

# **Integrating Sustainability into Sector Agnostic Innovation Hubs: The Case of Venture Café Global Network**

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# **Integrating Sustainability into Sector Agnostic Innovation Hubs: The Case of the Venture Café Global Network**

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## **Abstract:**

Given the increasing complexity of global ecological and social problems, innovation plays a key role in solutions for sustainable development. Within innovation ecosystems, intermediaries such as innovation hubs play an important part in influencing other actors like startups, investors and policymakers to create solutions for change. Therefore, it is essential that innovation hubs incorporate sustainability into their practices, if they are to contribute to addressing the Global Sustainability Challenge (GSC).

To see how this could be done, this study examines the case of the Venture Café Global Network (VCGN) a type of sector agnostic innovation hub. The study used a multi-method qualitative approach. Data was gathered through semi-structured interviews with different players in the innovation ecosystem, as well as with actors from within VCGN, and through a documentary analysis.

The results and discussion are presented according to certain overarching themes that emerged from the interviews and answer the research questions. Along with a longer list of recommendations, this study concludes that the adoption of a shared organisational definition of sustainability is the bedrock for any sustainability integration and vital for innovation hubs to impact other actors in their innovation ecosystems, to address the GSC.

## **Keywords:**

Innovation, Innovation Ecosystem, Innovation Intermediaries, Innovation Hubs, Sustainability, Organisational Definition of Sustainability

## Statement of Contribution

This thesis was written in collaboration with the Venture Café Global Institute (VCGI). Given Sierra's previous involvement with the organisation, she invited VCGI to partner with us to create solutions to address the global sustainability challenge, as the Venture Café Global Network (VCGN) network expands. In response, VCGI agreed to explore sustainability more seriously through this collaboration.

Our international team of four coalesced around mutual respect for each other's professional experience and a shared belief that innovation hubs could offer the scale of response needed to address the sustainability challenge. We honed our focus on the potential of sector agnostic innovation hubs to drive and model sustainability, and thus the *Sustainnovators* team was born! The question then became how to scope our research in a way that provides meaningful academic insights for real-world impact.

For our effective team work, we designed a leadership compass and agreed on common parameters, principles and ground rules. We agreed to build on our strengths and together embarked on a research journey that amounts to this thesis herein. Ultimately, our commitment to lift each other up proved effective and yielded tremendous learnings and a product we are proud of. We are grateful to have been able to contribute to the growing body of research in the field and look forward to continuing to deepen the inroads and apply the recommendations we generated, as we move forward.

The following paragraphs provide context on each author's contribution to the study. To be clear, the order of author nomenclature was randomized and is not reflective of any hierarchy in contributions.

Together, all four of us participated in the literature review, delineated the scope and developed the overall goals of the research. In addition, as a team we designed the interview questions and a strategy of how to carry out the interviews and documentary analysis. We also shared responsibilities around conducting, transcribing and coding, as well as writing up the Results.

Viliana wrote the first draft of the Introduction as well as created the Abstract and the Executive Summary. She did 60% of the transcription and about 80% of the coding, as well as writing a third of the Discussion. She was also responsible for overall task and project management. She also shared final editing and formatting responsibilities.

Hrishabh created and wrote the Methods, Research Design and the Conceptual Frameworks. He wrote a third of the Discussion and the entirety of the Conclusion. In addition, he tied together the drafts of the Introduction and the Discussion and co-designed the Research Questions and the coding themes. He was responsible for the overall direction of the study, shared the final editing responsibilities of the document and worked in an advisory role to the rest of the team.

Sierra was solely responsible for all communication with Venture Café and all the interviewees, as well as ensuring compliance. She wrote a third of the Discussion, co-conducted the Documentary Analysis, wrote the Glossary and performed a Site Visit. She also conducted 9 of the 12 interviews (except for those she had personal ties to), as well designing an Operational

Survey and Sustainability Checklist for VCGN. She also designed the images in the thesis and the Presentation slides and our Team Compass.

Alena co-designed the Research Questions and the coding themes, as well as co-conducted the Documentary Analysis. She also wrote the second draft of the Introduction, as well as being responsible for legal compliance around GDPR. She led the teamwork process and feedback sessions, as well being responsible for team wellbeing. She was also responsible for References, Appendices and primary formatting.

