The Triple Helix of Social Tech Innovation
INTRODUCTION

At Nominet Trust, we often talk about the Triple Helix of social tech innovation. The ‘Triple’ describes three types of value that social tech ventures need to articulate, develop and evidence in order to grow into successful, sustainable social ventures operating at scale. The ‘Helix’ describes the way in which the three values interrelate at different stages of the venture’s development, and also hints at the dynamic, changing nature of the ways these values are articulated and demonstrated over time.

In this paper, we have set out to describe the Triple Helix against our own model of change, articulating what we expect to see from social tech ventures at different stages of development. This understanding has come from reviewing the ventures and projects we support, observing and analysing developments across the social tech landscape, and crucially from talking with people who live developing social tech innovation. With that in mind, particular thanks needs to go to Nick Stanhope, Kieron Kirkland, Paul Miller and Annika Small.

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WHY IS THIS IMPORTANT?

This document does two things. First, it describes our understanding of how social tech ventures develop and how we, as a social investor and grant maker respond to the needs of creating new ways of addressing persistent social challenges. We have organised our investment strategy and operational plan around this model of change, so for others interested in supporting social tech ventures and for those considering applying for Nominet Trust support, it sets out our position as a starting point for conversation and development.

Second, it begins to address some of the significant challenges in supporting innovative approaches to addressing persistent social problems. Identifying the importance of all three values combined and using the right metrics to measure development, growth and success are vital if we are to find new ways of addressing big social challenges. By failing to focus on one of these values, the venture becomes either unsustainable, ineffective or does not create the social return required. Equally, by using inappropriate metrics we make incorrect judgements and potentially hinder ventures with incredible potential by measuring them by the wrong stick.

In a new area of development – such as where we are with the use of digital technology for social good – it takes time to develop new approaches

There’s a misconception that digital technology speeds up the rate at which change comes about. This is true for established fields and approaches, but in a new area of development – such as where we are with the use of digital technology for social good – it takes time to develop new approaches. As Andrew Hargadon describes of the biggest socio-technological revolutions: they take decades to develop and then, when they do, they change everything overnight. At Nominet Trust we’re working hard to develop the overnight successes of tomorrow that transform some of the biggest social challenges faced by individuals and our communities.
THE THREE VALUES OF SOCIAL TECH

At the core of the Triple Helix model are three values that social tech ventures need to relentlessly focus on: Social Value, User Value and Financial Value.

Commercial tech entrepreneurs set out to generate and demonstrate two types of value: user value and financial value. This essentially breaks down as generating enough value to a user that they will choose to use your product/service in a way that generates economic value, whether by paying for it directly or creating a saleable data footprint or marketing opportunity that means others will pay. There are many other ways user value translates into economic value, but those two are the core foci of building a commercial enterprise.

Social tech entrepreneurs have a different job. They have to establish and grow three types of value: social, user and financial. The additional social value is, of course, what makes them social tech entrepreneurs rather than tech entrepreneurs, but it creates a significant refocusing of the venture. Whilst it creates a whole raft of benefits, not least to the wider community, it creates a harder task in achieving success.
Put simply, we would argue that creating a social tech venture is the hardest type of venture to grow, as aligning social and user value is an incredibly complex addition to the already difficult task of starting and growing a venture. Where it can be done though, there are remarkable rewards.

**Social Value**
At the heart of any social tech venture is the ambition to generate social value: a positive impact on the health, resilience and sustainability of communities and society. It’s integral to all social activities and is often, though not always, the starting motivation for a venture, whether aiming to add specific benefits or address a particular problem.

The clearer and earlier that evidence for social value emerges, at whatever scale and within whatever context, the more likely it is to make it through the initial stage and into further cycles of funding.

Just as commercial tech startups make their way through the early stages of development on the promise of user value, so social tech entrepreneurs aim to create a strong argument for why their approach will generate social value. These arguments, or assumptions, become the focus for development. They are strengthened through testing, refinement, re-articulation and then evidencing through data, stories, feedback and comparison to what has come before. They become vital tools in developing a social tech venture as they become more able to explain its social worth and describe its ambition.

