The Practices, Impact and Implications of Inspiring Scotland’s First Five Years

An Independent Research Report on an Innovative Third Sector Financing Model

Noah J. Isserman
University of Cambridge
Gates Scholar
Foreword

Five years ago I was speaking at the closing session of the European Venture Philanthropy Association Annual Conference in Frankfurt. The venture philanthropy model was still in development and not that well understood.

The financial storm had hit the markets but the full impact on the UK and mainland Europe economies had yet to impact. So it was a statement of hope and belief in Andrew Muirhead and the Inspiring Scotland team when I stated: ‘Inspiring Scotland may or may not inspire Scotland, but it certainly inspires me’.

This independent report provides evidence that my faith was not misplaced. During a tough and challenging economic climate, Inspiring Scotland has tested and proved an innovative model. And since then, both through my involvement with EVPA and directly, I have got to learn more of the collaborative approach and programmatic focus of Inspiring Scotland.

Giving money away aiming to achieve social impact is easy. Giving money away effectively, achieving evidenced social impact is different, and difficult. So this Report should help all of us concerned with maximising impact – whether on individual lives, or by testing a model and/or systemically. As an independent evaluation, I welcome it. As a contribution to learning more of venture philanthropy - not as a silver bullet but as a tool in the tool box – I commend it to you.

John Kingston, OBE

After working at 3i Group plc and Save the Children, in 2001 John Kingston joined the Charities Aid Foundation, launching Venturesome, a pioneer social investment fund. He now has a portfolio of roles in philanthropy and social investment, including Chair of the Association of Charitable Foundations and a non-executive directorship of EVPA.
Introduction:
Highlights of Independent Academic Research

The complexity and urgency of our social challenges demand careful examination of emerging institutional and financing models that aim to meet them. Inspiring Scotland is such a model: a pioneer in venture philanthropy, it is notable for its targeted, portfolio-based approach and the large amount of public money it receives and channels. Those features attracted academic interest as part of a larger project examining the financing and future of social goods.

This summary report represents highlighted findings of an extensive and on-going academic research project. It draws on more than four years of data, including more than 30 semi-structured stakeholder interviews and an in-depth survey of four of Inspiring Scotland’s constituent funds (completed by 62 CEOs or managers, comprising an 84% effective response rate with 14,000 words of free responses). In total, the empirical base represents more than 200,000 words of transcribed interviews, 15,000 survey data-points, hundreds of hours of desk research, and more than a month of in-person contact.

This University of Cambridge research has the rare advantage of being completely independent of Inspiring Scotland. This work, funded by the (Bill and Melinda) Gates Cambridge Trust, is part of a broader research project examining the emergence of innovative funding mechanisms for the provision of social services. This report presents preliminary findings of on-going research that will be presented to academic journals and a Cambridge PhD degree committee. This work was not funded in any way by Inspiring Scotland or its affiliates, although it benefits from their cooperation and openness.

Inspiring Scotland’s model is of signal interest to charitable funders and government providers of social services around the world—which is what initially drew this research interest. The rising trend of collaboration between governments and charitable foundations, as well as the deeply interconnected nature of many social challenges, warrant the examination of emerging and innovative approaches like that of Inspiring Scotland. It is among the largest venture philanthropy organisations in the world, and its government-supported work is unique in degree and design, although it has smaller (e.g., in Australia) and less intensive (e.g., in the United States) analogues elsewhere.

It is a pleasure to share these summarised research findings, which examine the practices, impact, and implications of Inspiring Scotland’s model — a model that is proving to be an innovative and highly effective means of providing more and better social services by strengthening the capacity and networks of third sector organisations.

Noah Isserman
University of Cambridge

It is among the largest venture philanthropy organisations in the world, and its government-supported work is unique in degree and design...

About the Author
Noah Isserman is a Gates Cambridge Scholar at the University of Cambridge and Assistant Professor-elect of Business Administration and Social Work at the University of Illinois, where he is Director-elect of the university-wide Social Innovation at Illinois initiative. Noah has served as CEO of two successfully acquired social businesses and as a strategy consultant to dozens of social purpose organisations on five continents. He is an advisor to several fantastic startups and serves on the Council of LAUNCH, an initiative of NASA, Nike, the US State Department, and USAID. Noah’s work and research in civil society has been funded by the US State Department, NASA, and the Aga Khan Foundation, among many others, and has been recognized by more than a dozen awards and fellowships. He holds degrees from Amherst (cognitive neuroscience) and Cambridge (economic geography).
Executive Summary:
Innovative Approach, Strong Results

Inspiring Scotland’s practices are seen as effective, innovative, and providing good value for money. The ventures\(^1\) that Inspiring Scotland supports report that they become more effective in providing social services, develop greater capacity and interest in measuring their impact, and have clearer plans for their future. Overall, supported ventures, funders, and Scottish Government officials hold strongly favourable views of Inspiring Scotland’s approach and execution.

The following highlights come from venture CEOs and managers surveyed on the impact of Inspiring Scotland support:

- **Clearer focus on impact.** 91% of ventures felt they better identified the outcomes and impact of their work—50% strongly felt that way.
- **Better impact measurement.** 84% of ventures had stronger systems for measuring impact.
- **Better service delivery.** 81% of ventures felt they were more effective delivery organisations due to Inspiring Scotland support.
- **Better management.** 69% of ventures felt that their management capacity increased.
- **Better networks.** Ventures strongly felt that networking within and outside their portfolios was valuable. 96% found value in connections within the portfolio.
- **More sustainable and more fundable—even after exit.** 68% of ventures better identify and develop new opportunities. 67% are more sustainable in longer term as result of Inspiring Scotland funding.
- **Rigorous selection process.** 88% of ventures agreed that Inspiring Scotland had a more intense selection process than other funders.
- **Due diligence for the voluntary sector.** 89% of ventures felt like being supported by Inspiring Scotland signalled that they were a strong organisation to other funders.
- **Value for money.** 78% of ventures believed that the added value created by non-financial services outweighed the cost of those services. With only 2% disagreeing.

This report then explores the methods by which those positive impacts are achieved. Cataloguing 24 categories of support services, which were evaluated 570 times by ventures, it provides a deeper look at the relationship between Inspiring Scotland and ventures, the services that are provided, and the means and value of those services.

---

\(^1\) Inspiring Scotland refers the charities it invests in as ventures.
The data here strongly indicates that Inspiring Scotland’s first five years have been a success...

The services provided to ventures most frequently are pre-application support (to 88% of ventures), support to develop an evaluation framework (82%), advice for programme implementation (72%), business strategy (58%), CEO mentoring/support (57%) and governance support (55%).

- **Relationships with ventures are engaged, high-trust “partnerships”.** Ventures rated their level of engagement with Inspiring Scotland as 8.17 on a 10-point scale, on average—three points higher than any other type of funder.
- **Ventures receive many non-financial support services.** The average Inspiring Scotland venture received 9.2 different types of service.
- **These support services are highly valued.** 90% of services provided were rated as very valuable, or valuable, 9% slightly valuable, and 1% no value or negative.
- **This approach is appreciated by ventures.** 87% of ventures believed that more funders should act like Inspiring Scotland (6% were neutral.) 98% of ventures thought Inspiring Scotland takes a business-like approach to philanthropy (2% were neutral).

The findings strongly indicate that Inspiring Scotland’s approach to supporting the Scottish third sector works. Averaging across nearly 60 ventures, the ventures report improvements in all areas examined. Many of these improvements are striking in their depth of impact; equally striking, some improvements are reported by nearly all ventures.

These improvements are achieved in a manner notable for its thoughtful and bespoke nature, characterised by open and respectful relationships, provision of high-quality expertise and networks, and a clear focus on creating results for vulnerable people in Scotland.

This report’s final section begins to examine the implications and tensions of Inspiring Scotland’s model, which seems likely to be emulated. The global growth in voluntary action, in measuring social impact, and in collaboration across sectors of economic and social life opens up spaces for new and hybrid institutional arrangements like that of Inspiring Scotland.

Overall, a deep and broad evidence base strongly indicates that Inspiring Scotland’s first five years have been a success in supporting the achievement of national social outcomes, in creating highly valuable networks of cross-sector actors working for public benefit, and in leveraging financial and human capital in support of both.

This report lays the foundation for a series of more focused discussions. A series of white papers will follow, exploring more specific elements of this successful and innovative organisation and the insights it can offer to the broader financing and future of social services.
Inspiring Scotland: An Independent Research Report

Traditionally, the bulk of funding for the voluntary sector comes via earned income (contracts and trading) and grants. These grants, whether via public bodies, foundations and trusts, private donors, or corporate donors, are generally allocated to voluntary sector organisations for specific programmes. It is meaningfully a fee-for-service model, although grants do not always have the specificity of inputs and outputs expected in a full fee-for-service contract. Inspiring Scotland’s work is based on a complementary but different model.

