



# FINAL IMPLEMENTATION REPORT GERMANY

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Deliverable D.T2.3.7

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## Table of Content

1. Introduction .....	3
2. Implementation .....	3
2.1. Target groups involved .....	3
2.2. Stakeholders involved .....	3
2.3. Toolbox elements tested .....	4
2.4. Implementation timeline .....	5
2.5. Activities and interventions implemented .....	5
2.6. Outputs .....	7
2.6.1. Pre defined outputs .....	7
2.6.2. Self defined outputs .....	7
2.7. Compliance with comparability criteria .....	8
2.8. Self-defined success criteria (planned/achieved) .....	10
3. Lessons learnt .....	13
3.1. Description of challenges .....	13
3.2. Description of Lessons learnt and success factors .....	14
3.3. Description of Recommendations .....	15



## 1. Introduction

The German tandem (Development Bank of Saxony-Anhalt - Merseburg Innovation and Technology Center) elaborated the regional adaptation (D.T2.3.1) of the 'Joint concept for Implementation of Pilots' (D.T2.1.2). The German version of the concept described the territorial focus of the program and according to the value chain approach followed by the joint concept it also defined the needs and problems to be tackled by the pilot project as well as the regional, organizational and pilot level goals of the pilot to be achieved in order to solve the addressed problems. The German pilot project plan also included the definition of the target groups to be involved in the pilot and the funnel approach and methodology how the shrinking circle of participants have been planned to be selected in the different phases of the pilot.

The German adaptation of the joint Concept also defined the stakeholders to be involved in the pilot implementation as service providers and regular or occasional partners as well as the interventions to be implemented during the pilot period and the toolbox elements to be tested during the pilots which was the main and general goal of the experimental program.

Based on the adaptation of the joint concept the German tandem implemented the regional pilot project between June 2020 and March 2021. Within the frameworks of the pilot the German partners implemented 3 pilot workshops (kick-off, midterm and project closing), 1 pilot visit. More than two tools have been tested during the pilot which supported social enterprises in Saxony-Anhalt through at least 16 entrepreneurial skills development training sessions, more than 4 entrepreneurial skills development mentoring meetings, at least 2 financial skills development training sessions and more than 4 mentoring meetings for financial skills development.

The German tandem reported on the progress of the pilot project on the 22nd of October 2020 (D.T2.2.2/1 - Pilot Midterm Workshop) and the 24th of November 2020 (D.T2.2.2/2 - Transnational Working Group Meeting in Hungary)

In the following we are providing a detailed description about the results of the German pilot, we also evaluate the achievement of the pilot, highlight the challenges which the German tandem had been facing, present the solutions elaborated for these challenges and the lessons learnt during the pilot, which may be applied and utilized for building the capacities of regional public authorities and financial institutions for developing a supportive social enterprise ecosystem in Saxony-Anhalt within the frameworks of the next phase of the DelFin project and beyond.

## 2. Implementation

### 2.1. Target groups involved

The German tandem involved the following target groups in the pilot project:

- (pre-)founders and/or young social enterprises/startups
- associations with a purpose being classified as social

### 2.2. Stakeholders involved

German partners involved the following stakeholder groups in the pilot process:

- Service Providers (Regular participants in the pilot)



- Existing business support structures
- Small and medium sized enterprises
- Higher research and education
- Social enterprises/startups
  
- Ecosystem members (occasional participants in the pilot)
  - Ministries of Saxony-Anhalt
  - Existing business support structures
  - Regional/Local public authorities
  - Higher research and education
  - University of Applied Sciences Merseburg
  - Small and medium sized enterprises
  - Social enterprises/startups
  - Interest groups including NGOs
  - Other e. g. social associations
  - Financial institutions/service providers

### 2.3. Toolbox elements tested

Tools tested by the German tandem include the following tools from the Toolbox for Promotion of Social Entrepreneurship in Rural Regions (Toolbox in the following). With regard to financing schemes additional programs offered by Investitionsbank were checked for usability for pilot participants.