Ultimately, the clearer and earlier that evidence for social value emerges, at whatever scale and within whatever context, the more likely it is to make it through the initial stage and into further cycles of funding. This is what makes the formative design and development phases of a project highly focussed on generating and demonstrating social value.

The shift in focus from outputs to outcomes has done great things for focussing the work of social organisations

The Third Sector and civil society are getting better at measuring social value and in defining metrics that have shared currency as ways of articulating, and proving social value. Often these have been borne from large scale development work and have been reused and reappropriated for use by charities and social organisations. Having clarity around social measures is useful and the shift in focus from outputs to outcomes has done great things for focussing the work of social organisations. However, if these measures are used too soon in a ventures development, we risk marking new approaches as failures well before they have had a chance to realise their potential.
In the first few years of a commercial tech venture’s life, investors take a gamble that proxy measurements of user value can be translated into economic value: that the number of people visiting a site, or sharing it with friends can be translated into customers. These early indicators of user and financial value are well understood in the tech development space, but we don’t have such indicators for demonstrating the potential of realising great social value. We don’t have the proxy measurements that act as early indicators of potential because the sector is so new that we don’t know what really shifts from potential to actual.

**Early indicators of user and financial value are well understood in the tech development space, but we don’t have such indicators for demonstrating the potential of realising great social value**

At the earliest stage of development, this is what we at Nominet Trust look for: an ability to demonstrate the potential of a new approach to address a significant social challenge. Although it’s almost heretical for a grant maker to say it, at this stage of development we don’t expect a venture to realise social value, instead we look for demonstrations of potential. As we do this, we’re creating a set of early indicators that we will look to develop as ‘lean social metrics’ that help new ventures quickly test their potential, mimicking the lean startup metrics used by so many tech entrepreneurs.

Using external indicators whenever possible (that is metrics outside of the venture’s control) we look for strong arguments build on a theory of change. Ideally this theory will link to other’s people work, but explain how the venture aims to improve or extend that work. Once potential is developed, we seek to help strengthen the arguments for the venture’s approach before looking for more formal and established methods of measuring social value.

**User Value**

In order for a social tech venture to realise its potential social value, it needs to create user value: in that potential users will choose to use the product. Whether direct beneficiaries of the product, intermediaries or purchasers (and very often a mix or all three), a social tech venture must create a product or service that has a strong enough proposition to secure choice making.

Commercial tech ventures focus relentlessly on creating value for their users, and this relies on a profound understanding of the intrinsic motivations of the target audience. The process to establish this understanding is usually free of assumptions and idealism. It seeks to find evidence of existing behaviours – what people do, not what they should do – and integrate this into every element of design, development and testing.
If a venture can’t realise user value, there is little chance that any of the social value can be achieved – except perhaps in contexts where users have no choice (for example where legal requirements enforce participation, such as attending a job centre). Social tech entrepreneurs have to focus relentlessly on creating a product/service that develops around the maximisation of user value.

At Nominet Trust we seek to understand how user value can be created and look for evidence of proxy measures that give an indication of potential value

Aligning social and user value can be challenging, and developing a product in-line with maximising user value can diverge from the social ambition of the venture. ‘Social desirability bias’ is one description of the gap between stated intentions and actual behaviours – that we don’t always act in the way in which we say we want to, or in the best interests of ourselves and those of our community. Similarly we know that knowledge of what is ‘best for us’ doesn’t always translate into our own behaviours and choice making: the number of people smoking, texting whilst driving or saving for old age are examples of this. The challenge for social tech ventures is to align the beneficial practice with user value, or indeed, with the emphasis the other way around: aligning choice making and existing practice with pro-social behaviours.

This doesn’t mean that social tech entrepreneurs don’t have to take on the tough challenge of reconciling social value and user value within the same products and services and within the same user experiences. Moreover, the rewards of achieving this reconciliation are enormous. Generating genuine user value attaches social tech ventures to one of the most powerful, systemic forces in our society: consumer demand. When intertwined within genuine social value, this combination transforms the scale, breadth and depth of engagement, it opens up substantial new investment and it establishes real sustainability.