The central concept of Inspiring Scotland is to provide better social services to Scotland by strengthening and expanding the charities that provide those services. There are four sets of actors involved:

Level 1. Funders of Inspiring Scotland
Level 2. Inspiring Scotland: staff, board, pro bono experts, consultants
Level 3. Supported ventures (charities)
Level 4. Service users and beneficiaries

The key goal of all of this work and research concerns level (4), providing more and better opportunities to service users (generally young people in the funds to date). However, this research is sparked by interest in Inspiring Scotland’s model as an intermediary focused on level (3), creating portfolios of charities to better provide services.

Given the emerging and unusual nature of Inspiring Scotland’s model, as well as the mandate of Inspiring Scotland to build the capacity and connectivity of the Scottish third sector, we are keenly interested in level (3). This report focuses on that level: the experiences of ventures supported by Inspiring Scotland.

Some brief demographic information about the ventures supported by Inspiring Scotland gives a clearer frame around the universe before zooming into the four Inspiring Scotland funds of interest to this report:

- **Ventures are varied.** Ventures are of varying sizes and ages. Staffing of ventures: 1-9 staff (28%), 10-25 staff (21%), 25-49 staff (19%), 50+ staff (32%). Age range 1-50+ years old (82% are 10+ years old). Budget: 69% of organisations have turnover £100k-£2m.
  - 23 ventures (39%) are micro, with revenue less than £500,000 per year.
  - 24 ventures (41%) are small, with revenue of £500,000-£2M per year.
  - 12 ventures (20%) are medium-to-large, with revenue greater than £2M per year.
  - Five of these have revenue greater than £10M per year.
- **Ventures are locally embedded.** 36% of supported ventures work in one neighbourhood or council area; 34% work regionally (multiple council areas but not national). 83% of ventures believed that Inspiring Scotland provided them access to services and networks they could not have otherwise found in their location.

These ventures were selected in fund-specific processes. This rigorous scoping and selection process, a hallmark of Inspiring Scotland’s approach, involves:

1. Setting clear social impact goals with investors.
2. Conducting and commissioning (e.g., from New Philanthropy Capital) research to determine:
   a. the scope and location of the social issue;
   b. the ecosystem or pipeline involved: where do people fall through existing social service infrastructure? which points in the pipeline are most important?
   c. the type and range of outcomes that might be expected from relevant services.

2. Moreover, tracking outcomes for individual service users—and particularly the quantitative and qualitative additionality of Inspiring Scotland’s support—is a fraught issue, and not possible without expensive and ethically challenging randomised control trials.
3. Designing an ideal-type portfolio, with attention to the geographic and pipeline-specific areas where building capacity and expanding programming is deemed most likely to achieve impact.
4. Soliciting applications from charities with relevant geographies and types of intervention.
5. Conducting significant due diligence of short-listed charities, including providing support to applicants via consultants or staff throughout the process.
6. Constructing a portfolio of charities to address the social issue in the areas and by the means deemed to be most likely to be effective.

This process is based on Inspiring Scotland’s core competencies of designing portfolios, evaluating options, and supporting organisations. Inspiring Scotland’s model is not limited to a single social issue or area. Its funds so far, though often focused on young people, involve several different social issues in Scotland. The chart to the right indicates that ventures believe that this selection process is more intense than that of other funders. More importantly, it illustrates one of the positive externalities of a rigorous selection process: most ventures believe that its rigour provides cachet to selected organisations. The third element of the chart indicates that although ventures believe Inspiring Scotland support signals to other funders that they are strong organisations, it is not only the selection process that provides cachet and signalling power.

The signalling effect of Inspiring Scotland funding is an element in two critical pieces of the model: first, leveraging additional financing support for ventures, and second, planning for and enabling the eventual “exit” upon withdrawal of Inspiring Scotland funding. Data on Inspiring Scotland’s work to help ventures bring in additional grant or contract funding is not discussed in this report; Inspiring Scotland’s 14:19 Fund’s figures show that each pound they allocate to a venture is leveraged with circa one pound of additional funding.

**What Inspiring Scotland does: on-going relationship and support**

Once an organisation joins an Inspiring Scotland portfolio, a Performance Advisor from Inspiring Scotland’s staff becomes the primary point of contact. These Performance Advisors, who make up the bulk of Inspiring Scotland’s staff, are full-time support for approximately six to eight ventures each. This is a high level of attention, and the primary interaction is generally between a Performance Advisor and a manager at the supported organisation, often the chief executive.

The Performance Advisor provides direct counsel and support, functioning as a sounding board and executive coach. (Performance Advisors generally have senior experience in finance, law, accountancy, the public sector, or the third sector.) Charities report very significant value from this relationship, often characterising “their” Performance Advisor as a partner, confidant, or additional member of their organisation’s management team.

Performance Advisors also link the charity to Inspiring Scotland’s broader network of professional service providers and other contacts. These links are sometimes within Inspiring Scotland, whose staff is largely made up of individuals with senior experience in finance, law, accountancy, or the third sectors. Often, though, support services are provided by a formal network of external professionals who provide services pro bono to Inspiring Scotland ventures. Thirdly, Inspiring Scotland also contracts with paid consultants to provide specific services to ventures.

Based on this survey’s dataset of 59 ventures reporting 570 categories of services received—categories like executive coaching, support to develop financial systems, human resource expertise, or legal advice—we can state that the average venture supported by Inspiring Scotland receives support in 9.2 categories.
Approximately two-thirds of all services are provided by Inspiring Scotland staff, with the remaining third coming in approximately equal shares from pro bono professionals and external consultants paid for by Inspiring Scotland.

Support and links are also intentionally created at the portfolio level. The ventures within each fund meet at least twice per year at portfolio day events, which feature targeted networking as well as expert speakers and training relevant to each fund.

This report examines the first four funds launched by Inspiring Scotland beginning in 2008. Two of the four funds have finished their terms of activity.

### 14:19 Fund

2008-2018
24 ventures
£27M invested in ventures; £17M of public money, £10M of private philanthropy
14:19 Fund aims to help young people aged 14 to 19 transition from school into employment, education, or training. It specifically targets approximately 32,000 young people in the most challenging situations. According to statistics aggregated by venture and Inspiring Scotland, over 10,000 young people have been supported into a positive destination of employment, education or training to-date. It is the first and longest-running of Inspiring Scotland’s funds.

### Go Play

2010-2012
27 ventures
£4M over life of fund; public
Go Play Fund’s focus was building the capacity of the Scottish play sector to provide more opportunities for free play to children aged 5-13. According to Inspiring Scotland figures, approximately 17,000 additional hours of free took place in ventures, involving thousands of children.

The underlying goal was to enable the play sector to access a broader spectrum of funding by helping organisations measure and communicate the positive outcomes of free play. By doing this, the aim was to have ventures be able to prove their value and generate future support based on stronger evidence and organisational capacity.

### Go2Play

2012-2015
8 ventures
£1.9M over life of fund; public
The Go2Play fund is an offshoot of the Go Play Fund. It focuses on providing free play opportunities to children in disadvantaged communities, and is based primarily on one intervention strategy found to be effective during the Go Play work. All ventures were initially in the Go Play Fund. Additionally, a further eight ventures are receiving support through a capacity-building element as part of Go2Play.
Early Years Early Action Fund

2011-2013 (18 months)
24 ventures
£10.2M over life of fund; public
The Early Years Early Action fund focused on early support and preventative programmes for young children in vulnerable communities. Ventures worked across maternal health, parenting support, childcare, and play. Across the fund’s (planned) short duration, Inspiring Scotland figures indicate 14,000 children or families were supported due to the Fund. This fund was of a shorter duration, and was focused on organisational capacity, particularly increasing service delivery volume.

Additional and Future Work

Inspiring Scotland has launched an additional fund and several partnerships during the course of this research project. The funds are significantly different from those examined here, but including summaries for them helpfully indicates the nature and breadth of Inspiring Scotland’s work.

LinkUp

2011-2014
10 community-based organisations
£2.25M over life of fund; all public
Link Up is an “asset-based model of community intervention” delivered in partnership with community-based organisations. The goals are to support and build upon existing social links, capital, and assets to help increase community cohesion and thereby address issues like social isolation and youth anti-social behaviour.

CashBack for Communities

2012-present
Variable funding; public
Inspiring Scotland is the delivery partner with the Scottish Government on the Cashback for Communities programme. Funded by the (variable) recovered proceeds of criminal activity, the programme supports work primarily around providing opportunities for young people and preventing anti-social and potentially criminal behaviour. The programme was started in 2008.

Dame Kelly Holmes Legacy Trust and BP

2013-present
Inspiring Scotland is also the delivery partner of the BP Young Leaders Programme leading up to and including the 2014 Glasgow Commonwealth Games, which involves cohorts of young people in four Scottish cities over 18 months.

This report concerns the first four funds launched by Inspiring Scotland beginning in 2008. Two of the four funds have finished their terms of activity.
A note on quotations from ventures
This summary version of the broader research project focuses on the impact, techniques, and value of Inspiring Scotland’s work from a venture perspective. This is, to our knowledge, the largest independent surveying and interviewing of organisations supported by a value-adding venture philanthropy intermediary like Inspiring Scotland. Although the research project includes other British venture philanthropy foundations, this report shares only selected elements of the findings regarding Inspiring Scotland.