Viliana Dzhartova, Hrishabh Sandilya, Sierra Flanigan and Alena Iuzefovich

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To all the interviewees nested in the various innovation ecosystems we enlisted, thank you for volunteering your time to contribute to this research. And special thanks to the extraordinarily busy café management, who made time for us to interview them and provided invaluable insights into how VCGN operates.

To our trusted primary thesis advisor, Pierre Johnson, we also owe a sincere debt of gratitude. He was steadfast in providing meaningful, efficient and effective feedback in a professional manner and left us with clear guidance that helped us navigate the road ahead.

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Thanks also to the entire MSLS staff who supported us in this transformative process over the year. And finally, thanks to the class of MSLS 2019, for an incredible year of learning, discovery and personal and professional development.

Viliana would like to thank her partner, Michael, for always being there for her. His intellectual and moral support brought clarity of thought and light-heartedness.

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Alena would like to thank the Swedish Institute, especially the staff of the Visby Scholarship Programme, who gave her this unique opportunity to be part of MSLS. She is also grateful to her family, who supported her in combining the roles of a student and a mother.

## **Executive Summary**

The aim of this research is twofold: to investigate the degree to which sector agnostic innovation hubs currently integrate sustainability into their practices and to produce a set of recommendations. To this effect, we studied the case of the Venture Café Global Network (VCGN), a type of innovation intermediary, which provides a location and space to connect entrepreneurs, corporations, investors and policymakers. The network is comprised of the Venture Café Global Institute (VCGI) at its core, which currently supports eight Venture Café sites (individual innovation hubs) across the world. In our study we looked at five of the eight established Venture Café sites, and examined them on the basis of 1) how the hubs and the network defined and approached the concept of sustainability, 2) what their organisational purpose and vision, were and if sustainability played a role in them, 3) the hubs' current state of sustainability, 4) the barriers and drivers which influenced integration of sustainability into these hubs, 5) how the network and hubs make decisions related to sustainability programming, and 6) what shared values shape the hubs' sustainability interactions with startups and investors within their innovation ecosystems.

The underlying guiding belief for this research was that sector agnostic innovation hubs, such as VCGN, could, through the implementation of sustainability into their programming and operations, influence other actors in their innovation ecosystems, to foster solutions geared toward addressing the GSC. While the purpose of this research was not to expressly test the validity of this hypothesis, we believe the hypothesis was essential to distilling the research aims (identified above).

### **Conceptual Frameworks**

Three conceptual frameworks or theories were used to shape our understanding of the study. These in turn, reflected upon on our research questions and provided much food for thought in the discussion phase. First, given that we intended to study the extent to which VCGN had and could implement sustainability into their operational and programmatic practices, it was important that we had an overarching ideational grounding that shaped our understanding of what sustainability was, the systematic constraints in which VCGN and its nested systems operated in, and a method to understand how this was executed operationally and programmatically. This resulted in us choosing the Framework for Strategic Sustainable Development (FSSD) (Broman and Robèrt 2015). Second, we needed a mechanism through which it would be possible for us to comprehend how innovation intermediaries (hubs) like VCGN and startups work together, using technology to affect societal changes (to address the GSC). For this purpose, we chose the Multi-Level Perspective developed by scholar Frank Geels (2010), which has increasingly gained wider currency in the field of sustainability, to explain such transitions. Third, through our exploratory interviews and initial discussion with the leadership of the case organisation, it was clear that there was an inherent set of beliefs (a logic) that were shaping the reality around the general practices of VCGI as an institution and it was important we comprehend and explore how this impacted its sustainability practices. For this purpose, we used the Theory of Institutional Logic (Thornton and Ocasio 1999, 804), as applied to the sustainability-related practices of VCGN, to aid in the exploration.

### **Methods**

We achieved the purpose of our study through multi-methods research, using a qualitative approach to study the embedded case of VCGN, through VCGI and five cafés in cities across

the world. Primary data was gathered through two main avenues. First, semi-structured interviews with the leadership both at VCGI and the five different cafés, with startups/entrepreneurs who use the services of these hubs and with policymakers and funders (investors) who shape or drive the ecosystem in which these hubs operate. Second, through a discourse analysis of strategy and other public documents that VC hubs create, for their operational and programmatic practices. We attempted to triangulate our findings by verifying interview data gathered from inside the organisation against documentary evidence and the site observation, and against data from interviews conducted outside the VCs.