Category	Tool	Explanation
Business support structures	MarketMate and GrandUp! partly	German tandem developed an incubation process including a need-based pilot program (which will be included in the toolbox) where pilot participants received non-financial support services in the form of training, coaching etc. as well as a certificate attesting their participation in the program (elements of MarketMate). Furthermore, this tool also considered elements of GrandUp! namely the accompaniment by experts and/or mentors as well as the registration and pursue of target agreements.
	BSS - Advisory and consulting	German tandem copied the approach of mutual learning (element of BSS - Advisory and consulting) to further develop its incubation process and need-based pilot program as well as its own competencies and those ones of their pilot participants to challenge their business ideas. Therefore, at least every pilot workshop has been combined with a feedback loop (which will be included in the toolbox) between pilot participants and the tandem partners.
Financing Schemes:	<a href="#">Mezzanine loan for SMEs</a>	Pilot participants were provided with information and advice on selected financial instruments in order

	(as part of Sachsen-Anhalt Impuls)	to find out which financial instruments were suitable, which were not, and why. <a href="#">Mezzanine loan for SMEs</a> as part of Sachsen-Anhalt Impuls is already included in the Toolbox. Startup-loan Sachsen-Anhalt Impuls has been implemented once as part of the project.
	Sachsen-Anhalt Weiterbildung Betrieb (grant)	A grant product has been also investigated for applicability and one participant was already successfully using this product. Tool is not included in the toolbox.
	Sachsen-Anhalt DIGITAL (grant)	Only advice was given on this tool during the pilot; it was not used because the eligibility requirements were not met. Tool is not included in the toolbox.
	Ego-Gründungstransfer (start-up transfer)	Only advice was given on this tool during the pilot; it was not used because the eligibility requirements were not met. Tool will be included in the Toolbox after the pilot.
	<a href="#">Ego.Start I – Scholarship: Grant for start-ups</a>	Only advice was given on this tool during the pilot; it was not used because the eligibility requirements were not met. Tool is already included in the Toolbox.

#### 2.4. Implementation timeline

The German pilot project had been implemented according to the following timeline:

Steps	Description	Start	End
1.	Ideas competition	March *20	June *20
2.	Adapt the joint concept for implementation	June *20	-
3.	Selection of pilot participants	June *20	July *20
4.	Kickoff pilot workshop, online	July *20	-
5.	Implementation of pilot program	July *20	March*21
6.	Monitoring kickoff Monitoring midterm	August *20 October *20	- -
7.	Pilot visit, online (hosted)	October *20	-
8.	Pilot visit, online (visited)	October *20	February*21
9.	Midterm pilot workshop, online	October *20	-
10.	Evaluation of pilot program	December *20	May *21
11.	Final pilot workshop, online	March *21	-
12.	Final implementation report	June *21	-
13.	Evaluation of project result	April *21	June *21

#### 2.5. Activities and interventions implemented



The German partners implemented the following activities and interventions for testing tools from the Toolbox within the frameworks of the regional pilot project:

Category	Activity/intervention	Content (topics)
Pilot workshops	Kickoff pilot workshop	1) Introduction of the pilot program with selected pilot participants/pilot teams (having a first pitch session) and regional stakeholders from Saxony-Anhalt. 2) Overview of the social challenges in regional rural areas of Saxony-Anhalt (evaluation of the analysis).
	Midterm workshop pilot	1) Discussion and analysis of the experiences made and handling of obstacles during the first half of the regional pilot program in Saxony-Anhalt. 2) Determination of feasible potential for improvements and recommendations with pilot participants/pilot teams and stakeholders for the second half of the regional pilot program.
	Final pilot workshop	1) Official conclusion of the regional pilot program in Saxony-Anhalt with various actors of the pilot project. 2) Derivation of joint recommendations for specific support offered by the public administration as well as funding and financing institutions, which resulted from the experiences made with the pilot participants during the nine months of the regional pilot program.
Pilot visit (hosted)	Has been implemented with partners and stakeholders from Hungary: 1) to learn from the German tandem how to deal with similar problems in their own pilot project and to deepen the transnational exchange of experiences. 2) to incorporate the findings that kindly resulted from that pilot visit into the implementation of the regional pilot project of Saxony-Anhalt.	
Pilot visit (visited)	Has been implemented through our partners from Croatia, Hungary and Italy: 1) to learn from those partners how to deal with similar problems in our own regional pilot project and to deepen the transnational exchange of experiences. 2) to help those partners (e. g. via feedback) to determine and incorporate findings that kindly resulted from that pilot visits into the implementation of their own regional pilot projects in Croatia, Hungary and Italy.	
Entrepreneurial skills development training	Either thematic trainings and/or workshops to improve the participants basic knowledge to focus on the development of their business idea e. g. legal forms, marketing etc. combined with individual coaching sessions afterwards	
Entrepreneurial skills development related mentoring meetings	Accompaniment by experts and/or mentors engaged by PP2 supporting the pilot participants/pilot teams in developing their individual business models during the second phase of the regional pilot program e. g. focussing data security.	
Financial skills development trainings classes	Either thematic trainings and/or workshops to improve the participants basic knowledge regarding elements of classical business administration and different innovative financial instruments e. g. crowdfunding, fundraising etc.	
Financial development related mentoring meetings	Accompaniment by PP1 supporting the pilot participants/pilot teams in developing their individual financing and funding strategy during the second phase of the regional pilot program e. g. focussing financial products.	



Networking activities with stakeholders/partners	Networking 1	On-site event for the exchange between regional stakeholders, network partners, pilot participants and interested parties at the place of a pilot participant.
	Networking 2	Online event for the exchange between participants.

## 2.6. Outputs

As a result of the pilot project implementation German partners achieved the following pre-defined and self-defined outputs.

### 2.6.1. Pre defined outputs

No.	Output indicator	Planned value	Achieved value	Means of verification
1.	Number of target group members addressed	25	Approx. 25	can be proved by emails
2.	Number of target group members involved in the project	10-15	10	can be proved by contracts
3.	Number of target group members starting new business (model)	4	4	can be proved by target agreements
4.	Number of pilot visits implemented by your organization	1	1	can be proved by event report
5.	Number of pilot visits your organization participated on	1	3	can be proved by attendance list
6.	Number of pilot workshops (kick off, midterm, final)	3	3	can be proved by event report

### 2.6.2. Self defined outputs

No.	Output indicator	Planned value	Achieved value	Means of verification
1.	Number of partners (service providers and regional network) involved in the pilot project design, development and implementation	6	> 6	can be proved by contracts
2.	Number of tools adapted in the pilot project	2	> 2	can be proved by tool description
3.	Number of entrepreneurial skills development training classes and workshops	14	> 16	can be proved by overview of modules
4.	Number of entrepreneurial skills development related mentoring meetings	4	> 4	can be proved by overview of modules



5.	Number of target group members (organizations+teams+natural persons if private entrepreneurs) regularly participating in the above entrepreneurial development activities (50% or higher participation ratio)	not relevant	not relevant	
6.	Number of financial skills development trainings classes and workshops	2	> 2	can be proved by overview of modules
7.	Number of financial development related mentoring meetings	4	> 4	can be proved by notes of PP1 and e-mails and by target agreements
8.	Number of target group members (organizations+teams+natural persons if private entrepreneurs) regularly participating in the above financial skills development activities (50% or higher participation ratio)	not relevant	not relevant	
9.	Networking activities with stakeholders/partners	not planned	2	can be proved by attendance list

## 2.7. Compliance with comparability criteria

In order to ensure the compliance of the different regional pilot projects with the objectives of the project as described in the Application form as well as their comparability and measurability, the joint concept defined output and quality level comparability criteria. Output level comparability criteria had been met by the German tandem during the pilot implementation as follows.