The quotations shared here are selected 1) to be representative of the broader universe of supported ventures and 2) to highlight key elements of Inspiring Scotland’s approach. Although the scores of comments included in this report represent a tiny fraction of the survey and interview responses, they are very representative of prevailing (very positive) sentiments.

The majority of the responses from ventures in this report are positive, many glowingly so. That said, the balance presented here is, if anything, slightly more negative than the full set of feedback received.
Impact: Better services delivered to Scotland

Inspiring Scotland ventures assert that they are more effective delivery organisations as a result of receiving support. 81% of ventures agree or strongly agree that they are more effective at delivering services due to the support. The graph right shows the responses, by percentage, to the survey question about venture effectiveness.

Verbatim from ventures:
Working with IS has felt like a true partnership, we feel that we have really benefited from being open and honest with our Performance Advisor about the projects progress and challenges. The support, knowledge and expertise that IS has at its disposal has enabled us up to really build a stronger, more effective and more sustainable organisation. We have benefited far more that we anticipated as an organisation from the relationship with Inspiring Scotland.
—Early Years Early Action (EYEA), medium-large organisation.

The opportunity given by Inspiring Scotland to scale and replicate our service delivery model, through its sustained funding across a meaningful period, has allowed our organisation to consider and work towards diversification of income streams. The fact that Inspiring Scotland has made a sustained investment as opposed to 'pilot' funding allowed our organisation to leverage its investment and develop our own portfolio of services.
—14:19, small organisation.

Inspiring Scotland has significantly helped us to clarify our identity and the impact we strive to make. This clarifying of our outcomes, coupled with building creative and robust monitoring and evaluation systems has been one of the best things to happen to us as an organisation. It has enabled us to attract more funders, influence policy and media more, and dream bigger for the future.
—14:19, micro organisation.

This finding is, in many ways, the necessary foundation for further research. It establishes that ventures believe that Inspiring Scotland’s support has made them more effective in providing their various social services to Scotland. This report examines the constituent impacts and contributing practices that make ventures feel that Inspiring Scotland support has made them more effective.
Impact:
More sustainable, more opportunity-focused charities

The majority of ventures believe they are more sustainable and better at spotting opportunities. A sizable minority of nearly 30% of ventures feel that they were unchanged in each capability area, and minorities of under 4% felt they worsened in each area.

Verbatim from ventures:
Small organisations like ours benefit greatly from working with a professional mentor who understands, supports and challenges us in our work. The one-to-one support is inspirational and a very valuable tool. This also assists us to take stock, look up and out to see what we are doing in a wider context.
—Go Play, small organisation.

Through the relationship with Inspiring Scotland we have grown considerably as an organisation and developed a plan for the future focused on continued growth, ultimately to achieve sustainability - as a social enterprise providing training within a trading environment.
—14:19, small organisation.

Inspiring Scotland’s funding has enabled our organisation to secure match funding to enhance the service we are able to deliver to young people. The outcomes we have achieved and the work funding from IS has allowed us to do acts as an excellent selling point when we are applying to other grant/funding bodies to fund different initiatives within our organisation.
—14:19, small organisation.

Our priorities have been the same aims prior to our work with Inspiring Scotland but as with any busy service we worked in a more reactive rather than proactive way. Working with Inspiring Scotland enabled us to focus on these areas with very positive outcomes.
—EYEA, small organisation.

IS encouraged us to develop a long-term income generation plan, which ensured that we looked beyond IS funding and considered IS exit even at a very early stage.
—14:19, small organisation.

As we begin to examine the non-financial services provided, the clear response from ventures is that Inspiring Scotland generally encourages—or "pushes"—them to plan over the longer term and to take steps to implement those longer-term plans. Ventures were very appreciative of both the pressure and the support, and often commented on the close relationship necessary to have honest conversations, usually with a Performance Advisor, about the challenges and uncertainty inherent in planning.

This also speaks to a key concern about the venture philanthropy approach: exit. In the venture capital industry on which venture philanthropy is conceptually based, exit events generally involve clear capital for subsequent organisational growth. In venture philanthropy, exit means the loss of the funding stream provided by the venture philanthropy fund. Although two organisations mentioned the challenges of finding replacement funding after exit, more than a dozen organisations who no longer receive Inspiring Scotland support wrote that they felt on firmer or more sustainable ground.
Impact:
Improved management of charities and improvement in governance

Management capacity of charities has increased; there is a slightly smaller improvement in governance of charities.

(Inspiring Scotland) highlighted the need for succession planning and recruiting new members with relevant skills to meet existing gaps. We now evaluate our work, plan better for the future and reflect on what works and what doesn’t.

…offering support at a governance level at no cost to the organisation which has proven to be invaluable in this current climate.
—14:19, small organisation.

The encouragement provided through this relationship has inspired us to take forward our very ambitious development plan, and to develop the management and organisational capacity to sustain this.
—14:19, small organisation.

Governance review carried out with our Exec Committee… highlighted the need for succession planning and recruiting new members with relevant skills to meet existing gaps.
—EYEA, micro organisation.

The assistance with business planning was invaluable for us as we operate with a very small head office staff team. The advice about engaging with the private/business sector in relation to fund finding was helpful although priorities have reduced the capacity to progress with this. The consultancy provided to upgrade our brand guidelines was most helpful. None of the above has been provided by any other funder.

We and our trustees have addressed many issues within our organisation that have been highlighted by IS. We have developed a much more business approach to our day-to-day activities and long term planning. Again this type of support isn’t offered by other funders and even if the funding relationship ends then we still benefit because our working practices and governance structure [are] in a much better place because of the interaction with IS.
—Go Play, micro organisation.

The large majority of organisations shared examples of positive management and governance change. Some medium and large organisations (£2m and higher revenue per year) stated that they did not need additional improvement or capacity.

From an organisational perspective I think there has been no change in the above as we are a very large organisation.
—EYEA, medium-large organisation.

The organisation is very well established and [Inspiring Scotland] made little impact overall on the priorities as these are already robust and there is a strong board and staff team in situ.
—EYEA, medium-large organisation.
Impact:
Improved management of charities and improvement in governance - Continued

Overall, the findings indicate that governance and management support is provided as and when it is needed, but only on that bespoke basis...

Governance and management capacity-building is an area fraught with challenges for funders: ego, asymmetrical information, and receiving honest answers and feedback as “the hand that feeds”. The highly-engaged (and therefore often close) relationships built over time between Inspiring Scotland and its ventures seem to mitigate or obviate these challenges in most cases: trust and openness are more the rule than the exception.

Of course, the governance needs and pre-existing capabilities of the five ventures with annual revenues less than £100,000 are very different from the five ventures with revenues above £10M. The larger ventures sometimes indicated that their internal board and staff systems were strong, and therefore not an issue that they spent significant time considering with their Performance Advisors. Those same organisations, however, often mentioned that the coaching and mentorship support from Inspiring Scotland was especially valuable. The chief challenge mentioned was the time required from venture managers to maintain the relationship and reporting required by Inspiring Scotland. Overall, the findings indicate that governance and management support is provided as and when it is needed, but only on that bespoke basis.

It is worth noting here that the Inspiring Scotland selection process screened out organisations that did not already possess a reasonable governance structure.

Impact:
Clearer focus on identifying impact and ability to measure it

91% of ventures felt they better identified the outcomes and impact of their work—50% strongly felt that way. 84% of ventures had stronger systems for measuring impact.

The breadth and depth of value added in impact measurement and data-driven management is striking. Improved monitoring and evaluation of an organisation’s impact and the incorporation of that data in planning and decision-making are the most universal and universally-positive elements of Inspiring Scotland’s support of ventures. 45 organisations reported receiving support from Inspiring Scotland to develop an evaluation framework or tools to measure outcomes—all 45 reported value from the process, and 62% of them found it “very valuable.”
Priority Shift:
Impact measurement, data-driven decision-making

Nearly all supported charities place more emphasis on measuring impact, and most use that data to in organisational decision-making.

Verbatim from ventures:

The Go Play initiative required us to measure our impact. As a result we have a stronger story to tell. We have worked in partnership with 3 other Go Play ventures in the Highlands and a consultant introduced as a result of Go Play and jointly won a local government contract to review the Highland play policy and draft a new one. We have just been involved in running the first Highland Play seminar in support of this. We have won recognition through the [award name omitted] and by selection for the best practice website for the Care Inspectorate. We are seen as leaders in outdoor free play. None of this would have happened without the support, financial investment and capacity building provided by Inspiring Scotland.
—Go Play, micro organisation.

...the importance of evaluation in initial planning and throughout our work has cascaded to all aspects of our organisation.
—Go Play, medium-large organisation.

IS arranged for us to work with an expert on evaluation. We received support enabling us to design a bespoke tool, which is adaptable and enable us to measure impact. In a recent HMI Inspection of a learning community, our methods were singled out as examples of good practice. An event is planned to enable these tools to be demonstrated to all organisations involved in community learning across [our region]; including FE establishments.
—14:19, small organisation.

