

The patronage in the financing of social and sustainable projects

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ABSTRACT

Traditionally, many companies have contributed, altruistically, to the generation of crowdfunding platforms as a space of knowledge and innovation where entrepreneurs develop their projects independently or in collaboration. The companies considered this platform as an investment whose rate of return was transformed into a profitable improvement of its brand image. However, these platforms have evolved, in recent times, to generate real ecosystems of technological innovation, oriented to the propulsion of business projects of marked social trend, seeking to promote alternatives for social inclusion and green projects aimed at improving sustainability and the environment. These projects not only help improve both parameters, but also manage to generate beneficial externalities for the social economy and even for the sponsoring company itself.

KEYWORDS

Sustainability, funding, crowdworking, platform economy, social business, impact investor

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1. INTRODUCTION

Market demand continually evolves. The companies that want to lead the market must, therefore, be able to plan for the changes, adopting appropriate strategies and structures to respond to this demand. To move forward down this path, corporations are beginning to realize that many consumers are no longer satisfied only purchasing products or services with a good quality/price ratio. Consumers are increasingly concerned about the traceability of the product components before their acquisition, watching if the production or distribution can have a negative impact on the health or the ecosystem (Curbelo & López Domínguez, 2007).

That concern is reflected in the Eurobarometer survey (2013b) about how companies influence our society. It was carried out in the 27 Member States of the European Union and in Croatia, Israel, Turkey, Brazil, the United States, China and India, obtaining information over 32,000 respondents. This survey shows that Europeans are interested in what companies do to behave in a responsible way towards society (79%). Respondents from the US are more interested in this issue than respondents in Europe (87%). Almost one half (47%) say they do not feel informed about what companies do to behave in a socially responsible way, but that they are interested in this information. Furthermore, Europeans consider that citizens themselves should take the lead role in influencing the actions of companies through their decisions about what they buy (49%), followed by company management (40%) and public authorities (36%). Respondents in India (70%), the US (59%), Brazil (45%) and Turkey (29%) are also most likely to think that citizens themselves should take the lead in influencing companies' actions.

Other studies support this trend in the society demand. The Edelman goodpurpose® study (2010) consist in a survey carried out in 13 countries (Canada, Mexico, Brazil, UK, France, Netherlands, US, China, India, Japan, UAE, Germany and Italy) of over 7,000 adults. In this study, 64% of respondents consider that it is not enough that companies are giving money for social actions. They have to integrate good causes into their everyday business practices instead. Other study carried out by Cone Communications of over 1,000 American adults (2017) found that 87% of respondents will purchase a product because a company advocated for an issue they cared about. 76% of respondents will refuse to purchase a company's products or services upon learning it supported an issue contrary to their beliefs.

This new demand is transforming both products marketed and its production process, guiding them towards this type of responsible clients. It also must be thought of as a powerful tool for innovation. These new models of responsible management are not only aimed at the customer, but they also extending to suppliers, to distributors and to employees, generating important virtuous circles. For example, the responsible

treatment of employees may result in more labour satisfaction, enhancing their efficiency and productivity. Likewise, suppliers often offered their best resources to the companies who treat their better, and these resources can be used as a unique tool for raising their profile in the marketplace.

Given the well-established benefits of this new models of responsible management, more and more public and private institutions stand ready to support these initiatives. The European Commission Strategy on Corporate Social Responsibility (CSR) is an example of public support (European Commission, 2016a). This strategy is aimed to encourage CSR in the EU, promoting the adhesion of companies to international guidelines. The key lines are, among others, enhancing the visibility of CSR and disseminating good practices, enhancing market rewards for CSR, improving company disclosure of social and environmental information and emphasising the importance of national and sub-national CSR policies.

Also, there are progressively more projects that are specifically targeted to investors who want to place their capital into responsible enterprises. For example, The Dow Jones Sustainability™ World Index (DJSI), that enclose the global sustainability leaders identified by RobecoSAM (2018). This index ranks and identifies the leading sustainable businesses, according to social, environmental and responsible management factors. It provides information about companies' sustainability practices that help to investors in their sustainability investing decisions. The 2006 Nobel Peace Prize Muhammad Yunus, also founded the Grameen Bank in 1983 in Bangladesh (Grameen Bank, 2019). This bank aim at granting micro loans to poor women without any collateral. These loans are small, but enough to finance micro-enterprises dedicated to rice-husking or machine repairing. Most of the loanable funds are progressively more obtained on commercial terms from the central bank, other financial institutions, the money market and from aid organizations.

In addition, this boom has generated business opportunities. CSR business consultants' companies emerge, as well as assessment and certification agencies specialised in this area are coming up, and a new environment for development, inspection and promotion companies have been created. From this perspective of business idea based on corporate social responsibility, the concept of social entrepreneur arises. It is defined as an entrepreneur with the following characteristics (Sullivan Mort, Weerawardena, & Carnegie, 2003):

- The aim of create better social value.
- The unity of purpose and action in the face of complexity.
- The ability to recognize opportunities to create better social value for the clients.
- The propensity for risk-taking, proactiveness and innovativeness in decision-making.

