific CRM software should be implemented in IES if it complies with certain key success factors: be cost efficient; offer a high level of customization; be integrated into everyday business applications and decisions; be easily shared and updatable by the whole team; have the capability to produce reports according to different criteria; and allow for the creation of mailing lists.

In terms of the organization, the key success factors relating to a great CRM implementation are: correctly communicating the importance of the CRM strategy and its capabilities, so it is understood by the whole team, and the fact that every area should participate in the strategy's implementation; the success of the CRM project depends on the level of planning – a clear structure of how information should be organized is needed.

5.2 – Information structure for Salesforce.com at IES

The details comprised, present in Table 2 (in the Appendix), are the following: in the first one, IES will register Entrepreneurs' contact details, record all the interactions with each of them (both their nature and date), as well as the trainings in which they participated, and allocate them to their respective initiatives; in the second, as we just mentioned, people will be allocated to each Initiative, and Initiatives' detail registration will evolve according to the relationship developed with IES – including their state of development, geographical area of performance, their target audience, among others. For example, IES has extensively-full profiles of ES+ Initiatives, the ones they are more involved with; in the third database, IES shall register all the Entities associated with the Initiatives and with itself, listing all of their available resources; finally, the fourth database is meant to record the information of the researchers, the trainers and all the other specialists that are linked to IES, and also to keep track of how those relationships occur.

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7 – Appendices

<u>Appendix A - Extensive PEST analysis</u>:

In **political** terms, the current right-wing government has been imposing austerity to an extreme, and consequences – to be mentioned below – have been quite bad (in the eyes of their parties' supporters, as well). Excess bureaucracy is a problem that is being fought, but there should also be a focus regarding legal constraints that nonprofits face. Luckily, entrepreneurship and innovation have been supported by the government. Besides that, some reforms are being made in order to: change the balance of power from a centralized to a more spread out form of government, empowering local governments and making them more accountable; speed up the Portuguese Justice system, e.g. empowering people to act more civilly, especially in business deals, and to make citizen participation a more common reality, or even unlocking huge potential for physical and material resource use (mainly the ones under the State's "protection", or belonging to no one); among others.

When considering the **economy**, Portugal is in a recession and it seems that the situation will take a while to improve – it is hard to predict when there will be growth once more. People have become more conscious about how they spend their (limited) money, recurring less to credit, and, as a consequence, being "bearish" and investing less. Good news is that they are saving more, both in terms of financial and non-financial resources. The business world is following the trend and promoting entrepreneurship through the organization of competitions and contests to sponsor innovation and new projects/enterprises (e.g. "Prémio EDP Inovação", "Prémio BES Inovação", and the Dell Social Innovation Contest). Business schools, and universities as a whole, have been doing their part, like the examples of the CEMS Social Business Competition and NOVA Idea Competition (by UNL). Finally, in terms of our economical sectors, there has been an increasing bet on agriculture to encourage national production (both for internal and external consumption – exports), and on Creative Industries, where innovation is greater and more value might be generated.

Portugal's **social** configuration has been changing: one of the positive aspects of this crisis is that it has raised awareness about the existing social problems and some of their corresponding social entrepreneurship, or social innovation, solutions – in this way, companies are becoming more aware of the social impacts of their operations and businesses, surviving by strategically implementing CSR programs; in addition, people's solidarity levels have risen, either giving social causes more of their time and effort as volunteers, or more of their money (example of the latest Lisbon's Food Bank campaign); still on the positive side, people are valuing what is Portuguese, what they have, and who they have around them (their loved ones); negative aspects are the increasing number of people getting poorer, as more have become unemployed, and as public hospitals got more expensive (so people go less to the doctor, either remaining sick at home – bad – or going to chat at the nearest café – good, especially to relieve hospitals and doctors from attention-needy patients). One of the main challenges (and opportunities) is presented by how old our population is getting, and the speed in which it is happening – birth-promoting policies have been minimal, and immigration has been slowing down. Citizens have been more involved, in bringing about change to the status quo, for example trying to avoid wastes – like the recently created movement "Zero Desperdício".