One of the biggest impacts has been on us gathering robust monitoring information on outcomes. I would say that we do not have the same relationships at all with other funders.
—14:19, small organisation.

...enhanced our focus on evaluation and provided direction in relation to whether or not we went down one route or another.
—EYEA, medium-large organisation.

Due to the small nature of our organisation and board we were often reluctant to think of our future and measure how successful we are. Inspiring Scotland has ensured that we do this. In particular, our new skills to measure our impact through evaluation training have been hugely beneficial. We now feel confident and prepared to write funding applications using quantitative and qualitative data using a range of different collection methods. Previously, reports were written using huge amounts of anecdotal information, but now we can record our impact using baseline assessments and other valuable methods.
—EYEA, micro organisation.

Beyond the strongly positive opinions presented on these pages, this area of work is key to the success of ventures and the broader social sector, and was a primary rationale for the Scottish Government and other investors in providing funds to Inspiring Scotland.

<table>
<thead>
<tr>
<th>Better measurement systems</th>
<th>85%, -2%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher priority on measuring impact</td>
<td>96%</td>
</tr>
<tr>
<td>More data used in decisions</td>
<td>77%</td>
</tr>
</tbody>
</table>

N=58

Strongly agree
Agree
Slightly agree
Disagree
Slightly disagree
Disagree
Strongly disagree
Impact:
Value for Money: The cost of venture philanthropy support is worth it to ventures

78% of ventures agreed that the “added value created by the non-financial services outweighs the cost.” 2% (one organisation) disagreed. The additional support services and close relationship of Inspiring Scotland cost approximately 8-10% of the total fund.

Ventures receiving support from Inspiring Scotland feel, on average, that the benefits of having Inspiring Scotland as an intermediary and supporter outweigh the costs. This is true across all four funds, despite differences in approach and topic area.

This finding is of paramount importance. It is entirely unsurprising that ventures are pleased to receive free support services. It is surprising, though, the large degree to which ventures reported that even in a resource-constrained environment, the services and support of Inspiring Scotland were more valuable to them than similar amounts of direct funding.

Value-for-money (VFM) scores scale inversely with organisational size: while all sizes find Inspiring Scotland to be, on average, good value for money, it was significantly higher for micro (under £499,999 revenue) and small (£500,000-£2m revenue) ventures than for larger ventures.

The chart (bottom left) shows the average VFM score for micro and small organisations between 4 (“agree”) and 5 (“strongly agree”), indicating that Inspiring Scotland provides good value for money for them, on average. The lower score for medium-to-large organisations indicates that Inspiring Scotland’s approach might be best suited to organisations with less internal capacity and structure.

This raises a key tension for a funder like Inspiring Scotland: do you create more social value by greatly strengthening a small community organisation serving 200 people or by making more incremental improvements to an organisation that serves 20,000? This is an issue that Inspiring Scotland’s management has actively considered, and the current balance of organisations reflects the choice that having a small selection (five) of very large ventures can yield both large amounts of social service delivery and useful diversity and connections to a broader portfolio.

It is worth noting that in a global context, Inspiring Scotland’s overhead and staff costs are very low relative to its peers.
The Practices, Impact, and Implications of Inspiring Scotland’s First Five Years

Impact:
Networking within the portfolio

**Better networks.** Ventures strongly felt that networking within their portfolios was valuable. 96% found value in connections within the portfolio. In addition to support and funding, networking is provided. Connections are especially valuable within the portfolio and to professional service firms, and less valuable with individual donors and corporates. This graph shows the number of ventures reporting that Inspiring Scotland created links between them and other actors, and the colour indicates the value of those connections.

Types of connections made by ventures through Inspiring Scotland and the value of those connections

- **Other charities or ventures**
  - Also in the Inspiring Scotland fund/portfolio: 2 (7) Very valuable, 7 (27) Valuable, 17 (17) Slightly Valuable
  - Professional services and support (e.g., consultants): 3 (5) Very valuable, 5 (19) Valuable, 20 (20) Slightly Valuable
  - Other foundations and trusts: 4 (8) Very valuable, 8 (13) Valuable, 7 (7) Slightly Valuable
  - Government officials and workers: national or UK: 4 (3) Very valuable, 3 (12) Valuable, 12 (12) Slightly Valuable
  - Other charities or ventures not in the Inspiring Scotland fund/portfolio: 6 (5) Very valuable, 5 (9) Valuable, 4 (4) Slightly Valuable
  - Potential clients or business opportunities: 6 (2) Very valuable, 2 (7) Valuable, 7 (7) Slightly Valuable
  - Government officials and workers: local: 5 (3) Very valuable, 3 (8) Valuable, 5 (5) Slightly Valuable
  - Corporations and corporate funders: 6 (2) Very valuable, 2 (4) Valuable, 4 (4) Slightly Valuable
  - Individual donors: 6 (1) Very valuable, 1 (1) Valuable, 2 (2) Slightly Valuable

The portfolio approach has enabled IS to make a focused difference and as a result gain the attention and support of local and central government. Whatever the focus of provision is, the portfolio approach enables achievement of large scale impact.

—14:19, small organisation.

Venture Networking is very valuable to the team e.g., skillsharing, best practice, funding successes… Geographical spread of ventures allows information sharing.

—Go Play, small organisation.

The play sector is quite disparate and it’s very different levels of capacity. Some bits of it are very good and some bits of it are not connected and there’s lots and lots and lots of people out there doing really good stuff that nobody knows about so there is value in connecting some of that up and learning from that experience that is out there, but you just don’t know about it because you happen to stumble across it. …

[Inspiring Scotland staff] are very kind of connected networking people so I think it’s in their… Finding ideas, following them up, building, making connections, facilitating and I think a lot of it is down to, will be down to the individual.

—Scottish Government civil servant in interview
Impact:
Networking within the portfolio - Continued

Being a part of the IS portfolio brings us closer together as organisations, despite being overlapping in various other associations and alliances… The portfolio has brought us together and enabled those conversations [about sharing back office costs, other cooperation, or mergers] to happen.
—14:19, small, interview.

We’ve already kind of created a partnership—in fact, we’ve got a partnership agreement with one of the other ventures now, a joint venture… sort of agreed terms and conditions to work together and how we’re going to do that, how they’re going to operate. And so for example… we operate and now we carry joint services in several places. We have both of our staff, our staff teams kind of worked together. And what we’re actually looking at possible joint funding applications. We’re sharing things a lot… it wouldn’t have happened without
—Go Play, small organisation, interview.

Inspiring Scotland helped us to join up with other groups in our region that were funded by them. This has lead to us continuing working together on other projects connected with play. We have enjoyed this kind of connection as we now have ‘friends’ working in the same area who share best practice and opportunities. Time is the big factor in all our lives. I think if we had more time we would have developed these relationships even further, but two years after the funding has stopped we are all still working together and have had some impact on local government with a big say on the implementation of a play strategy. We are all now involved in providing play workshops for other organisations in the area.
—Go Play, micro organisation.

Our involvement with Inspiring Scotland takes the form of: 1. Contact with our Performance Advisor. This is always extremely helpful, principally as a sounding board. Apart from occasional consultations, other contact is the Portfolio Day (twice yearly), also helpful. 2. Long term financial support. This as enabled us to deliver an organisation and service development plan that we could not have achieved otherwise - an effective and solid platform for the organisation going forward. From this position we are committed to establishing the organisation on a sustainable footing, and ensuring that the systems are in place to evidence impact, plan ahead and manage change/growth. 3. Portfolio day. This is a good opportunity to connect with others, identify common interests and connect with the policy environment inasmuch as this is developed on the day. The pace of growth and change within our organisation has been such that until recently we have engaged only slightly with other Trusts/Foundations. We work very closely with our local authority, participating in strategic forums.
—14:19, small organisation.

Previous to our engagement with IS, we knew of a range of other organisations, but had no real call to interact with them. Through IS and the whole portfolio, we have been able to learn about other orgs, share ideas, work in partnership and jointly deliver services...

Previous to our engagement with IS, we knew of a range of other organisations, but had no real call to interact with them. Through IS and the whole portfolio, we have been able to learn about other orgs, share ideas, work in partnership and jointly deliver services. This is a great new way of working and it ensures that we don’t duplicate. We can also support each other in the wider context… we preach about reducing isolation and providing support - this is what IS has done for us and the benefits are enormous. I just hope that we can keep this engagement up after we are no longer part of one of their portfolios. It will be easy to fall by the wayside without them and get bogged down in our own worlds of funding applications and trying to survive.
—EYEA, small organisation.

The intensive portfolio approach is one the most distinctive aspects of Inspiring Scotland’s approach, and was intentionally designed to be one of its chief innovations. Beyond its distinctiveness, the highly-structured portfolio has proven to be extremely valuable. Ventures report very significant gains in networking within and without the portfolio, and that they are receiving significant real value from those enhanced networks in the form of contracts, collaborations, product development, and cost sharing.
The intensive portfolio approach is one the most distinctive aspects of Inspiring Scotland’s approach, and was intentionally designed to be one of its chief innovations. Beyond its distinctiveness, the highly-structured portfolio has proven to be extremely valuable...