And a social business may be defined as an enterprise whose main objective is to generate, through responsible management, a significant impact on the society, the environment and the local community. This objective is ahead of ensuring profits for their owners and shareholders (European Commission, 2011). There are 2 million social economy enterprises in Europe, signifying 10% of all businesses in this zone. More than 11 million people work for social economy enterprises, that representing 6% of the EU's workers. These enterprises have a range of legal forms and objectives: agriculture, banking, provision of employment, sheltered workshops, among others (European Commission, 2016b).

Examples of social business in EU countries can be found:

- A Romanian company with five employees and five volunteers has provided since 1996 with cultural services to approximately 90,000 blind people, by adapting the media to their needs.
- Another French company created in 2004 an innovative concept of car wash services without water, with biodegradable products, employing people who are not qualified or in a situation of social exclusion to reintegrate them into the labour market.
- A Hungarian foundation set up a restaurant that employs disabled people (40 employees), offers them training and provides childcare to facilitate the transition to stable employment.
- In the Netherlands, a company teaches how to read using innovative digital tools and a game-based approach, aimed at hyperactive or autistic children, but that it also adapts well to illiterate people and immigrants.
- A Polish social cooperative, made up of two associations, provides employment for long-term unemployed and people with disabilities. It offers many different services: catering and prepared food, small construction and handicrafts, as well as training for the professional integration of disadvantaged people.
- And in Spain the 'for & from' stores, which operate under the franchise model of Inditex, are managed by non-profit entities that are experts in disability. Employees are people with some type of physical, intellectual or mental disorder. After an initial donation by Inditex to build each store, the 'for & from' program finances itself with the sale at reduced prices of products from previous campaigns. Since the project began in 2002, they have opened 14 'for & from' stores that employ 167 people with some type of disability. In 2017, they achieved sales of 9.6 million euros and profits of 1.1 million euros, which are reinvested in full in the social organizations that manage the stores (Inditex, 2019).

As could be observed through the previous examples, the social benefits of this type of initiatives often exceed all expectations. But the propensity for risk of social entrepreneurs may complicate their access to finance resources. Other aspects to take into account for understand the difficulties of the social enterprises to find the right funding opportunities are the lack of understanding of their functioning and their small size. Most social economy business are micro, small, and medium-sized enterprises (European Commission, 2016b). In fact, the financing system of social enterprises is underdeveloped compared to other companies (European Commission, 2011). For this reason, this work focuses on the analysis of the funding sources of these social and sustainable projects that normally had no place in the scenario of the traditional economy after the Industrial Revolution. With the development of new technologies all these projects find a support that was previously impossible. Many of those companies exhausted their possibilities in an analogue world, due to the lack of support and demand and because they did not connect with other stakeholders, thus losing the benefits of this interaction. With the arrival of the so-called "Fourth Industrial Revolution" (Platform Economy), the perspectives for all these initiatives have been significantly transformed.

2. FINANCING SUPPORT OF SOCIAL BUSINESS

Support social enterprises is the main goal of many institutions. A good example is the UE Social Business Initiative (European Commission, 2011). Facilitate their access to financing is one of its main lines of action. The EU Programme for Employment and Social Innovation (EaSI) has made available to social enterprises 85 million euros, which can be accessed through quasi-loan instruments in the period 2014-2020. The Structural Funds have also been adapted so that member countries can allocate these funds to the financing of social enterprises.

Due to more and more investors want to associate social or environmental results with the financial results of their investment, managing these private investments is also necessary. For this, the European social entrepreneurship funds (EUsef) were created in 2013 (The European Parliament and the Council of the European Union, 2013a). Article 10 states that the managers of these funds will use indicators to measure the extent to which the companies in which the fund invests have a positive social impact. The indicators may include information about employment and the labour market, the quality of the work generated, the social inclusion of certain groups, non-discrimination, public health and safety and access to social protection, health and education systems.

As part of this approach, the European venture capital funds have been approved (The European Parliament and the Council of the European Union, 2013b). This regulation authorizes the commercialization and development of this type of funds throughout the EU. Venture capital funds finance companies in general very small, in their initial stages of existence and with a high potential for growth and development. These funds provide

this type of companies with valuable knowledge, contacts and brand value, stimulating economic growth and job creation.

Other financing instruments of social entrepreneurship that are being developed are the following:

- Social Stock Exchanges (SSEs). These trading platforms for social businesses are the latest trend (Chhichhia, 2015). In that platforms, investors can buy shares of a social business with a mission according to their preferences. Social stock exchanges are placed in countries like Canada, the UK, Singapore, South Africa, Brazil and Kenya. These are a few examples:

- SASIX, was opened in South Africa in 2006 with the aim to provide finance to unknown social firms. It acts as a traditional stock exchange, providing social investors a platform to buy shares in projects of their interest. They can search for sector and province.
- The Social Stock Exchange of UK started in 2013. This works as a directory of firms that have passed a “social impact test”. The aim is increasing the visibility to social business. It is also a research service for social impact investors.
- Social Venture Connexion of Canada also started in 2013. It acts as a “trusted connection” between social businesses and interested investors.