Lean startup metrics provides a range of indicators that user value is being realised. The approach offers alternative indicators that your audience is interested in your approach and investors ‘bank’ on the way in which interest can be translated into custom. At Nominet Trust we seek to understand how user value can be created and look for evidence of proxy measures that give an indication of potential value. Combined with similar proxies for social value, at the earliest stages of development we look to demonstrate potential for these new approaches, before turning our attention to realising such potential.

One of the challenges we seek to address through this approach is to separate stated intentions from actual behaviours. It is disappointing to review the thousands of well-intended approaches
that have great social ambitions and energy, but that ultimately fail to achieve the social change they set out to create. Often it is because they rely too heavily on creating socially-minded projects without a strong enough focus on user value. To this end we place a lot of emphasis on the use of prototypes and MVPs (minimum viable products) to test key features and to observe behaviours, rather than to capture ‘articulated desires’. Similarly we place a strong emphasis on co-design as an opportunity to work with, and to understand, the community of actors.

Designing for and creating user value creates demand that can help grow and sustain a venture, and through that to realise the social value that is at the heart of the ambition of the social tech venture. If those two can be aligned, then there is much potential for realising the third strand: financial value.

**Financial Value**

Financial value is vital in growing and sustaining any venture as it is the translation of other values into the income required to invest in, and to sustain the venture. Demonstrating social value can translate into grant funding, sponsorship or contracts; user value can translate into paying customers or investment from angels and Venture Capitalists. The combination of user and social value can be translated into all of the above, but also a range of other social investments. The UK has a growing social investment scene and ventures that can combine user and social value are best placed to take advantage of it.

Simplistic as this is, it points to an obvious benefit of establishing both clear user value and measurable social value in the early stages of social tech development. These two strands of value become intertwined with a stronger third strand of financial value. In the early stages and throughout the venture’s life, this would be in the form of a much wider pool of potential investors and, after launch, of income linked to broad, deep user engagement.

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As with the two values discussed above, at the earliest stage of development this starts with articulating the assumptions about potential routes to financial value that must be tested throughout the development period. Again, proxy metrics must be found to help give confidence to these assumptions before they can be realised. From describing similar markets and price points, to testing products with intended customers, to holding conversations about demands and needs from future investors, there are a number of methods to test out the assumed business plan.
At Nominet Trust we realise that there is a significant challenge in asking early-stage ventures to accurately identify their sustainability plans at a point where these are 4-5 years away. However, it is vital that ventures at every stage of development begin to articulate and test their intended pathways. Even if grant funding or social investment is needed to help the venture to progress, there is still a necessity to test out a longer term sustainability plan.

In many social ventures the purchaser is separate from the end beneficiary: schools purchasing on behalf of pupils; NHS Trusts purchasing to give value to patients etc. On the face of it, this creates greater complexity for social tech ventures, but it is something many Business-to-Business models already address. Creating and demonstrating user value needs to happen for all ‘users’ of the product or service. This means articulating, testing and developing the value for end users (or end beneficiaries) but also other users, such as intermediaries, purchasers and commissioners. Articulating the benefits to them in a way that creates financial value is important. In many cases significant demand from end users will be enough to convince investors that financial value can be realised, well before a business model has been established. Twitter and Facebook are great, if extreme, examples of where mass user value translated directly into investment well beyond the business transaction with consumers. Similarly Kickstarter presents a model where it is transparent that different users place different value on the product – where one person will invest £5 to help realise a product, another will invest £2,000. Identifying the various values to different end users, and from there identifying how they can translate into a (or many) financial values is as important a strand of development as the previous two.
THE TRIPLE HELIX IN PRACTICE

To create sustainable and scaled social tech ventures takes time, supportive investment and a honesty about testing and developing each strand of the Triple Helix model.

The relentless focus on realising the three values of the Triple Helix places demands on the development of the venture and the technology solution being created. The technology needs to move from MVP towards a more robust product, whilst the organisation matures to add new functions and capacity to ensure the technology can be developed, shared and ultimately that the Triple Helix can be realised.