Inspiring Scotland has seeded and fostered a number of significant collaborations amongst its ventures. For example, eight ventures have jointly designed, with the Glasgow Youth Employability Partnership, a novel programme called Connect2. The programme was piloted in summer 2012, and after evaluation and modifications, five Inspiring Scotland ventures each contributed one full-time staff person to a city-wide rollout throughout 2013. The initiative, which was created due to Inspiring Scotland intra-portfolio links and support, is characterised by an unusually high degree of cooperation, with the ventures and city government sharing capacity, staff, and data to improve options and provide more choices for young people to become employed.

Connect2 is probably the largest multi-venture collaboration, but there were more than a dozen other specific collaborations mentioned by ventures. In addition to formally contracted collaboration, more than 20 ventures described that they now have better access to knowledge sharing, best practice sharing, and peer advice and expertise.

### Venture opinions about networking and access

<table>
<thead>
<tr>
<th>Percentage of ventures dis/agreeing</th>
<th>N=53</th>
<th>N=47</th>
<th>N=45</th>
</tr>
</thead>
<tbody>
<tr>
<td>Networking with the other ventures in the inspiring Scotland portfolio was invaluable</td>
<td>23</td>
<td>30</td>
<td>43</td>
</tr>
<tr>
<td>Inspiring Scotland gave us access to services and networks we could not have otherwise found in our location</td>
<td>4</td>
<td>11</td>
<td>40</td>
</tr>
<tr>
<td>Ventures located near Inspiring Scotland are likely to receive better support than ventures located further away</td>
<td>18</td>
<td>24</td>
<td>16</td>
</tr>
</tbody>
</table>
Impact: Networking outside the portfolio

Connections with organisations outside the portfolio also provide value to ventures, and is another distinctive element of Inspiring Scotland’s offer. The connections are most frequently to professional service firms (more than 80% of ventures), other trusts or foundations (54%), and public officials at multiple levels of government. The connections to support services, like legal and HR expertise, are of greatest interest, as it seems that many organisations were not accustomed to purchasing or receiving professional support services but were very pleasantly surprised at the experiences they had. This is due to a significant number of factors, best represented by a narrowing group of ventures that are able and willing to acquire such services on their own.

I have now regular networking opportunities with officials from Scottish Government and am informed how the national Play Strategy is being developed. I feel that I will be linked it with projects that will benefit my organisation and have been supported to develop helpful networks.
—Go2Play, micro organisation.

Inspiring Scotland supported us to liaise with Local Authorities in new areas. This support was very valuable and helped us make the right contacts.
—EYEA, small organisation.

Inspiring Scotland has raised the profile of the work done by our organisation at national level they have pushed us forward to present our project at all times to local and national government. I.e., Staff have reports regularly going to the Minister for Children and Young People, the manager now sits on a new frame work [in a government unit]. We have been recognised for our work within play and have been put forward for awards with our Community planning partnerships for our contribution to life long learning for children and young people. We do not have these opportunities with any other funder.
—Go2Play, small organisation.

The many “gates” that block charities, especially smaller charities, from accessing professional support services are often opened in the Inspiring Scotland relationship...
The Practices, Impact, and Implications of Inspiring Scotland’s First Five Years

With Performance Advisors working with charities to ascertain their needs and help meet them, the broader effect is the creation of many hundreds of project-based links between charities, individuals, and firms. This creation and thickening of social networks in Scotland, especially done explicitly around issues of social value, is a hallmark of Inspiring Scotland’s approach that should be explored in further depth.

Lastly, there is an important geographical aspect to the provision of support. With 80% of ventures agreeing to at least some extent that “Inspiring Scotland gave us access to networks and services we could not have otherwise found in our location”, the reach of organisational links seems to be expanding. A primary concern of the private sector venture capital model is its geographical concentration and biases: there are a few hotspots, and venture capitalists prefer to invest in nearby ventures to better support and monitor risky, early-stage investments analogous to Inspiring Scotland’s venture philanthropy approach. Inspiring Scotland, though, elected to hire and deploy its Performance Advisors with geography in mind, with each Performance advisor responsible for the ventures within a fund and then within a given geographical area.

You know, they can bring in the pro-bono lawyers. They bring in the marketing people, the HR people, all that pro-bono support which is high quality, great advice from the organisations to help them keep peddling along. I think [Inspiring Scotland] have got… networks of pretty elite people.
—Director, Scottish Govt (in interview).

The key link that IS helped to establish was with individuals in the children & families team in the Scottish Government. This link enabled us to showcase some of the project work that IS had funded - and has now led to further significant work and income. It is probably fair to say that without a) the original IS funding and b) the opportunity to showcase this work more widely, particularly to the Government, our organisation may not have survived and the significant changes that we are stimulating in children’s lives would not be taking place.
—Go Play, small organisation.

Making two introductions to people who subsequently joined our Board, who had the skill set we were looking for.
—14:19, organisation.

…helped to build and strengthen relationships with other agencies and potential partners.
—Go Play, micro organisation.

After discussing the benefit to the organisation of having access to a particular type of external expertise and putting the case in writing to Inspiring Scotland, it very helpfully identified a local provider as well as providing monies to buy in this support.
—EYEA, small organisation.

Conferences… meetings with Education Specialists enabled contacts not normally possible.
—Go Play, small organisation.

Hosting events to showcase the services provided by ventures to other partners (particularly local authorities)… Seconding staff to local Authorities to foster better links with Ventures… Introducing Government officials and Ministers to our work, through visits.
—14:19.

The next section shifts away from examining impact to look more closely at the engagement between ventures and Inspiring Scotland that creates the positive impacts explored thus far.

Inspiring Scotland has raised the profile of the work done by our organisation at national level they have pushed us forward to present our project at all times to local and national government...

3 Venture philanthropy with grants can be thought of as the riskiest type of “investment”: there is no chance of financial return on grant funding. This is a clear departure from the venture capital model, and arguable places an even higher premium on investment selection, due diligence, and monitoring of on-going activity and impact.

This finding corroborates an on-going finding; ventures report that Inspiring Scotland operates as it “says on the tin”, with a highly-engaged relationship. In correlation with previous evidence, engagement with funders other than Inspiring Scotland scaled with the size of the supported organisation—the larger the venture, the more engaged their relationships with funders, on average. Engagement with Inspiring Scotland was very high across organisational sizes.

In extensive free-text responses (n=40), ventures discussed what they characterised as engaged, supportive, and close interaction. The responses, systematically categorised on the graph on page 21, prominently included the common themes of ventures feeling like Inspiring Scotland were a “true partner” with aligned incentives a high degree of trust.

A key aspect of this support is the intense application and screening process, during which Inspiring Scotland is directly engaged with applicants in addition to providing them with the services of a consultant to help craft and complete their application.

**IS engaged before and during the application process which is something we had not experienced before. The active engagement throughout the funding was exceptional and never experienced with any other funder.**

—EYEA, small organisation.

We have a very positive relationship with Inspiring Scotland. The Quarterly Review reports and discussions, although hard work to prepare for, are hugely beneficial. They promote accountability with Inspiring Scotland and our own board, they increase our sense of achievement, and they help identify current trends in youth work which then shape our practice. Inspiring Scotland has very high standards and is demanding as a funder but, in our experience, in a good way. During our time working with them we have, thankfully, never had any major difficulties as an organisation (i.e., financial, partnership breakdown, media issues) but if we did Inspiring Scotland would be one of the first places we would turn for advice or support.

—14:19, micro organisation.

they try to understand the organisation rather than simply assess their ability to deliver a project they are funding.

—EYEA, small organisation.

Working with Inspiring Scotland comes at a cost - time! At first this was hard, but it was mainly because we were taking a protective approach. I mean this in the sense that we were so used to funders trying to ‘catch us out’ or ‘looking for mistakes’ that the high engagement aspect of their support was a bit disconcerting. After a couple of months however, we turned a corner and realised that it was 1) ok to ask for support without being judged as ‘failing’ in some way. 2) Not seen as weak to admit you didn’t know something (such as spreadsheets or evaluation jargon) and 3) A fantastic opportunity to try out new techniques with support, access training (some we didn’t even know we needed) and make contacts with new people. I offer no apology when I say that we ‘used’ Inspiring Scotland to train our staff, skill up our office workers and prepare us for a more sustainable future. I know this was one of their aims and the play sector is now stronger for it.

—EYEA, micro organisation.
Inspiring Scotland is far more hands-on than any other funder. It works with you and encourages and supports you to grow and develop as an organisation. The specialist training in evaluation was particularly helpful. The professional approach to marketing has not only helped this organisation but I have used the principles in other organisations that I lead. The downside of this relationship was the extra time commitment required. This was mostly my (volunteer) time, but there was some extra staff time that in retrospect should have been built into the initial bid.

—Go Play, micro organisation.

Inspiring Scotland engages extremely well on a level playing field. With local authorities sometimes there are other agendas e.g. efficiency savings which create a power imbalance which is not always helpful in discussion.