- Microcredits. The purpose of this instrument is to obtain long-term financing. For provide in this area a set of standards of management, governance, risk management, reporting, and consumer and investor relations, the European Code of Good Conduct for Microcredit Provision was created (European Commission, 2013a). By the same token, the European Progress Microfinance Facility was approved (The European Parliament and the Council, 2010). This instrument increases the availability of microcredits - below 25,000 euros - to found or develop small businesses. Microfinance Progress does not directly finance entrepreneurs, but allows selected microcredit providers to increase loans by issuing collateral and thus sharing the risk of losses with suppliers. In addition, the European Commission is supporting the reinforcement of the capacities of the selected microcredit providers. Microcredit providers can be private or public banking entities, non-banking microcredit institutions and non-profit providers.

- Collective financing. The importance of this instrument is growing and information is being gathered on the collection of Internet funds and on the added value that institutional action could bring. In this field, the concept of impact investors arises. They can be defined as investors who are looking for opportunities for financial investments that produce social or environmental benefits (Brest & Born, 2013). The three main components of de impact investment are the intent of the investor to reach that benefits, the tangible evidence of these benefits and the strengthening of the processes of change for maximize their results (Jackson, 2013). The following are some examples:

- Within this type of initiatives, the Bolsa Social (Bolsasocial.com) emerged in Spain. It is aimed at social investors. It is the first platform in Spain of crowdimpacting: the equity crowdfunding of investors and companies with positive social impact. It opened in October 2014 from the hand of a team of professionals who created the Bolsa Social as an active agent of the ethical transformation of society and finances. It is authorized by Comisión Nacional del Mercado de Valores, pursuant to Law 5/2015 of Business Financing Promotion. It is registered in the Crowdfunding Platform Register.
- At an international level the Global Steering Group for Impact Investment (GSG) is channelling impact investment and entrepreneurship to benefit people and planet (Global Steering Group, 2019). It was opened in August 2015 incorporating the work of the Social Impact Investment Taskforce established under the UK's presidency of the G8. Currently has as members 21 countries plus the EU. It houses three types of agents:
 - Impact projects drivers. The entrepreneurs that are innovating to tackle pressing social and environmental issues around the world.
 - Capital providers. Social investors ranging from high net worth individuals, philanthropists, institutional investors, DFIs and corporations.
 - Capital managers. Intermediaries that are innovating across different asset classes to allocate capital to projects delivering social good as well as financial returns.
- Finally, the GIIN's Investors' Council (Global Impact Investing Network, 2019) host the main impact investors. It is made up of asset owners and asset managers with various interests across sectors and geographies. It offers, among other tools, the database ImpactBase, with information about impact investing opportunities. Also provides diverse examples of impact investments and viewpoints held by investors who are motivated by social and environmental considerations.

- COSME financial instruments. Due to their small size, most of the social business can benefit of the programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME) (European Commission, 2016b). This programme is facilitating access to finance for this type of enterprises through two financial instruments, available since August 2014:

- The Loan Guarantee Facility (LGF): This instrument take part of the COSME budget and provides guarantees and counter-guarantees for financial intermediaries (e.g. guarantee organisations, banks, leasing companies). The aim is boost more loan and lease finance to Small and Medium-sized Enterprises (SMEs) by sharing the risk. These guarantees can help many SMEs who might

otherwise not be able to obtain funding due to their perceived higher risk or a lack of enough collateral.

- The Equity Facility for Growth (EFG): Also take part of the COSME budget and is geared towards investments in risk-capital funds that provide venture capital and mezzanine finance to expansion and growth-stage SMEs, in particular those operating across borders. It is focused on SMEs with the greatest growth potential. It is expected that about 500 business can receive equity financing through this programme, with an investment of EUR 4 billion. It is also expected that further finance will be attracted through co-investments from other public and private sources.

It is also appropriate to underline one of the measures included in the second line of action of the Social Business Initiative (European Commission, 2011), dedicated to improving the visibility of social enterprises. This measure consists of reinforcing management skills, professionalization and inclusion in networks of social entrepreneurs. Social entrepreneurs must acquire the necessary skills for the good management and growth of their company. For this it is very important to foster contacts with other innovative entrepreneurs, as well as with the academic and research world. In this area, business incubators (incubators for social "sprouts") become fundamental.