Output level comparability criteria	Target	Achieved	Means of verification
Number of pilot projects	1/country	1	Final Implementation Report
Adaptation of tools from the toolbox	1/country	2	Final Implementation Report
Involvement of local business support organizations into pilot development and implementation	YES	YES	can be approved by attendance lists
Involvement of local public authorities into pilot	YES	YES	can be approved by attendance lists



development and implementation			
Involvement of local financial institutions into pilot development and implementation	YES	YES	Involvement of Investitionsbank Sachsen-Anhalt as project partner
Development of business skills	YES	YES	can be proved by target agreements
Development of financial capacities	YES	YES	can be approved by target agreements and notes of PP1
Number of participants addressed	25/country	Approx. 25	See 2.6.1. Pre defined outputs!
Number of participants participating in development activities	10/country	10	See 2.6.1. Pre defined outputs!
Number of participants successfully completing pilot goals (starting new business)	4/country	3	See 2.6.1. Pre defined outputs!

As for the quality level comparability criteria, they will be discussed in the general Evaluation Report (D.T2.7.3) as the pilot project plans had been evaluated by PP4 (IFKA) as well as the level of satisfaction of stakeholders and participants that had been analyzed based on the results of the evaluation surveys also compiled by IFKA.



## 2.8. Self-defined success criteria (planned/achieved)

During the planning process of the German pilot project the tandem partners defined criteria of successful pilot implementation as part of the adaptation of the joint concept for German circumstances. Accordingly, all main project activities have been associated with objectives which described what the partners expected from pilot activities. Each objective had been associated with success criteria describing when the partners would consider the objectives met and the pilot activities successful. Partners also defined the measurable indicators of fulfilling the success criteria and the values of indicators they planned to achieve in order to fulfil success criteria. Finally, the tandem members defined measurement tools and methods for measuring the value of the indicators and feedback plans for actions in case of not achieving the planned indicators. In the followings the German tandem describes how the success criteria have been applied during the pilot implementation.

### 2.8.1. Applicability of self-defined success criteria

Pilot activities	Objectives	Success criteria	Indicator	Expected value	Measurement tools/methods	Applicability of the criteria during the pilot implementation (YES/NO)
Integration of toolbox elements	↑ Usage of existing structures	1. Usefulness/satisfaction	Usefulness	↑	Feedback / questionnaire	YES
	↑ Improvement of tools/instruments	2. Adaptability/Usability for SE				YES
Development of entrepreneurial skills of the target group	↑ Appreciation/willingness of founding	3. Willingness to found	Willingness	↑	Feedback/questionnaire	YES
		4. Business readiness	Completion of businessplan (except financing plan)	↑	Assessment of experts	Partially



Mentoring with regard to financial issues	↑ Understanding of business founding & administration*	5. Business readiness	Completion of financing plan	↑	Feedback Assessment of financial expert	YES
	Better understanding of financial needs of SE	6. Starting points for product improvement/development	Positive consultations in IB for SE	#	documentation	YES
Involvement of local business support structures, financial institutions and local authorities into the implementation	mutual learning, awareness raising, knowledge improvement	7. Significance of SE Capacity improvement	Significance	↑	questionnaire at beginning and end of pilot	Partially
			Improvement (self-evaluation)	↑		Partially
Exchange of experiences (pilot visit)	transfer of knowledge, mutual learning	8. Capacity improvement	Improvement	↑	questionnaire at beginning and end of pilot	YES

### 2.8.2. Results and conclusions regarding the application of self-defined success criteria

Pilot activities	Success criteria	If the criteria had been applied what was the value achieved,	If the criteria could not have been applied, what was the reason of non-applicability?
Integration of toolbox elements	1. Usefulness/satisfaction	Yes, several tools have been integrated into the incubation process and the need-based program, which means they were useful for our pilot participants. Our most likely startups were quite satisfied in overall.	
	2. Adaptability/Usability for SE	Yes, most tools selected were easily adaptable to the special needs of our pilot participants. The tools selected concerning the program on entrepreneurial skills have been usable for all pilot participants.	
Development of entrepreneurial	3. Willingness to found	Yes, willingness increased during the second part of the program (e. g. mentoring on data protection, pitch training)	