—EYEA, medium-large organisation.

The relationship with IS is extremely close. IS is our single largest funder and as such IS has high expectations in terms of regular reporting. IS also make additional requests for information on a regular basis, which we try to respond to if possible. At times these additional requests can be quite demanding in terms of resources and time… All in all we are happy to put more time and effort into our relationship with IS as we get more out, both in terms of financial and non-financial benefits.

—14:19, small organisation.

We have an exceptionally good relationship with our Performance Advisor from Inspiring Scotland. Compared with all other funders (of which there are more than 12) Inspiring Scotland are by far the most pro-active and supportive and have looked at our organisation as a whole and not just the activity they are funding.

—Go2Play, micro organisation.

Inspiring Scotland’s level of involvement had positive and negative aspects. There were times it would have been more helpful to have space to just get on with things rather than feel so closely monitored. But there were times it was useful to have that additional support.

—Go Play, micro organisation.

From us IS demanded a high level of engagement from the project manager right up to the board. We have seen huge benefits from having engaged and developed a very open and supporting relationship with our PAs. This relationship has had a huge and positive impact on our project, as an organisation and beyond to our work in across the UK.

—EYEA, small organisation.

Our experience of working with Inspiring Scotland has been extremely positive. [Our Performance Advisor] provided invaluable support, information and advice across a range of activities including: developing the strategic plan, developing the marketing strategy, developing the communications strategy, developing the website… also facilitated some meetings with our Strategic Planning team.

—EYEA, small organisation.

We have no experience of any other funder providing the level of support/advice provided by IS. The advisors all took an active interest in the work of the organisation. Their role as a critical friend was invaluable.

—EYEA, small organisation.

Inspiring Scotland engage extremely well on a level playing field. With local authorities sometimes there are other agendas e.g. efficiency savings which create a power imbalance which is not always helpful in discussion.
Engagement with IS is higher than most providers. IS and individual venture discuss and agree targets. The aim of their high level of engagement, I think, is to provide the opportunity to develop relationships with ventures; to identify and try to meet their support needs; thereby ensuring an increased likelihood of ability to meet targets.

—14:19, small organisation.

The relationship with Inspiring Scotland is symbiotic. The nature of the investment and the calibre of the staff team at Inspiring Scotland creates a platform for cohesion and joint working. My Performance Advisor is my first phone call when we have a business development issue, strategic or scenario planning problem. We have a very sincere and transparent relationship within the context and parameters of the investment makes for the perfect investor investee relationship. The tactical philanthropy employed by Inspiring Scotland the results from it are far in advance of any other funder relationship we have managed. The big difference is that Inspiring Scotland are working with us they are along side us on our journey. This is a significant contrast to ‘light touch’ funding models which can be serviced with an annual or quarterly report.

—14:19, medium-large organisation.

An example: Inspiring Scotland met with us every month to support and assist with any problems we may have been experiencing. They attended our annual development day and facilitated our board development day. Inspiring Scotland have been alongside us in the whole process. Inspiring Scotland paid for an external consultant to look at how we evaluate and present our work. They put us in touch with other projects that may be useful to link in with.

—14:19

These quotations are representative of the very positive responses from ventures about their relationships with Inspiring Scotland. Many highlighted that the relationship with “their” performance advisor was the key relationship and a source of value for their organisation. Ventures, despite knowing that their responses were confidential to the University of Cambridge researchers and would never be shared in an attributable manner, were very positive.

That said, it is important to note that there are challenges associated with such a high-engagement approach. The graph to the left shows the categorised results of a question that asked ventures to describe and share the biggest challenges or weaknesses in the Inspiring Scotland approach. (It is telling, perhaps, that the second-most common response was managers taking the time to write that they were unable to think of weaknesses.)

Contact with Inspiring Scotland was very high compared to other charitable trust funding. For the most part this was of a positive nature - however it did feel at times ‘micro management’. There was a great deal of examination of budgets and items of expenditure.

—EYEA, small organisation.

We had far more contact with Inspiring Scotland than with most organisations. Sometimes this was positive and supportive. Other times, it felt as though it was very “process driven,” (e.g. requesting quantitative evaluation information that we’d both agreed was of limited value, frequent changes to the format and categories in financial reports, etc.

—EYEA, micro organisation.
It was unfortunate that we had three PAs during the 18 month term of our award. Each had their own style, but the second PA [name omitted] was very supportive, helpful and proactive.
—EYEA, micro organisation.

The relationship with Inspiring Scotland certainly provided wider benefits than just funding for our charity. However, the approach taken did present a number of challenges, particularly for a small organisation with limited capacity for implementing fairly complex financial and performance monitoring systems, which also frequently changed during the lifespan of what was a relatively short project.

I do find at times the engagement by IS can be too much and also the advice can turn too much into their thoughts rather than what is best for the charity.
—14:19, small organisation.

The data paints a clear picture: nearly all ventures characterise their relationships with Inspiring Scotland as significant but very worthwhile investments. The challenges with the approach are chiefly concerned with the time and capacity required from ventures.

Ventures find their relationships with Inspiring Scotland to be unusually engaged, trusting, and useful. Ventures describe Inspiring Scotland staff as unusually open and possessing useful expertise. They find the push toward data collection, data reporting, and data-driven decision-making to be of significant value within the relationship but also feel that it requires significant time and energy to maintain. For some organisations, this time and capacity burden can be challenging.

The high value of the Performance Advisor relationship is clear, as is the high esteem in which ventures hold the vast majority of their Performance Advisors. This presents a challenge, though, when there is turnover in those critical relationships. It is worth noting that most of the challenges occurred in the Early Years, Early Action Fund, which ran for only 18 months and had fewer opportunities to build strong and productive relationships.

Ventures find their relationships with Inspiring Scotland to be unusually engaged, trusting, and useful. Ventures find Inspiring Scotland staff to be unusually open and possessing useful expertise...

Challenges of Inspiring Scotland approach

![Challenges of Inspiring Scotland approach chart]

N=59
Before examining the individual services and practices within the Inspiring Scotland approach, it is worth sharing ventures’ aggregated opinions on Inspiring Scotland’s approach. 84% of ventures disagree that there were difficulties working with Inspiring Scotland, with only four ventures slightly agreeing that there were challenges. A larger minority (27%) felt to some extent that Inspiring Scotland demands too much evaluation and reporting.

**Ventures felt working with Inspiring Scotland had few frictions**

<table>
<thead>
<tr>
<th>Percentage of ventures dis/agreeing</th>
</tr>
</thead>
<tbody>
<tr>
<td>There were difficulties in working together due to Inspiring Scotland’s approach</td>
</tr>
<tr>
<td>Inspiring Scotland demand too much evaluation and reporting</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Slightly disagree</th>
<th>Neutral</th>
<th>Slightly agree</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>34</td>
<td>40</td>
<td>11</td>
<td>8</td>
<td>8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>21</td>
<td>19</td>
<td>13</td>
<td>21</td>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

N=53

Lastly, it is strikingly clear that ventures believe the approach to be “business-like”. Of much greater importance: a large majority of ventures agree that “more funders should act like Inspiring Scotland”.

**Venture opinions on the Inspiring Scotland approach**

<table>
<thead>
<tr>
<th>Percentage of ventures dis/agreeing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inspiring Scotland takes a business-like approach to philanthropy</td>
</tr>
<tr>
<td>More funders should act like Inspiring Scotland</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Slightly disagree</th>
<th>Neutral</th>
<th>Slightly agree</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>9</td>
<td>45</td>
<td>43</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>7</td>
<td>22</td>
<td>33</td>
<td>31</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

N=53
N=54

84% of ventures disagree that there were difficulties working with Inspiring Scotland, with only four ventures slightly agreeing that there were challenges...
This section explores the actual nuts-and-bolts practices of Inspiring Scotland. What do ventures receive from Inspiring Scotland in terms of support? Who provides those support services? Which of the services do ventures find to be valuable?

The chart below shows number of ventures receiving each category of non-financial support service; the colour indicates how value the venture found that category of support to be.