3. ECOSYSTEMS OF SOCIAL ENTREPRENEURSHIP

One of the pillars of social policy undertaken by the large multinationals is based on the creation of business incubators and different organizations that serve as a guide, support and financing of various commercial activities, and to date they have been studied exhaustively within the framework of Employers more sensitive to the lack of employment opportunities in the region (remember that in Spain, the unemployment rate, in December 2018, among those under 25 is 32.7%, according to statistical sources of the INE, *Instituto Nacional de Estadística*, in contrast to the European average that has been 16.6%). The lack of employment opportunities for this sector of the population creates serious barriers for young people when it comes to access to integrate into economic activity with all that entails: economic independence, access to housing, contribution to the pension plan, etc. Great burden both for public and private social charges and for the economic and social development of the country. The possibility of opening a path of self-employment through these self-employment initiatives sponsored by large corporations (Telefónica, Vodafone, BBVA, Santander Bank, Mercadona, etc.) not only serves as a stimulus, but also develops a facilitating role for their own development, all covering a space of private initiative to which the State does not manage to reach well due to the lack of resources, simply due to the lack of initiatives in this regard.

The research community has participated extensively in the expansion of research based on the theory of incubators, as well as their success factors (see Hackett and Dilts, 2004, Akcomak, 2009). Therefore, there is already some consensus on how incubation models were developed over time (Bruneel et al., 2012), especially in Europe and the United States. One of the main findings was to reveal the importance of business incubators as a facilitating environment, contributing to entrepreneurship with a stable permanence in the market and decreasing the initial age to start undertaking.

Recently, several investigations have begun to analyze business incubators while explaining the institutional context in which they operate. Dutt et al., (2015) carried out a study in which they focused on an empirical examination of incubators that companies place in emerging or developing countries in developing markets instead of developing specific businesses. The study also examines how sponsoring incubators from private, governmental, academic and non-governmental organizations influences the mix of services provided by incubators. (Dutt et al., 2015). We try to add to these efforts the development of a conceptual framework of business incubation models in institutionally lagged environments, and we argue how it differs from the general vision. One of the main findings was to reveal the importance of business incubators as a facilitating environment, contributing to the entrepreneurial spirit with a stable permanence in the market and diminishing the initial age to start undertaking (Mrkajic, Murtinu, & Scalera, 2017).

Commercial institutions include capital markets, banking regulations, legal systems, education systems and labour markets. Despite the fact that the business environments generated in this scenario have some deficiencies in terms of standards, regulations, supply chains, commercial capabilities and other structures and systems that would facilitate effective commercial activity (Dutt et al., 2015). The weakness of the banking system inhibits the financing of new companies and complicates the processes by which companies achieve an efficient scale in operations (Aidis and Estrin, 2006), in addition to the administrative cost generated by bureaucratic obstacles that slow down the fulfilment of Deadlines, always brief, for the creation of viable companies. To all this, it should be added that when incubators are driven by public initiative, experience tells us that these tend to protect some companies, often with political connections, while creating barriers for the training of new participants.

Another very important work developed by the sponsors of the incubators is the "intermediation", which connects the sponsors with other agents involved in their own sector and encourages the search for synergies that help the actors to develop their business, especially in the phase Initial, always critical. It also provides a value that may not be possible through direct trade between the actors.

4. THE PHASES OF PATRONAGE OF ENTREPRENEURIAL IDEAS.

Another criterion no less important that favours when selecting business ideas, is that entrepreneurs have gone through the process of raising awareness in seminars, talks or entrepreneurship workshops.

Entrepreneurs do not always come to an incubator of companies with clear ideas and it is common to find entrepreneurs with several ideas. This situation must be taken advantage of by the technical team of business incubators, to attract entrepreneurs, stimulate them and help them find innovation in their ideas.

With the growing importance of sustainability around the world, companies trying to gain a competitive advantage should adopt various mechanisms to achieve their sustainability objectives, such as financing mechanisms to encourage the sustainability practice of their suppliers and to improve the efficiency of your supply chain with a different payment term.

Among all the criteria, innovation is the requirement normally sought by these business platforms in the ideas presented to the respective competitions, especially those incubators of companies that are technologically based. These business organizations seek to use exponential technologies to drive social change and open the door to new business opportunities mainly within the ecosystem of their own business.

It is important to understand the concept and the different dimensions that innovation implies. And, around the world, an emerging business class is accessing, adopting, and experimenting with exponential technologies, whose performance in relation to cost and size doubles every 12 to 18 months.

Exponential technologies such as: 3D Printing, Artificial Intelligence, Advanced Robotics, Virtual and Augmented Reality, Alternative Energy Systems, or Biotechnology and Digital Medicine, are prompting a rebirth of innovation, invention and discovery.

This phenomenon presents a wide range of opportunities and risks for market leaders, emerging players, and all other agents. Future-oriented organizations are the ones that are able to identify opportunities beyond the purely commercial implications of exponential technologies, and try to find applications that help revolutionize the traditional market and use them to catalyze transformative social change.

This puts the Information Technology Systems Managers in a unique position to help raise awareness about the potential social impact and opportunities that exponential technology initiatives bring.

Globalization is encouraging more companies to consider social issues as new markets enter. Even companies with a strong presence in the market are working to expand their reach in additional segments and countries, including poor markets and those from

which they are aspiring. In this case, there are great challenges: poverty, inadequate sanitation, poor water quality, and failures in housing, education and health care. Limitations of resources and environmental challenges, including energy costs, water quality and pollution. In these markets, resolving fundamental social needs can lead to business opportunities, but it can also challenge business operations. Growing companies need capable employees, reliable suppliers, a well-governed economy, and consumers with the means and confidence to buy.