## Results

The results of this research are presented according to the themes we used to code the data from the interviews and documentary analysis. The 15 themes used correspond to the 6 sub-research questions and the Discussion below, clarifies how the findings from the themes answer specific sub-research questions.

Theme	Key findings
<b>1. Personal Definition of Sustainability</b>	<ul style="list-style-type: none"> <li>Varied and contested personal definitions of sustainability;</li> <li>Responses varied from a focus on an ecological understanding, a purpose-driven and entrepreneurial understanding of sustainability, the importance of removing structural obstacles to social sustainability, and finally, sustainability in terms of survival of the human race and the Earth's resilience capabilities.</li> </ul>
<b>2. Organisational Definition of Sustainability</b>	<ul style="list-style-type: none"> <li>No standard organisational definition of sustainability across VCGN;</li> <li>Underlying organisational commitment (both at the network-level and within the cafés) to aspects of social sustainability such as social inclusion, diversity and justice, lacking an ecological bent.</li> </ul>
<b>3. Mechanism of Action</b>	<ul style="list-style-type: none"> <li>Clear understanding of the mechanism of action across all the cafés;</li> <li>Key mechanisms included: using networks to catalyse impact, teaching and educating participants, facilitating the creation of jobs, providing connections and partnerships to influence change and positioning themselves as hosts and trend setters for innovation to the entrepreneurial community;</li> <li>Strong commitment to creating an inclusive and diverse innovation ecosystem, to address local problems, did not make a big picture link to addressing the GSC.</li> </ul>
<b>4. Organisational Purpose</b>	<ul style="list-style-type: none"> <li>Shared common purpose across the whole network; language used to describe it: a bridge or connector, a community builder, hotspot for talent, an educator, aim to support innovation in the local economy, to lead change and to support entrepreneurship;</li> <li>A <i>“global R&amp;D lab for problem solving”</i> (VCGI 2019) and a facilitator of friendships.</li> <li>Did not include sustainability or an understanding of the GSC.</li> </ul>
<b>5. Future Vision</b>	<ul style="list-style-type: none"> <li>Short to medium term vision, different for each café and not coordinated across the network and did not explicitly include sustainability;</li> <li>Different measurements for success in the future - specific KPIs, financial sustainability, expansion targets;</li> <li>Aspirations to embed the UNSDGs across all VC sites;</li> <li>Interest in standardising operational ecological sustainability across sites, especially in relation to procurement and transportation.</li> </ul>
<b>6. Current State of Sustainability - Programmes</b>	<ul style="list-style-type: none"> <li>Strong, intentional commitment to social sustainability at all cafés;</li> </ul>