### Services provided or arranged by Inspiring Scotland for ventures and the perceived value of those services.

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Very Valuable</th>
<th>Valuable</th>
<th>Slightly Valuable</th>
<th>Not Valuable or Negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-application support</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support to develop an evaluation framework and /or tools to measure outcomes</td>
<td>3</td>
<td>19</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>Advice to support program implementation</td>
<td>4</td>
<td>13</td>
<td>28</td>
<td></td>
</tr>
<tr>
<td>Individual support/ mentoring to Chief Executive or managers</td>
<td>1</td>
<td>18</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>Advice on business strategy</td>
<td>5</td>
<td>25</td>
<td>8</td>
<td>16</td>
</tr>
<tr>
<td>Marketing advice or strategy</td>
<td>1</td>
<td>13</td>
<td>16</td>
<td>13</td>
</tr>
<tr>
<td>Advice and assistance to strengthen your board / governance systems</td>
<td>2</td>
<td>11</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>Access to other professional networks</td>
<td>3</td>
<td>11</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Fundraising advice or strategy</td>
<td>3</td>
<td>8</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>Support to develop new products or services</td>
<td>1</td>
<td>6</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Support to develop new business systems or procedures</td>
<td>1</td>
<td>3</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Advice on management of change</td>
<td>4</td>
<td>17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial management advice</td>
<td>4</td>
<td>8</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Legal advice</td>
<td>8</td>
<td>11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assistance in recruitment of new board members</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>11</td>
</tr>
<tr>
<td>Access to government networks</td>
<td>9</td>
<td>4</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Practical support with fundraising</td>
<td>2</td>
<td>4</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Information Technology advice</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Support on procurement / contract negotiations with local authorities or other government bodies</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Human resources advice</td>
<td>1</td>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Practical support to develop your marketing materials</td>
<td>1</td>
<td>3</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Support on procurement / contract negotiations with non-government firms</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Support to establish new financial systems</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estate management (advice/assistance with buildings)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

N=59
This is one of very few studies to examine, in depth, the practices and methods employed by a venture philanthropy fund. Looking across multiple ventures and funds, we learn that Inspiring Scotland ventures receive many (9.2 types) of services on average, and that the services are well-tailored and valued by the ventures that receive them.

Ventures report that the most commonly received services are application support (88%), support to develop an evaluation framework (82%), advice for programme implementation (72%), business strategy (58%), CEO mentoring/support (57%), and governance support (55%).

Ventures place significant value on the services that they receive through Inspiring Scotland. 59% of services provided were rated very valuable, 31% as valuable, 9% slightly valuable, and 1% no value or negative. Although most individual service categories were rated highly, CEO support/mentoring and some specific professional services tasks (legal, HR, change management) were especially highly valued.

The services are provided by a mix of Inspiring Scotland staff, pro bono experts, and consultants paid for by Inspiring Scotland. The chart below illustrates the services received by ventures and the provider of the service, with the ventures aggregated into the four funds surveyed.

[Inspiring Scotland] arranged for pro bono work to assist us with property management, intellectual property issues and organisational change. It has enabled us to seek high quality advice at little or no cost. We have had support on specific issues… not from traditional charitable funders.
—14:19, organisation.

Our experience of IS has been very positive. Some highlights include: helping us to access pro bono support when we faced a threatening court case…
—Go Play, small organisation.

We haven’t made much use of pro-bono support or advice as we are a relatively large organisation with our own resources. However when we have requested help it has been readily available and of a very high quality. This recently included meetings with legal services and new business execs who are supported us to develop our services and product range.
—14:19, medium-large organisation.
We had valuable input from both an IS advisor and Evaluation Support Consultant in relation to evaluation methodology which will be useful for all of our work. IS also secured for us pro bono support by putting us in touch with someone with a finance background who is now chairing our funding subgroup and a member of our Exec Committee. … No other funders have provided us with this type of support as part of their funding relationship and we found the capacity building support extremely valuable and helpful.

—EYEA, micro organisation.

Our branding too was important - pro bono advice from IS on this has resulted in our profile having been significantly raised.

—EYEA, micro organisation.

It was very useful to be able to access pro bono legal advice through IS, something we would not have had access to with other funders. A two-day finance training course was offered in our region…

—Go Play, micro organisation.

The pro bono support has been invaluable to the development of [Venture] into a more business like organisation. [Venture] would never have been able to pay for the support we have had from very experienced and highly qualified business people.

—14:19, micro organisation.

As with most of the data presented here, the story is fairly clear. The Inspiring Scotland approach seems to work very well in the context of a strong and highly-engaged relationship, and organisations that receive more services find Inspiring Scotland to be a stronger value for money. These are often, but not always, smaller organisations.

The services provided to ventures are regarded, in general, as well-chosen and valuable. Some highly specialised services, like human resources advice, is provided infrequently based on need (to 13 ventures), but is almost always ranked as very valuable when received.
The findings are consistent with the idea that Inspiring Scotland creates very significant value for the charities it supports. Those charities in turn become stronger organisations, more deeply and widely embedded in networks of third sector and other actors, that provide more and better services to vulnerable people. Some of these services are provided in new collaborations seeded and supported by Inspiring Scotland’s portfolio-based approach.

Inspiring Scotland provides good value-for-money in the process, of particular interest due to the significant public money it receives. This value is due to: 1) its deliberate construction of a portfolio of meaningfully-related organisations around a social issue, 2) its recruitment and provision of highly-skilled Performance Advisors, 3) its cultivation and sharing of a national network of pro bono and paid support services for ventures, and 4) the ability to offer those assets to ventures in a manner that ventures feel is open, honest, and powerful in creating results for the people of Scotland.

Targeting and multiple social goals

One of the key tensions to consider is targeting this sort of support to the optimal ventures. Inspiring Scotland’s ventures have wildly varying capacities, with some having fewer than four staff and others having more than 500. Choosing the optimal venture size—or optimal mix of venture sizes—is a significant challenge. Although it is tempting to assume that there is a “sweet spot” in venture size or lifecycle, it does not appear to be so simple. The chart below shows value-for-money sentiments by venture size. Although a glance indicates that small ventures are most positive, followed by micro, the wider goals of Inspiring Scotland—as well as the goals of the public and voluntary sectors more broadly—need to be taken into account.

The more subtle approach demanded might involve thinking about the balance between 1) the kind of impact that Inspiring Scotland hopes to achieve for supported ventures and 2) the overall amount of improved and expanded social services that Inspiring Scotland wishes to create.

This research strongly shows that value-for-money scores are strongly correlated with the number of services, and that the smaller the venture, the more services it indicated receiving on this survey. However, both large and small organisations found individual service types to be similarly valuable. Although smaller organisations receive more services than larger ones (with micro receiving almost twice as many different types of services as medium-large), the average value-of-services scores are between 4.08 and 4.18 for all ventures (where 4 is “agree” that Inspiring Scotland’s benefits outweigh its costs of operation). So although larger organisations receive fewer types of services, they still see significant value in the services that they and their Performance Advisors deem useful.
It is here that the different strengths of large and small ventures become pressing. The chart to the right represents an attempt to situate the different type of organisations that Inspiring Scotland supports.

Zone 3 is populated with larger ventures, which typically have larger delivery capacity—they tend to help more people per venture than smaller organisations. However, they also tend to have more organisational capacity, and are more likely to have access or capabilities that provide the sorts of professional support services offered by Inspiring Scotland. However, even incremental organisational improvements to these larger actors can result in significant social service improvements.

Zone 1 is populated by the smaller micro organisations which mirror Zone 3. They have much smaller delivery capacity, but great scope for organisational improvement. Zone 1 ventures can be problematic, though: they can be too small to absorb intensive organisational improvement. However, moving organisations from Zone 1 toward Zone 2, or improving these micro organisations, can be an important social good and goal in its own right.

Zone 2 is the area most tempting to call a “sweet spot” for Inspiring Scotland. Although ventures here are still likely to have organisational gaps where support services can achieve rapid improvement in organisational capacity, their delivery generally is at a smaller scale. They are large enough to absorb support services, so organisational improvement can be transformational. They are also large enough that transformative organisational improvement can result in significant social service improvements.

The chief issue, then, becomes one of selecting the appropriate balance within the context of a given set of social goals. In the Go Play Fund, for example, the universe of actors providing free play opportunities to children is mostly very small, local, and sometimes informal, volunteer-led organisations. The goal of the fund was, in large part, to help these organisations develop organisational capacity to help them survive and grow to create more social value. A mix of Zone 1 and Zone 2 organisations might be appropriate for such a fund.

If the objective is to maximise the amount of social impact generated to address a targeted issue, though, a different approach might be valuable. In the case of the 14:19 Fund, for example, the goal is to move 32,000 young people in vulnerable situations into education, employment, or training. To achieve that goal, although there are undoubtedly Zone 1 and Zone 2 organisations doing tremendous work in the area, some Zone 3 ventures might be very efficient in increasing social impact. Future design of portfolio-based social service strategies—regardless of the sector—should consider the processes and structures created by Inspiring Scotland.
Inspiring Scotland is on the front edge of a wave of innovative organisations that are emerging to address complex social challenges. It experiments and works across multiple social goals, creates structures for high-engagement funding and support, combines approaches and personnel from multiple sectors, and reports to the Scottish Government and a multitude of private investors.

Five years of this experimental model are beginning to show results, and the initial findings from this large-scale research project show significant and efficient building of both venture capacity and broader social service capacity. This research and the views of many stakeholders, from Scottish Government directors to venture managers to officials on other continents, find Inspiring Scotland’s model to be innovative, efficient, and effective.

The broader world is beginning to take notice. Interest in this work exploring Inspiring Scotland’s impact and its implications is strong among academics, private foundations, and public officials across North America and Europe. The Hong Kong government recently recommended creating a similar body there.