In 2020, the growth of the digital economy is expected to represent more than 25 percent of the global economy, 15 percent more since 2005; and the business models of the platform will show a large volume of them (Accenture, 2016). But what is a platform business?

Platform businesses are defined as those that are intended to create ecosystems that promote shared value instead of conventional transactional relationships. They also allow continuous connection between all those involved: suppliers, consumers, senders, designers, creators, etc. (Accenture, 2016). In addition, the use of these platforms develops a social environment around companies that helps them improve access to the data provided by their customers; In other words, the platforms allow easier access to Big Data, which is currently linked to the value of companies (Diego Larroury, 2017).

The current tendency of consumers to choose online consumption compared to conventional physical distribution, is due to the possibility that this option offers them: access to lower prices, time savings, convenience, a great variety of goods options and services and the possibility of comparing them or having access to products that could never be achieved in a different circumstance (Accenture 2016_ Platform Economy). This change in consumer habits is also due to the introduction of technology in our homes, the incorporation of the Internet to most electronic devices and the rapid growth of social networks.

The platforms assign the different models of the collaborative economy and allow the establishment of a dynamic and real-time connection between supply and demand. These algorithms are transferred to the cloud, with easy access afterwards, which creates the infrastructure in which all markets and ecosystems based on the platform operate. Two elements are the main attributes of what is known as the "third globalization" (Kenney, Martin (2016)).

Within the economy of the platform we can distinguish one of its most popular types: the collaborative economy, which although it is generally known as the same, is not.

The collaborative economy can be defined as the act of sharing private assets through exchange or rent (Stewart Lansley, 2016). This system will not only allow consumers to obtain services or resources, but also provide them, through the interaction between the different agents.

Although the collaborative economy can be presented with different types of organizational structures, all of them will have three common drivers: sustainable citizenship, creation and distribution of products and services of legitimate value and open source (Drege, D. Y Gyimóthy, S, 2017).

It is said to be the point of change of the economy of capitalism (Schneider, H., 2017). Some authors claim that the current model embellishes a minority and punishes the majority, creating an economy that will easily expose itself to an economic crisis; while a collaborative economy will distribute wealth more equitably and, therefore, decrease the probability of experiencing a crisis (Lansley, S., 2016).

Thomson and Perry (Thomson et al., 2006) describe collaboration as a procedure in which individuals with differences and conflicts cooperate together and create rules and frameworks that will guide their ways of acting or deciding on the issues in question.

The collaboration covers both the factors that can affect the synergies derived from the action within all the sectors that affect the productive process of an industry. The technological development caused by the explosion of the exponential technologies described above greatly facilitates the scaling of network economies.

For example, in recent years, large international companies have begun to use innovative financing mechanisms to promote the sustainability of their own supply chains by adopting various financing mechanisms to influence the sustainability efforts of their suppliers. As the PUMA brand of sportswear has recently done (Jizhou Zhan, a, et al., 2018). This company encourages the sustainability efforts of its suppliers by adopting the advanced payment scheme in which suppliers receive a previous payment if they show high sustainability performance in terms of environment, health and safety, and social welfare. Other cooperative formulas are those used by companies such as Inditex that assess the adherence of their suppliers to certain social and environmental standards, in many cases seeking to avoid the fraudulent use of labor. But despite evidence of practice of financial incentives to suppliers to improve their performance in terms of sustainability and social responsibility, studies on the effects of financing mechanisms on the sustainability of supply chains remain scarce (Rajeev et al., 2017) as indicated by Jizhou Zhan, et al., 2018.

5. PROMOTION OF SUSTAINABLE FINANCING OF COMPANIES UNDER THE PRISM OF SPONSORSHIP OR PATRONAGE. THE TELEFONICA CASE

The Spanish company, founded in 1923, has a long business career as a company dedicated to the telecommunications service, first as a state company, within the framework of a monopoly regime, but which, after the integration of Spain into the European Union, was privatized in order to involve it in a new competitive regime within the telecommunications market. Over time, Telefónica expanded its scope of operations, making direct investments in Latin America and Europe. As a result of this

expansion, it managed to reach a relevant position in the global telecommunications market.

With the technological disruption caused by the emergence of new communications networks with greater transmission capacity (FTTH and 4G), or the generalization of the use of the Smartphone, the global emergence of the market developed by the Internet, the emergence of new players and new services have opened a new scenario that many have come to call a new economic revolution, which is transforming the ways of doing business around the world. In the midst of this paradigm, Telefónica has transformed its strategy in order to face the new challenges, transforming a digital services company in a short time, beyond the old telecommunications service. To be successful within the new paradigm of digital business, Telefonica - like many other companies in its sector worldwide - is designing the digital infrastructure necessary to build its own platform of digital services to be able to continue competing in a world every time more globalized and digitized.