skills of the target group	4. Business readiness	Partially, because during the program (driven through exchange with other participants and our feedback) there were some participants deciding to develop a new business idea, different from their initial one, as well as participants developing their initial idea, but in a different way. Anyway, 9 months of individual accompaniment would be preferred by all participants compared to a combination of group training and individual coaching.	
Mentoring with regard to financial issues	5. Business readiness  6. Starting points for product improvement/development	1 financing plan completed and 1 financing implemented by PP1, 1 more financing plan assessed.  2 direct consultations, in addition: Review of all IB financial products for applicability to social entrepreneurs. Result: All financing products available at PP1 can in principle be used by social entrepreneurs but in part slight adjustments would be useful.	
Involvement of local business support structures, financial institutions and local authorities into the implementation	7. Significance of SE Capacity improvement	Partially, because of COVID-19 some events had to be cancelled. Nevertheless, partners and stakeholders involved during the pilot phase seemed to develop a better understanding of and a higher interest in the topic of social entrepreneurship driven by our efforts to regularly integrate best practices and storytelling of already running social entrepreneurs.	
Exchange of experiences (pilot visit)	8. Capacity improvement	Yes, improvement of knowledge regarding the handling with similar obstacles.	



### 3. Lessons learnt

According to the joint concept of regional pilot projects the main goal of the pilots has been to test the tools for social enterprise development collected in the Toolbox for Promotion of Social Entrepreneurship in Rural Regions. The outcomes of the pilot projects are therefore especially important since the next phases of the DelFin project, particularly the capacity building, the strategic and action planning will benefit a lot from these outcomes and should be built on the experiences of the partners and the lessons learnt during the pilot process. Therefore, in the followings we summarize what kind of challenges the German tandem have been facing with, what kind of lessons they learnt during the pilot implementation and what kind of success factors they have identified in case of applying social business development tools. Finally, we summarize what kind of recommendations have been formulated by the tandem partners for regional public authorities and financial institutions regarding the successful adaptation and application of business development tools and support schemes for social enterprises among rural circumstances.

#### 3.1. Description of challenges

The tandem partners defined challenges regarding testing the tools and implementing the pilot in general based on their experiences they gained during the implementation of the regional pilot project. Besides identifying the challenges they categorized these problems and obstacles and described what kind of solutions they found for the challenges if they found any at all.

Challenge	Category	Solution found (if any)
<b>Challenges regarding testing the tools</b>		
Testing a coworking space	COVID	Online platform and video calls offered which have been running well quickly
Offering a program for exactly x (in our case 9) months	Adequacy of tool (heterogeneity of participants ideas)	Adaption to specific needs of participants which in turn meant to invest more human resources
Selling a certificate as an incentive	Adequacy of tools (heterogeneity in the perception of this tool as an incentive)	Hand over as certificates of attendance (considered as an additional incentive)
Testing of financial tools	Stage in the life cycle	Adaption of pilot program in second half
<b>Challenges regarding implementing the pilot</b>		
Acquiring enough/highly motivated participants	Start of COVID	Spread/shared online and by word of mouth as good as possible with the help of regional network partners
Offering network opportunities	COVID	One on-site/two online meetings offered as well as integration in other events and projects of PP2 if feasible
Involvement of stakeholders	COVID	Kept them informed as good as possible and regularly giving them >a job< within the program e. g. as a jury member

Continuous involvement of participants	Target group activity	Try to be as flexible as possible when setting the dates which in turn meant to invest more human resources
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### 3.2. Description of Lessons learnt and success factors

As it had been mentioned in the introduction, German partners also described what lessons they learnt / success factors they identified regarding the applicability/ transferability of the tools tested and the implementation of the pilot project in general