With clear indications that this model adds significant and cost-effective value, there is scope to apply lessons learned in Scotland in a number of allied fields. For example, value-added funding intermediaries like Inspiring Scotland could be embedded in the growing field of social impact “bonds” and other areas in which actors work across sectors to create, measure, and appropriately allocate risk and resourcing for social change. The potential to capitalise on the credibility and skills of multiple sectors is highlighted by the four statements below: ventures believe both public sector and private sector attributes contribute to making Inspiring Scotland “more credible”—a key element in an intermediary.

### Venture opinions on distinctive Inspiring Scotland elements

<table>
<thead>
<tr>
<th>Statement</th>
<th>Percentage of ventures dis/agreeing</th>
<th>N=52</th>
<th>N=46</th>
<th>N=53</th>
<th>N=54</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inspiring Scotland’s relationship with the Scottish Government makes it a more credible organisation</td>
<td>Strongly disagree</td>
<td>12</td>
<td>7</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>23</td>
<td>13</td>
<td>45</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>Slightly disagree</td>
<td>40</td>
<td>22</td>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>21</td>
<td>37</td>
<td>43</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td>Strongly agree</td>
<td>23</td>
<td>17</td>
<td>17</td>
<td>31</td>
</tr>
<tr>
<td>The high proportion of Inspiring Scotland staff with finance and law backgrounds makes it a more credible organisation</td>
<td>Strongly disagree</td>
<td>7</td>
<td>13</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>23</td>
<td>22</td>
<td>45</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>Slightly disagree</td>
<td>40</td>
<td>37</td>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>23</td>
<td>17</td>
<td>17</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td>Strongly agree</td>
<td>23</td>
<td>17</td>
<td>17</td>
<td>31</td>
</tr>
<tr>
<td>Inspiring Scotland takes a business-like approach to philanthropy</td>
<td>Strongly disagree</td>
<td>12</td>
<td>23</td>
<td>40</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>23</td>
<td>40</td>
<td>43</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>Slightly disagree</td>
<td>40</td>
<td>37</td>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>23</td>
<td>17</td>
<td>17</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td>Strongly agree</td>
<td>23</td>
<td>17</td>
<td>17</td>
<td>31</td>
</tr>
<tr>
<td>More funders should act like inspiring Scotland</td>
<td>Strongly disagree</td>
<td>7</td>
<td>13</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>22</td>
<td>22</td>
<td>45</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>Slightly disagree</td>
<td>33</td>
<td>37</td>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>31</td>
<td>17</td>
<td>17</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td>Strongly agree</td>
<td>31</td>
<td>17</td>
<td>17</td>
<td>31</td>
</tr>
</tbody>
</table>

Inspiring Scotland: An Independent Research Report
More broadly, Inspiring Scotland is achieving national-level social impact goals by, in large part, institutionalising and strengthening “fuzzy” elements of society. It works to increase the provision of many services that are commonly regarded as in the public interest and inherently good—higher self-esteem among young people, social inclusion, free play—but that are challenging for statutory structures and systems to produce and distribute to residents. Even if the state can provide such services, voluntary organisations can often offer advantages for at least some aspect of provision: access to marginalised communities, higher trust or decreased stigma, access to additional finances (e.g., donations) or labour (e.g., volunteers or staff working at a discount), and the ability to innovate at the local scale. Inspiring Scotland offers a thoughtful method of building a portfolio of providers of such services, conducting due diligence, leveraging additional resources, and carrying out on-going support and monitoring of the portfolio. This has significant implications.

At the societal level, Inspiring Scotland builds and supports denser networks between and among community-embedded organisations, local and national government, and businesses of many kinds. This can accelerate the creation and dissemination of useful thinking and collaboration. Voluntary sector experts can inform policy and rapidly share the results of new programs that the state might employ at scale. Public servants can access new human, financial, and relational resources in the service of the public good. Businesses can link with organisations and causes that allow them to employ their expertise and people in targeted ways that benefit voluntary organisations and their broader communities—with associated retention, recruitment, tax, and morale benefits.

These trends and advantages are not going away. The global growth in voluntary action, in measuring social impact, and in collaboration across sectors of economic and social life opens up spaces for new and hybrid institutional arrangements like that of Inspiring Scotland.

The complexity and urgency of our social problems demand careful examination of emerging institutional and financing models that aim to meet them. Inspiring Scotland is such a model, and the data here strongly indicate that its first five years have been a success in supporting the achievement of national social outcomes, in creating highly valuable networks of cross-sector actors working for public benefit, and in leveraging financial and human capital in support of both.

This initial, summary report is intentionally broad and results-focused. Further and deeper work, to be published in a variety of venues, will explore key issues surrounding the founding, operation, peers, and future of Inspiring Scotland.
Appendix: Methodology

In the Inspiring Scotland case, the decision was taken to survey four of their funds. This decision was based on Inspiring Scotland’s desires to learn as much as they could about their impact. A genuinely impartial, uncompensated, and independent offer to conduct research exploring their practices was of significant interest to Inspiring Scotland.

Inspiring Scotland’s interest in the survey and its design provided a strong opportunity to discuss their key questions and thoughts on the venture philanthropy sub-sector. However, as in all of the survey work involved in this research project, the balancing of competing demands was a key challenge well before the (comparatively) straightforward work of designing and testing the survey work itself.

In all cases, it was made absolutely clear to the venture philanthropy funds and supported organisations that my work would remain independent and uncompensated. All answers were to be confidential and would not be shared in any attributable form.

This independence was recognised to be of clear and mutual value. The results were likely to be more honest, mitigating the inevitable challenge of criticising the hand that feeds. For Inspiring Scotland, the ability to share results (if they chose) from an independent research project of a respected university was a significant potential benefit for providing evidence of their value and raising additional funds. (It is worth reiterating here that the University of Cambridge and the Gates Cambridge Trust supported the broader research project on which this report is based, but that these findings do not necessarily reflect the views of those organisations.)

The final issue was leveraging Inspiring Scotland’s support to encourage supported organisations to supply while keeping it clear that they would not be receiving the results directly. To counteract this, the process was divided into two pieces. The first was a preliminary email from the CEO of Inspiring Scotland to the main contacts at all supported ventures telling them to expect an email from me in the following week; I was carbon-copied. The second stage was then fully in my control as I distributed the survey.

The method, using the Qualtrics survey package, was: four databases were created (one for each fund), checked, uploaded to Qualtrics, and used to distribute the survey. Each individual was emailed the initial survey link in an email tailored to their fund within Inspiring Scotland. They were sent reminders after one, two, and three weeks if they had not yet completed the survey; a total of 310 such emails were sent via Qualtrics software to solicit survey responses in the first round. Individuals who completed the survey also received a thank-you email.
There were a total of 70 eligible unique organisations in the four funds. The overall response rate (completed surveys only) after two rounds of surveying was 84%, or 59 of 70 organisations.

The basic information of these respondents follows, broken down by fund. It includes the total number of eligible unique ventures per fund, the number of complete responses received, the number of individual complete surveys received, and the response rates for each fund:

1. 14:19 Fund (100%, 21/21)
   - (21* ventures, 23 complete responses, 47 individuals invited to survey by email)
2. Go 2 Play Fund (88%, 7/8)
   - (8 ventures, 7 complete responses, 9 individuals)
3. Go Play Fund (70%, 19/27)
   - (22 ventures*, 12 complete responses, 32 individuals)
4. Early Years Early Action Fund (91%, 20/22)
   - (22 ventures, 24 complete responses, 57 individuals)

*A note on methodology: the within-fund response rates are based on the percentage of eligible organisations that replied. An organisation is counted if it and only if:

1. The organisation is in the fund.
2. The response is the only response for the organisation (there were three cases where multiple staff members responded on behalf of one organisation with a fund; the extra responses were removed, and the retained response was chosen by random number generator).
3. The organisation has not already answered based on being in another fund. In cases where an organisation responded only once as a member of Fund A, but was also in Fund B, there was a challenge in how to report the response rate of Fund B. We care about response rate primarily to indicate how skewed our sample might be, so when an organisation does reply, but only once, it is important to indicate that the organisation did reply. In these cases, Fund B simply excludes the organisation entirely, removing one from the denominator for the response rate calculation.
4. The organisation is not being otherwise exceptional (one organisation, The Prince’s Trust, was excluded based on being an “adjunct” portfolio member that received no funding).

Nearly 600 emails were sent regarding the survey, including introduction in week 0, survey links in week 2, reminders in week 3 to all who have not completed the survey.

It is worth noting that 56% of the respondents had completed their work with Inspiring Scotland (i.e., were no longer receiving funding) at the time of the survey.
Acknowledgments:
This report owes much to many. Over one hundred people—heads of ventures supported by Inspiring Scotland, Inspiring Scotland staff, board members, and investors, members of the Scottish Government, the UK Government, and dozens of others—generously offered their time and insight over scores of hours of interviews and more than one hundred hours of survey response time in 2013 alone. Colleagues at the University of Cambridge, the European Venture Philanthropy Association, and Bain & Company shared valuable conversations about this and many allied topics. Dr. Mia Gray of Cambridge University in particular offered a great deal of expertise and counsel. Any remaining errors or omissions are the author’s.