	<ul style="list-style-type: none"> <li>• Complete autonomy over programming and content curation at each café; little coordination between the cafés themselves and across the network regarding programming and events, apart from the basic structure of the <i>Thursday Gathering</i></li> <li>• At least one sustainably-related programme on all of the café websites.</li> </ul>
<b>7. Current State of Sustainability – Operations</b>	<ul style="list-style-type: none"> <li>• No network-wide policy in relation to ecological operational sustainability (water, energy, procurement, waste and transportation) but some sharing of best-practices in place;</li> <li>• Commitment to recycling and composting at some of the cafés; problematic use of disposable cups for events (except City 4);</li> <li>• Alcoholic beverages served across all cafés as a basic facilitator of connections.</li> </ul>
<b>8. Values</b>	<ul style="list-style-type: none"> <li>• Strong alignment around shared values - inclusion, diversity, integrity, trust, responsibility, accessibility, equality, open-mindedness, innovation, and creativity, missing an ecological commitment;</li> <li>• VCGI leadership added stewardship of global resources as an additional value.</li> </ul>
<b>9. Culture / Institutional Logic of Sustainability</b>	<ul style="list-style-type: none"> <li>• An awareness of local culture informed the design of programming;</li> <li>• Awareness of consumerism's impact on society as a driver of innovation culture;</li> <li>• Recognition of the role young people have as engaged global citizens;</li> <li>• Cooperation with CIC as a defining factor for VCGN's organisational culture.</li> </ul>
<b>10. Barriers</b>	<ul style="list-style-type: none"> <li>• Shortage of external funding for programmes that explicitly espouse sustainability;</li> <li>• Funding mix model can influence programming; dependence on external funders who might not necessarily be aware of and committed to sustainability;</li> <li>• Belief that explicit sustainability programming could decrease attendance;</li> <li>• Startups are generally preoccupied with financial survival.</li> </ul>
<b>11. Enablers</b>	<ul style="list-style-type: none"> <li>• Growing global awareness about the importance of sustainability; increasing local ecological and social sustainability commitments enforced through city policies;</li> <li>• Young people tend to be more sustainability conscious;</li> <li>• In some cases, sustainability seen as a competitive advantage for startups.</li> </ul>
<b>12. Competitors &amp; Advantage</b>	<ul style="list-style-type: none"> <li>• No direct competitors in any of the locations due to the unique nature of VC (frequency and consistency of events, informal networking, industry-agnostic);</li> <li>• Innovation ecosystems at different stages of development in depending on location.</li> </ul>
<b>13. Decision Making</b>	<ul style="list-style-type: none"> <li>• Main principles - consideration of local and community needs; decision making autonomy of individual cafés on programmes and events; data and value-based decision making;</li> <li>• Some programmes designed in collaboration with local ministries and innovation agencies, municipalities and universities; programmatic advisory boards present in some cafés;</li> <li>• Little coordination across the network and between the cafés on programming (except for "Venture Café Learns" - a monthly call designed to facilitate sharing within the network);</li> <li>• Ecological sustainability is not formally a decision-making filter.</li> </ul>
<b>14. Monitoring the Impact of Programming</b>	<ul style="list-style-type: none"> <li>• A comprehensive set of quantitative data used (numbers of events, attendance and frequency of visits, satisfaction rates and diversity of presenters and audience, number of ambassadors) as well as some qualitative data (stories of successful connections and stories of impact) to measure impact.</li> </ul>
<b>15. Specific Actions Related to Programmes</b>	<ul style="list-style-type: none"> <li>• Actions related to Networking - complimentary beverages and space for networking; name tags and a check-in and checkout process; feedback and evaluation process to measure satisfaction and impact;</li> </ul>

	<ul style="list-style-type: none"> <li>• Actions related to/Events - pitches of early-stage startups; diversity of presenters and attendees at panels; experiential and interactive event formats; themed nights/weeks/months;</li> <li>• Actions related to Professional Development - office hours with experts; mentoring.</li> </ul>
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## Discussion and Recommendations

The 15 themes of the findings were grouped and discussed according to the sub-research questions they refer to, followed by a few high-level recommendations.

### ***SQ1 - How does VCGN define sustainability?*** (Themes 1 and 2)

The lack of a comprehensive definition of sustainability leads to several challenges for the network's success and overall efforts to impact the innovation ecosystem. If the goal of the network is to implement sustainability into its practices, the major question that arises, if there is no shared, comprehensive definition of sustainability, is what kind of sustainability are they talking about? This confusion then manifests itself in terms of a lack of clarity around the organisation's purpose for being, which in turn lays the foundations for its vision and together affect VCGN impacts the world (when individual cafés adopt different strategies). This could result in disjointed initiatives and a diffused impact, given the inability of the network to mobilise itself fully and harness the collective strength of the cafés and VCGI. We would recommend using the FSSD and its principle-based definition of sustainability, as a starting point in identifying a comprehensive definition of sustainability.

### ***SQ2 - What is VCGN's organisational purpose, what does its vision of the future look like, and does this include sustainability?*** (Themes 3, 4 and 5)

VCGN had a clear shared understanding of their organisational purpose, however there was an absence of any overt mention of sustainability in that purpose. There was little alignment in the individual cafés' vision and the network's vision for the future; to improve that we recommend that VCGN adopt a shared vision creation process (perhaps through the A Step of the ABCD process of the FSSD), to do so, keeping sustainability in mind. There was, however, clarity in understanding the mechanism of action through which VCGN impacts the world. Therefore, we recommend VCGN broaden that narrative to include how startups and VCGN could address the GSC together.

### ***SQ3 - What is the current state of sustainability at cafés around the world?*** (Themes 6 and 7)

Programmatically, VCGN has introduced some sustainability-focused events and initiatives and their implicit commitment to social sustainability is commendable. However, programming across the network could be improved by disseminating a holistic and comprehensive perspective on sustainability. From an operational standpoint, VCGN should incorporate ecological sustainability reporting standards that are compatible with the social sustainability reporting metrics it has in place.