As a result of this new strategy, the brand has sought the Alliance with public and private institutions, focusing on innovation and entrepreneurship, trying to combine these objectives with its corporate culture focused on Sustainability and Social Responsibility. Since 2013, based on social and institutional support, it has been supporting and financing the technological projects that it needs in each country and region. As a result of these agreements, several new institutions have emerged whose main purpose is to support and finance projects with a social and technological base, such as the Global Open Future Network. This institution has a global presence and connection in Europe and Latin America. Open Future Hubs, bring innovation and entrepreneurship to the business ecosystem, allowing to strengthen ideas or projects, giving them visibility in the markets and improving processes to internationalize technological solutions as a transforming core for all of them. For this, they adapt the core of the new entrepreneurship idea to the new tools and services available, such as BigData, IoT, AI, Cybersecurity and Digital Innovation for sectors and industries in constant evolution.

On the Open Future website, we can find a good example of these sponsorships, this is the THIRD GO IGNITE GLOBAL CALL

(Web of Open Future, <https://calls.openfuture.org/>)

“Go Ignite is proud to announce another edition of this Go Ignite Global Call for projects which has been built by the start-up innovation arms of Singtel (Singtel Innov8), Orange (Orange Fab), Deutsche Telekom (Hubraum) and Telefónica (Telefónica Open Future).

This is a unique opportunity for growth stage start-ups looking to develop their businesses and gain exclusive visibility across the 4 telcos which add up more than 1.2Bn clients altogether across Southeast Asia, Africa, Europe, Latin America and the Middle East.

This specific call is looking for innovative solutions from the start-up community in the areas of:

- *IoT*
- *Big Data Analytics*
- *Cybersecurity*
- *5G*
- *Customer Experience Enhancement*
- *Artificial Intelligence*

Selected startups will be provided business development opportunities in each of the geographies the alliance members operate in. Benefits include workshops with business units, visibility towards other stakeholders, as well as invitations to start-up showcases.

The Go Ignite Global Call is an exclusive and unique opportunity, for international technology and innovative startups, and offers entrepreneurs an opportunity to gain the global visibility needed to get their businesses to the next level.

We are looking for startups in the growth stage with a ready product that can be taken to market in the geographies the alliance members have operations in, with differentiated technology or disruptive innovation. We look for experienced entrepreneurs commitment to their ideas and projects.

Go Ignite Global Call aims at catalysing the growth of eligible start-ups and launching them beyond their respective home markets.

Selected start-ups will have the benefit of tapping into the resources and networks of the four leading communication companies. This includes market insights, introductions to partners, the use of co-working spaces and access to the companies' operating businesses.

Selected start-ups may also have the opportunity to gain access to the operators' collective mobile customer base of over one billion people across four continents"

Another institution designed by Telefónica is the Innovation Drives Business, which is the result of the strategy developed to implement a global connection platform between Telefónica and the entrepreneurial ecosystem. Acting as an interface implemented to support and accelerate entrepreneurial projects with technological and innovative profile; but it also prioritizes that the profile of the entrepreneurial project has certain lines of action framed within the criteria of Social Responsibility of the Company, such as the promotion of Education promoting equality and sustainability.

This is how they prioritize projects that try to promote STEM vocations (Science, Technology, Engineering and Mathematics), which are one of the fundamental objectives of the educational agenda not only of the EU, but also of several international

organizations. These skills are key to fostering a competitive economy that responds to the real challenges of society based on social inclusion and respect for the environment.

Among the projects promoted in this platform are those that encourage young girls to undertake, women's training workshops to acquire technological competencies and leadership competencies.

This platform has a presence in 16 countries with a portfolio of more than 400 Startups, of which:

- Approximately 20% work with Telefónica
- 20% of the Startups portfolio has women incorporated in the top management, of which 70% are CEOs or founders.



Figure 1: Category projects- Information extracted from <https://top100desafio.fundaciontelefonica.com/>. Self-made graph.

In response to the challenge and the factors that influence the choice of STEM studies, a process of identification of educational innovations of the national and international scope was raised, looking for projects that respond efficiently and effectively to the proposed challenge, according to the priority focuses of action stated, and that, by their characteristics and conditions of development, could be replicated in the Spanish context. From this perspective, focused on utility and differential value, it was estimated that the proposals identified had to meet the following requirements: Be a proven innovation, have a significant implementation, have a defined sustainability model, and be oriented towards scalability.