Success factors/lessons learnt regarding the applicability and transferability of the tools tested	
1.	Potential social startups should not be addressed by the terminology of social entrepreneurship but by the challenges and characteristics the topic comprises
2.	A longer companion of the participants is more effective than a short one
3.	A combination of training and mentoring improves the quality of their concepts
4.	The offer of individual accompaniment by experts and/or mentors resulted in the highest satisfaction expressed by the pilot participants and the service providers
5.	A targeted and long-term accompaniment through consulting/coaching of social entrepreneurs can help to ensure the sustainability of their economic success.
6.	The (spontaneous) offer of the program in a digital way with digital methods and instruments has been adapted and evaluated successfully by the pilot participants
7.	Exchange opportunities with stakeholders/experts/social entrepreneurs (e. g. pilot workshops) motivated participants much more than the prospect of a certificate
8.	A scouting process and the collaboration with universities could possibly help to reach more participants as well as to spread information about such a program
9.	Existing financing products and services can in principle be used by social entrepreneurs. What still remains important is the need of a coherent and sustainable business concept as well as the debt service capability.
10.	Crowdfunding is only a suitable instrument in individual cases. For this purpose, it is necessary to have a coherent business model that appeals to the crowd, to know your target group and its needs very well, and to conduct very comprehensive public relations work outside the crowdfunding campaign as well.
Success factors/lessons learnt regarding the implementation of the pilot project in general	
1.	It is important to have a permanent contact person for the pilot participants and service providers as well as to regularly update the program schedule if needed
2.	It is not all about having a business plan as soon as possible. From time to time participants just need an individual feedback or a word of advice for reflection
3.	While founding the decision for a legal form is in many cases not the primary object for potential social entrepreneurs rather than the focus on the benefit to the public
4.	The integration of already existing structures can be evaluated as very productive
5.	Even traditional business models can benefit and develop a social component. For this purpose, there is a need to higher the appreciation and visibility of the added value by social entrepreneurship and to develop a corresponding self-consciousness
6.	The heterogeneity of the pilot participants resulted in a higher need of human resources but also in a maximum of experiences made within just 12 months

7.	An incentive suggested by the pilot participants themselves to create some more engagement within such a program is a system of rewards and punishment to vivify an active participation with regard to trainings, workshops and additional events
8.	The diversity of the project actors involved offered a quick access to regional networks and important business support structures for pilot participants
9.	A regular questioning of the pilot participants ideas from different perspectives was essential for improving the self-perception of their own idea and its development
10.	The integration of highly motivated participants into the pilot program has been easier compared to participants developing their business idea along the way

### 3.3. Description of Recommendations

Finally, the German tandem summarized and described the recommendations they formulated based on their experiences (challenges, solutions, lessons learnt, success factors) for regional stakeholders (financial institutions and local authorities/municipalities) regarding the development of rural social enterprise ecosystems!

General recommendations for funding/financial institutions and local authorities/municipalities	
1.	Being considerate to the characteristics of the own/the focused region. Trying to not fall to comparisons with others. Considering also the possible specific characteristics and different starting points of (potential) social entrepreneurs (compared to classical startups)
2.	Public decision-makers are usually unaware of the high social and economic contribution of social entrepreneurs and the entrepreneurs often do not present themselves in an obvious or descriptive way. Therefore, using best practices/experienced social entrepreneurs to illustrate the viability of social entrepreneurship to decision makers can be very helpful
3.	Increasing the understanding of the complexity of financing social entrepreneurs (e. g. low revenue share, sustainable financing through donations) can be assistant to all involved
4.	Trying to progressively issue themselves with guidelines to support social entrepreneurs, e. g.
a.	adjust existing services and products to the specific needs of social entrepreneurs can be a reasonable first step. In many cases classical and social startups face similar challenges
b.	cooperating with universities and business incubators can help to investigate social startups
c.	industry-specific financing advice for (potential) social entrepreneurs can be quite good offer

According to the preliminary plans of the following work packages and activities in the DelFin project the capacity building activities for regional authorities and financial institutions will be based on these recommendations, experiences and lessons learnt by the partners on the adaptation of social business development tools and schemes for supporting the establishment and development of an effective social enterprise ecosystem in rural regions.