Appendix B - Extensive SWOT analysis:

Looking at its **strengths**, IES is unique – the sole provider of research and education about Social Entrepreneurship in Portugal. Each of its departments has experts in the respective field, motivated people that are willing to work and make the association excel. This happens because: they know each other pretty well; they have a sense of purpose about what they do, being aligned with IES's strategy; they work as a team in which there is open and honest communication between everyone. Furthermore, IES is well supported by its associates and partners that provide funding and other resources, and they have good relationships with local governments that have, for example, assisted them in their foundation and research efforts (e.g. Cascais, Vila Real, Porto). IES's way of building relationships is seen as being quite good.

Considering some of their main **weaknesses**, the first is that IES has a small sized staff: this means that each "chief" accumulates several functions – for example, our business-advisor is responsible for the Identification, Mentoring, and Communication departments; moreover, they are always working and have a tough time to delegate tasks. This, allied to the fact that there is no central depository for information about their clients (entrepreneurs, initiatives and parent/umbrella organizations) and that much of this knowledge is not shared between them, makes each person almost irreplaceable. As said above, the way they build relationships is great, but the way they maintain them is a weakness because many entrepreneurs become dependent and wait for IES to tell them what they should do next - besides, there is no formal agreement stating what are the obligations of each side (IES and the initiative), and the only person who keeps track of that relationship is the IES member who is the contact person for that initiative, and does it informally. Last, but not least, IES's office is located in DNA Cascais, an enterprise niche that provides shared facilities, but where companies do not interact between them – wasting possible business opportunities.

Since we have mentioned those, IES has various **opportunities** to grasp. Taking advantage of the political changes, they could promote the facilitation of bureaucratic processes relative to starting and maintaining non-profit organizations and social enterprises. With the increasing awareness about Social Entrepreneurship, IES may train more people that are interested on the subject: students from all levels and kinds of education, through the appropriate partnerships (new ones, if necessary); business-men, and women, from places where Portuguese is a main language; their current partners and associates. Nowadays, there are specific technological means and tools that could help IES to solve its data-storing and relationship-managing needs: to have databases available for all its members, at anytime, at low costs, and to facilitate and systemize the interaction between IES and their stakeholders.

Finally, we think that IES faces certain **threats** that might challenge its performance, some of them already recognized by its staff. Imagine if a member of IES has a health problem and cannot work: he or she is nearly irreplaceable due to the close relationships they have with Social Entrepreneurs, and to the lack of shared knowledge about how those relationships are evolving. Adding to that, the accumulation of responsibilities and work overload translate into more stressful and worried lives, increasing the chances of the formerly mentioned hypothetical situation. Another possible threat arises from the current economic crisis, which can lead to the loss of some of the existing partnerships.

Appendix C – Tables:

Table 1 - IES's departments' information needs

Identificação	• Identificar e fazer o registo das iniciativas ES+
Acompanhamento	• Registar contactos feitos com o IES • Registar evolução das iniciativas acompanhadas • Identificar oportunidades de negócio
Comunicação	• Registo de iniciativas com autorização • Ter informações sobre cada iniciativa (fotografias, logotipo, missão, etc)
Formação	• Registar participações nos programas IES • Fazer a compilação das respostas dadas nos inquéritos de formação
Investigação & Desenvolvimento	• Conhecer as necessidades da área de Formação • Registar o contacto, proveniência, área de interesse, etc, de investigadores, formadores e outros especialistas
Estratégia	• Identificar recursos disponíveis na rede IES • Documentos que permitam uma ideia global da actividade IES

Table 2 - Developing several databases

Empreendedores	• Registo dos empreendedores com contacto com o IES • Registo da relação com o IES (contactos feitos, natureza dos contactos, formações a que compareceram, etc) • Registo das iniciativas de que fazem parte
Iniciativas	• Registo das iniciativas (mais ou menos completo consoante a relação com o IES) • Registo das pessoas associadas às iniciativas
Entidades	• Registo de empresas associadas a iniciativas ou associadas ao IES • Registo dos recursos que possuem
Investigadores e Especialistas	• Registo de investigadores, formadores e especialistas que estão ligados ao IES • Registo histórico da relação com o IES