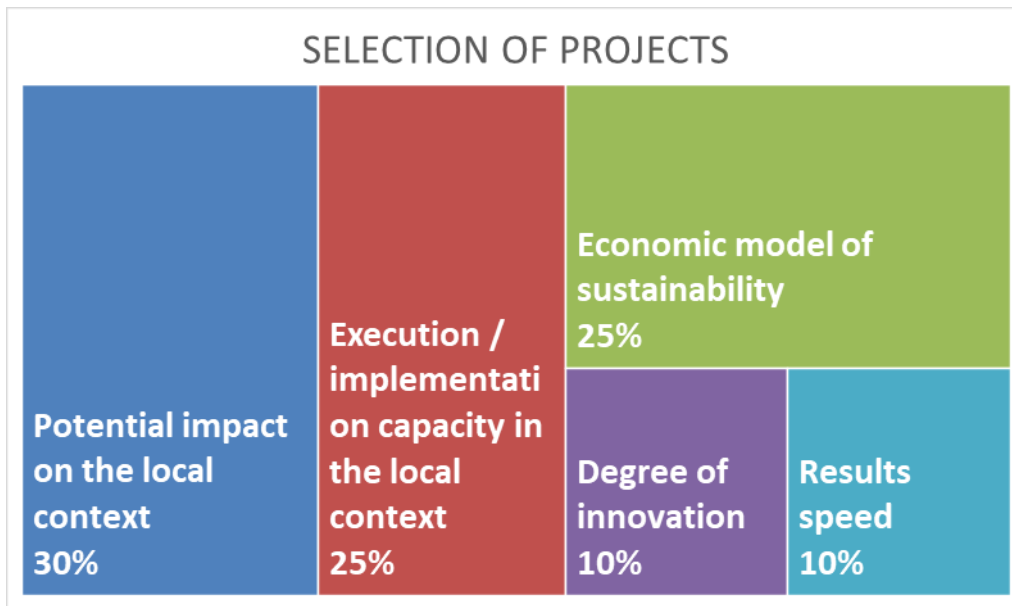


Figure 2: Percentage of Projects according to innovation criteria. information extracted from <https://top100desafio.fundaciontelefonica.com/>. Self-made graph.

The operating system of one of these accelerators allows flexibility, movement and adaptation to the needs of the entrepreneur to develop their business proposal. To achieve the acceleration objectives of the start-up process, one of the keys is to create a crowdworking center equipped with reception service, postal address, work stations, freely available devices and software, collective work areas, advice, digital community, access to high-speed Wi-Fi, making available to the entrepreneur all the tools and the environment he needs to grow in the shortest time possible and thus decrease his costs derived from the risk of exposure. In these centers, crowdworking is also about facilitating interaction with other outstanding teams, according to the needs and orientation of each center.

Another great advantage of the crowdworking centers implemented in this system is to make available to the social entrepreneurs the support and advice of experts in startup maturation and acceleration programs, who will advise and assist in the implementation of the techniques of innovation.

As incubators of these projects, it is essential to provide a specialized dynamism in the organization of events and management of activities to help promoters in the search for new markets, sine qua non requirement to start their activity.

With this philosophy, Wayra is implemented. Wayra is the global interface between Telefónica and other entrepreneurial ecosystems, created to support local startups in the maturation phase. As a strategic partner, Wayra operates through 11 hubs in 10 countries: Argentina, Brazil, Chile, Colombia, Germany, Mexico, Peru, Spain, the United Kingdom and Venezuela. Its mission is to connect innovators with Telefónica to generate

joint business opportunities. Over the past seven years, Wayra has invested more than 40 million euros to help scale the global entrepreneurial ecosystem, investing funds in the development of businesses around the world, creating 11 Hubs to offer hosted startups access to government leaders, corporates, investors and other entrepreneurs in series.

This platform becomes the Open Future hubs that offer startups work space, mentoring, access to exclusive offers from business partners, etc. Companies that do not yet have a viable minimum product or generate business are potential candidates to enter Open Future programs.

Of course, nothing would be possible without an extensive network of venture capital innovation funds for the financing and acceleration of technology companies. This ability to attract external capital allows multiplying the investment capacity and improving the scope.

But, on the other hand, the same parent company has created its own corporate investment fund: Telefónica Ventures. Creating a network of scouting offices in Silicon Valley, Israel, China and Spain through which they invest not only in the sponsored projects but also in mature startups aligned with the global strategy of Telefónica, which can sign agreements to facilitate their services to the millions of customers of the company.

They also have an alliance of strategic partners, acting as partners, such as Go Ignite, which is the global alliance between Hubraum (tech incubator of Deutsche Telekom), Orange Fab, Singtel Innov8 and Telefónica Open Innovation. The arms of open innovation of these partners, has been created to connect the entrepreneurial ecosystems of Africa, Asia-Pacific, Australia, Europe, Latin America and the Midwest. The members of the alliance launch joint calls to select the best startups in their areas of interest. This is a unique opportunity for start-ups in the growth phase that seek to develop their business, opportunities for internationalization and gain visibility through the alliance of these four telcos, which together add more than 1.2 billion customers. The selected startups receive business development opportunities with meetings, workshops and the opportunity to present their project privately with the investment areas and business units of the partners. Additionally, the partners support the startup's international expansion plans.

Other important partners for the financing and promotion of these social and technological projects are Huawei, Lavca, Ferrovial, China Unicom and THTI, Gyeonggi Center for Creative Economy and Innovation (GCCEI), Korea Telecom, or National Cyber Security Center (NCSC).