### ***SQ4 - What are the values that shape VCGN's sustainability interactions with the ecosystem?*** (Themes 8 and 9)

VCGN's strong values around elements of social sustainability are impressive and we would recommend they also adopt additional values underlining an ecological commitment to sustainability. This would then make their representation of and commitment to a holistic and comprehensive definition of sustainability more visible. VCGN's model of adapting and working with, or against, local institutional logics is an interesting one, and so far, that seems

to work. While indicative of a cultural flexibility, it also gives them a method to deal with local conditions, as the network seeks to expand in the coming years and deserves to be replicated.

***SQ5 - What are the barriers and drivers that shape the integration of sustainability into practices at cafés around the world?*** (Themes 10, 11 and 12)

Our main recommendations for overcoming external barriers and capitalising on enablers is two-fold. First, we recommend a proactive search for sustainability-related funding for new sources, for VCGN operations and programming. Second, we suggest cafés create and deliver content that stresses the value and potential benefits of integrating sustainability into the core principles and organisational vision of sector-agnostic startups they serve through *Thursday Gatherings*. We also recommend that VCGN encourages, actively supports and collaborates with partners and competitors in surrounding communities to develop a vibrant innovation ecosystem that addresses global challenges explicitly.

***SQ6 - How do cafés decide on, monitor and implement programmes (in relation to sustainability)?*** (Themes 13, 14 and 15)

VCGN would benefit from synchronizing its organizational purpose and definition of sustainability as a foundation for effective network-scale decision making processes and collaboration. In order to make better data-driven decisions and track impact around sustainability, we recommend VCGN implement procedures to track ecological sustainability that complements existing impact metrics.

**Conclusion**

Based on our findings, we conclude that for VCGN to implement sustainability into its practices and achieve its aspirations to address global challenges, it is imperative that it incorporates a comprehensive, shared definition of sustainability at an organisational level. This would allow VCGN to frame the global challenges it wishes to address in a manner that it can then strategically work to find solutions to. In addition, this definition would strengthen its current commitments to social sustainability, as well as introduce ecological sustainability into its operations and programming. Based on VCGN's commitment and ability to live up to its values, and its proven impact on the innovation ecosystem, it is safe to assume that this new definition of sustainability would percolate into the organisation's structure, vision, purpose and decision-making procedures, which would become more apparent in its operations and programming.

## Glossary

**Ambassador:** Each Venture Café is supported by a network of Ambassadors, a volunteer programme that enables participants to be involved with the orchestration of Venture Café *Thursday Gatherings* through roles that include greeter, marketing and bartender.

**Backcasting:** A planning method where the best possible course of action, or desirable future is defined and then used to plan backwards based on what is needed to reach the vision of success.

**Community Credo:** Unique to each Venture Café hub, a public facing credo provides “guidelines to live by” which all guests are expected to follow in order to uphold a safe and comfortable environment for all. Violation of the credo is grounds for not being able to return to the café.

**Five Level Model for Planning in Complex Systems (5LM):** The 5LM is a model designed to help people tackle problems within complex systems. It is especially useful for analysis, decision-making, and strategic planning.

**Global Sustainability Challenge (GSC):** The continuing decline of humanity’s capacity to regenerate itself and life on this planet. The combination of systematic errors of societal design that are driving humans’ unsustainable impact on the socio-ecological system, presenting serious obstacles to fixing those errors, and the opportunities for society if we are able to overcome them (See, Broman and Robèrt 2015).

**Innovation Ecosystem:** An Innovation Ecosystem exists both at a local level, specific to a Ventura Café site and simultaneously at a global level, in which Venture Café Global Network plays role in.

**Programme:** A sustained series of events at a Venture Café site.

**Regenerative Society:** A society that restores, renews or revitalize itself and the environment it depends on.

**Sector Agnostic Innovation Hubs:** Innovation hubs that do not specialise in working with specific industries and motivations, but focuss on innovation, in general.

**Socio-Ecological System:** A system consisting of both the biosphere and human society and their complex interactions.

**Strategic Sustainable Development (SSD):** A process of planning and decision making, promoting a transition of the current unsustainable society towards a sustainable society based on the Sustainability Principles (See Robèrt et al. 2002); encompasses the funnel metaphor, systems thinking, a definition of sustainability based on eight Sustainability Principles (SPs), Backcasting, and a five-level planning model for sustainability called the Framework for Strategic Sustainable Development (FSSD).