Fig.3 above indicates how we expect the technology to develop as a venture develops, and similarly how the organisation grows to ensure it can deliver on its potential. These two elements are vital as they ensure that the three values of the Triple Helix can be realised. We place a high priority on the strength and makeup of the teams that we support and expect them to grow as they focus on building their work.

In Fig.4 the Triple Helix model is mapped against the stages of development that we look to fund – from our earliest stage of investment at ‘Demonstrate’ stage, progressing up to ‘Scaling’
as an ongoing active practice. We would expect this journey to take between 5–7 years and it is important that our approach moves away from the inappropriate ‘pilot to scale’ approach, to one that looks at a more continuously evolving approach.

We ask the ventures we fund to follow our Triple Helix model by testing and reporting on each of the three values at regular intervals. This consistent focus on the articulation, development and evidencing of these values is vital if we are to support sustainable, effective and scaled social tech ventures. With that in mind, against each of the three values we ask ventures to articulate their assumptions for what the value is that they are creating; describe how they will measure it based on relevant indicators; and then to reflect on what they have done, learnt and will change based on the previous periods’ work. Whereas the questions we ask are consistent, the answers are intended to change and develop as the ventures seeks to achieve its social, user and financial value.

Anyone developing a social tech venture can do this as a reflective practice: articulate the three values that you seek to create, note how you will judge whether they have been achieved (in both the short and longer term) and consider what needs to be done to test and evidence those assumptions further. It is useful to make these notes and to then focus in a way that ensures the three values are taken into account. To mimic how this piece started: failing to focus on one of
these values leads the venture to become either unsustainable, ineffective or does not create the social return required. However, building and realising these three values creates social tech ventures that, after years of hard work, can change everything overnight.

The following diagram shows the progress that we might expect to see in a social tech venture as it develops. It’s important to note that some ventures may start with really strong user value but struggle to demonstrate or prove their social value; others might have a strong articulation of social value which convinces grant makers (therefore creating financial value) but have challenges around generating user value. As such, figure 5 illustrates how the model might evolve as a venture develops, though it is more realistic that each venture will have different elements of the Triple Helix at more advanced stages than others at any one time.

1. **DEMONSTRATE**  
   Earliest stage of NT funding, aiming to demonstrate the potential of a new approach to addressing a social issue.

2. **DEVELOP**  
   Realising social value through engagement with larger numbers of beneficiaries/users.

3. **READINESS**  
   After evidencing social value and confirming partnerships or routes to market, this period of work focussed on ‘getting ready to scale’ – often addressing weaknesses in one or two areas (such as marketing or sales).

4. **SCALING**  
   Ongoing process of growing user numbers, market presence and extending into new markets.

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![Diagram showing the progression of social tech ventures through four stages: Demonstrate, Develop, Readiness, and Scaling.](image-url)
These stages of development create the commonality across a wide range of diverse social ventures using varied technology approaches. By mapping a venture’s stage of development against the Triple Helix we can begin to build up a picture of the social tech ventures we have funded, each testing, progressing and developing the use of technology for social good. As different ventures evidence their user value and enhance their arguments for social value, pride can be taken in the progress towards addressing significant social challenges, even though that may take the best part of a decade.

As we look at the community of social tech entrepreneurs and support them to focus relentlessly upon developing their work against this model, we can adapt our work to best support them, whilst acknowledging the UK’s role at the centre of social tech development.
Digital technology offers a phenomenal opportunity to stimulate new forms of collaboration, to mobilise new communities of interest, and to unleash the imagination of millions of users in addressing specific local and global challenges.

Nominet Trust believes in harnessing the power of digital technology to improve lives and communities.

As one of the UK’s leading social tech funders, we bring together, invest in and support people committed to using digital technology to create social and economic value.

Through our on-going research programme we identify specific areas of need and channel funding towards initiatives designed to make a significant difference to people’s lives.

Since our inception in September 2008, Nominet Trust has invested more than £21 million in hundreds of ventures, providing business support as well as financial investment, seeking to use digital technology to tackle complex social problems.

To find out more about our work or how you can apply for funding, please visit:

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