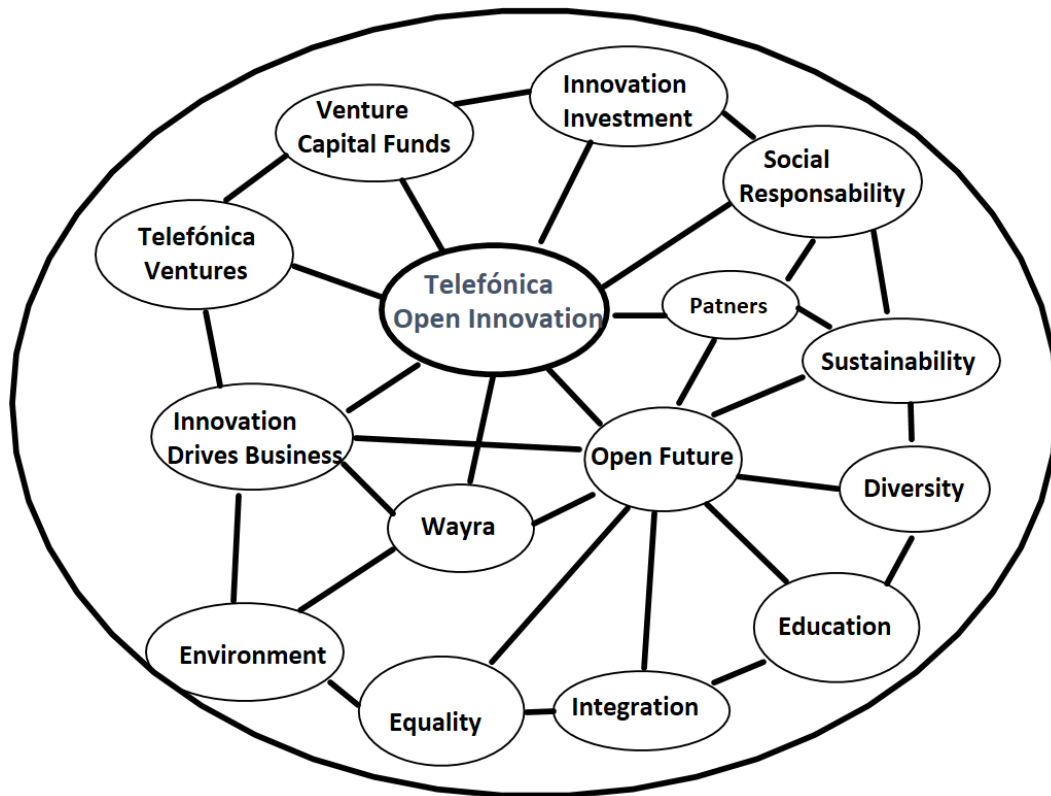


Figure 3: Diagram of interactions within the ecosystem generated by the platform to support innovation and entrepreneurship projects around the world. Self-made graph.

6. CONCLUSIONS

This chapter underline the fact that the financing of sustainable projects can come from multiple sources and be caused by different interests that are legitimate and also coherent with the different social objectives that they pursue. Entrepreneurs who try to pave the way for new ideas in the framework of social and environment sustainability find in these patronages the essential funding to successfully launch their projects. All the actors of this movement, sponsors and entrepreneurs, find in this collaboration not only the satisfaction of their needs but also the opening of new business opportunities, taking advantage of the infrastructures that the digital economy makes available to them at present. The multiplier effect generated by these network economies favours not only the development but the expansion of these collaborative spaces to other horizons. In this chapter we have placed the focus of attention in the case of Telefónica.

The ecosystem coordinated by Telefónica and its Patners manage to create a totally interconnected platform that, taking advantage of its advantage, generates network economies for all its participants. The fact that the corporate purpose of a large part of the financed projects is justified by being closely linked to criteria that are consistent with the Social Responsibility of the companies helps to reinforce the Corporate Image

of the brand, which, as indicated by Deng et al, (2010) customers' perceptions of a service company in relation to attributes such as integrity, ability or experience are crucial in establishing and maintaining long-term relationships with customers. According to data from the Deloitte report (2018), 70% of the so-called millennials (The 2018 report of the Pew Research Center defines millennials as born between 1981 and 1996, choosing these dates for "key political, economic and social factors") he thinks that the company he works for is concerned exclusively with the financial results and not with the social impact he has. For them, the ranking of actions that a company should undertake for the benefit of society would be, from greater to lesser importance: the generation of employment, the improvement of society, innovation and protection of the environment. The confidence of these young generations has declined not only in companies, but also in their leaders: 63% of respondents think that their leaders are having a negative impact on society. However, beyond the reinforcement of the corporate image of the companies involved, there is a much more ambitious objective. The development of an ecosystem of digital businesses that feed the scalability of the platform by expanding its system of network economies based on the synergies derived from the externalities of each one. It would be, ultimately, to weave an ecosystem of multiplatforms that become an enriching flow for all participants. If, in addition, this flow is based on criteria of sustainability and equity, positive externalities in the social field ensure that the results of this multiplatform have positive results for all.

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