**Sustainability Principles (SPs):** Ecological and social Sustainability Principles, based on scientific laws and knowledge that define the boundary conditions for human society. These principles state that in a sustainable society, nature is not subject to systematically increasing...: SP1: ... concentration of substances extracted from the Earth's crust. SP2: ... concentration of substances produced by society. SP3: .... degradation by physical means. People are not subject to structural obstacles regarding...: SP4: ...health. SP5: ...influence. SP6: ...competence. SP7: ...impartiality. SP8: ...meaning-making (See Broman and Robèrt 2015).

**Sustainability:** A state in which global society is in compliance with the eight Sustainability Principles (SPs); the ability of future generations to meet their needs is not systematically undermined by the society's current activities.

**Systems Perspective:** A theory that studies how a system works as a whole, within an environment.

**United Nations Sustainable Development Goals (UNSDGs)** A set of 17 interconnected goals established by the UN as part of Agenda 2030 aimed at addressing ecological, social, and economic disparities in the world.

**VC** – An autonomous Venture Café (single site).

**VCGI** - Venture Café Global Institute is the central office that oversees the functioning of VCGN.

**VCGN** - Venture Café Global Network, comprised of all the VCs in the world, overseen by VCGI.

## List of Abbreviations

**5LM** - Five Level Model  
**AI** - Artificial Intelligence  
**BTH** - Blekinge Institute of Technology  
**CIC** - Cambridge Innovation Centre  
**FSSD** - Framework for Strategic Sustainable Development  
**GSC** - Global Sustainability Challenge  
**KPI** – Key Performance Indicator  
**MLP** - Multi-Level Perspective  
**PQ** - Primary Research Question  
**SMEs** – Small and Medium-sized Enterprises  
**SPs** - Sustainability Principles  
**SQ** - Sub-Research Question  
**SSD** - Strategic Sustainable Development  
**UNSDG/s** - United Nations Sustainable Development Goal/s  
**VC** - Venture Café (single site)  
**VCGI** - Venture Café Global Institute  
**VCGN** - Venture Café Global Network

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# 1 Introduction

The aim of this research is twofold: to investigate the degree to which sector agnostic innovation hubs currently integrate sustainability into their practices and to produce a set of recommendations. To this effect, we studied the case of the Venture Café Global Network (VCGN), a type of innovation intermediary, which provides a location and space to connect entrepreneurs, corporations, investors and policymakers. The network is comprised of the Venture Café Global Institute (VCGI) at its core, which currently supports eight Venture Café sites (individual innovation hubs) across the world. In our study we looked at five of the eight established Venture Café sites, and examined them on the basis of 1) how the hubs and the network defined and approached the concept of sustainability, 2) what their organisational purpose and vision were and if sustainability played a role in them, 3) the hubs' current state of sustainability, 4) the barriers and drivers which influenced integration of sustainability into these hubs, 5) how the network and hubs make decisions related to sustainability programming, and 6) what shared values shape the hubs' sustainability interactions with startups and investors within their innovation ecosystems.

## 1.1 The Global Sustainability Challenge (GSC) and Sustainable Development

The world we live in today is subject to complex ecological and social challenges. Such challenges are also known as wicked problems. According to Rittel (1973, 159), they are “problems, for which each attempt to create a solution changes the understanding of the problem.” In addition, he notes, “wicked problems cannot be solved in a traditional linear fashion, because the problem definition evolves as new possible solutions are considered and/or implemented”. Wicked problems occur in complex systems which, as opposed to simple or complicated systems, are typically characterised by non-linearity and unpredictability (meaning that they have no direct connection between cause and effect), self-organisation and strong interconnectedness between the different elements of the system whose interactions give rise to the patterns we can observe (Burnes 2005). The ecological system (or the biosphere), human society itself and the different social systems we have constructed to support mankind's existence within the biosphere, are examples of such complex systems in which wicked problems are generated.

Crises in climate, biodiversity, water and energy have global impacts and are expected to increase exponentially as we approach certain critical thresholds, that might put humanity's survival on the planet at stake (Steffen et al 2015). In addition, social sustainability challenges interlinked with ecological disparities manifest themselves as inequalities in wealth, gender and race, violent conflict, forced migrations and create major challenges for global development. According to the OECD (2015), on an average, 10% of the wealthiest households hold half of the total global wealth, while 40% of the least wealthy hold a little over 3% of global wealth. Such inequality drags down economic growth and has negative consequences for all (OECD 2015).

In 2018, the Intergovernmental Panel on Climate Change (IPCC) released a report warning that anthropogenic emissions (including greenhouse gases and aerosols) have already caused unprecedented changes in the climate system and these changes will only increase exponentially as the earth warms up by 1.5°C, or more (IPCC 2018). The root cause of this, as

a growing body of scholars claim, is that a new geological epoch has begun - the Anthropocene. It is an epoch where human activity is the cause of most contemporary environmental changes whose geological effects will be observable for millions of years into the future (Lewis and Maslin 2015).

An overarching concept associated with addressing these ecological and social problems of the Anthropocene, is sustainable development (GRAID 2016). Defined as “development that meets the needs of the present, without compromising the ability of future generations to meet their own needs” (World Commission on Environment and Development 1987, 54), sustainable development is increasingly seen as the way to address these wicked problems and allow human society to decouple development, from the current unsustainable *laissez-faire* growth paradigm in place (Uzunidis 2009).

## 1.2 Innovation

A growing number of scholars (Silvestre and Tirca 2019, Senge, Carstedt, and Porter 2001) and actors in the private sector and public sectors (Nidumolu, Prahalad, and Rangaswami 2009; OECD 2010) anchor their hopes in innovation as the medium to effectively transition towards sustainable development, and the driver for urgently needed change to move away from unsustainable practices.

Lambooy (2005) views innovation as an iterative process of interaction between entrepreneurs (individuals) organisations systems and institutions, using price and other signals as a direction in which to develop. Schumpeter (1934) in his seminal work, views innovation as the introduction of a new product, process, method, or system, and it is both a process and an outcome. In relation to sustainable development, Gjoksi (2011, 6) notes that:

*Sustainable development emphasises the explicit interest of the normative direction of development, taking into consideration the balanced three-pillar approach (economic, environmental and social sustainability). Hence, the innovations for Sustainable Development do not remain neutral, and take a normative direction. The challenge for innovation does not rest solely on economic benefits and opportunities, but also in the societal changes induced by innovative capacity and the consequences of this for the environmental and social sustainability.*

It is our belief as authors that innovation for sustainable development is the necessary solution for our times and that it is through the process of innovation that entrepreneurs and firms, will come up with solutions for sustainable development, given the right incentives and regulations from policymakers and investors. In the following paragraphs, we introduce several concepts and terms related to innovation and sustainable development, through which we attempt to explain the relevance of our case study to addressing the GSC, using innovation for sustainable development, as the link.

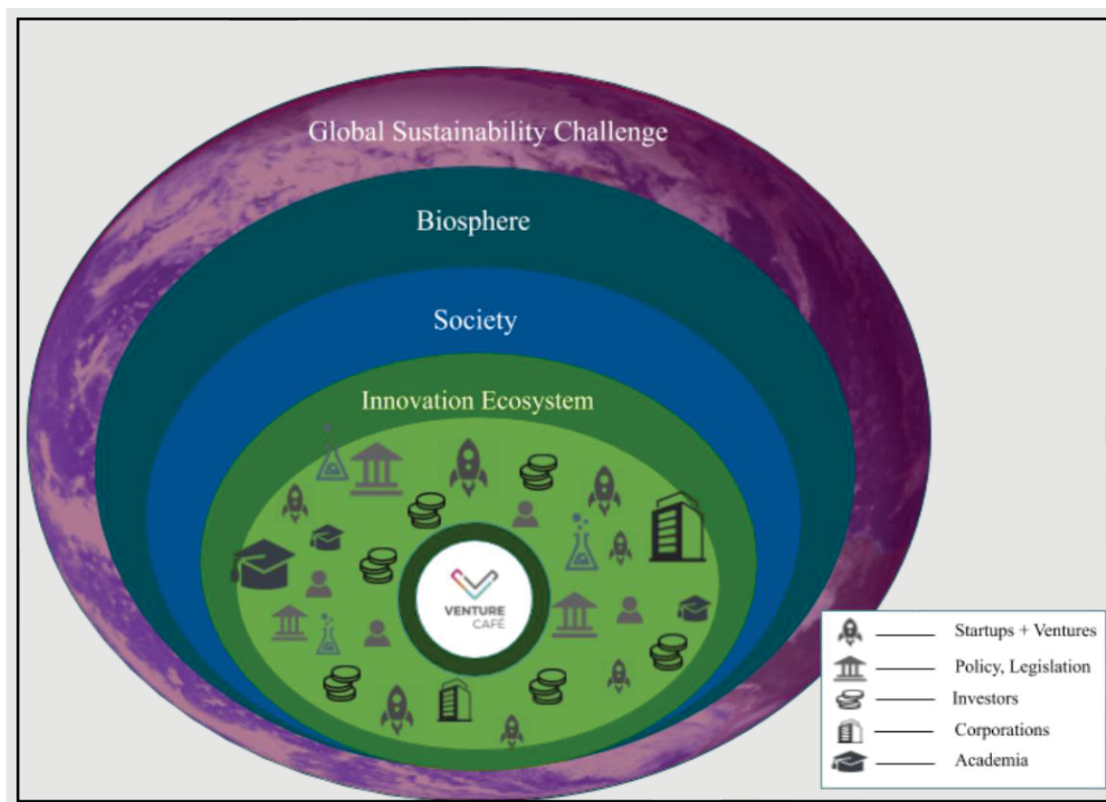
### 1.2.1 Innovation Ecosystems

Both, the process and outcomes of innovation take place within the boundaries of an existing system, which may be described as an innovation ecosystem. Carayannis and Campbell (2009,

202–203) note that innovation ecosystems are “where people, culture and technology, [...] meet and interact to catalyse creativity, trigger invention and accelerate innovation across scientific and technological disciplines, public and private sectors [...] and in a top-down, policy-driven as well as bottom-up, entrepreneurship-empowered fashion”. In addition, Dedehayir, Saku and Ortt (2018) note that developing and marketing innovation is a multi-stakeholder process, with the innovating firm (a new venture or an established corporation) in the centre, surrounded by partners in value-creation like suppliers, assemblers, users/customers and supported by experts (like universities and research institutions) and champions (intermediaries, connectors and bridge builders). Together these elements together constitute an innovation ecosystem.

We believe that VCGN is a player in an innovation ecosystem as a type of innovation hub (at the café level), and on a greater scale as an innovation intermediary (at the network level). The stakeholders in the innovation ecosystem that Venture Cafés (VC) cater to as an innovation hub, are primarily early-stage startups as the key actors and possible solutions providers for sustainable development with support from and interaction with investors, policymakers, and, in some cases, educational institutions.

*Figure 1.1. Venture Café in the Innovation Ecosystem*



### 1.2.2 Innovation Intermediaries

Innovation intermediaries are broadly defined as “organisations that provide a supportive role for collaboration between two or more parties during various stages of the innovation process” (Howells 2006, 721). Most intermediaries are seen as “instruments of public policies for the promotion of innovation, entrepreneurship and the creation of new small businesses, offering

technical and management support through internal efforts or through connections to external networks” (Fonseca, Azevedo, and Jabbour 2012, 123). Their role as a connector for collaboration and a bridging partner for knowledge, competence and capability creates significant value for the startups they support (De Silva, Howells, and Meyer 2018) and makes them a key node in innovation ecosystems. Innovation intermediaries, therefore, present a unique opportunity to work with entrepreneurs and corporations and help shape the way they address global challenges (Dalziel 2010). Practically, Dalziel (2010) notes, that innovation incubators and accelerators, innovation hubs, business and trade associations, economic development agencies, science and business parks, research institutions and networks all constitute different types of innovation intermediaries. Below, we provide a short description of the role of innovation hubs within the innovation ecosystem (given our classification of VCGN as a network of hubs) and the method in which they help address the GSC.

### **1.2.3 Innovation Hubs**

An innovation hub is defined as a structure which “serves entrepreneurial individuals by giving them access to a vibrant community, affordable workspace and valuable networks” (Toivonen and Friederici 2015, 14). According to Toivonen and Friederici (2015) hubs are characterised by four main elements: 1) hubs build collaborative communities with entrepreneurial individuals at the centre; 2) hubs attract diverse members with heterogeneous knowledge; 3) hubs facilitate creativity and collaboration in physical and digital space and 4) hubs localise global entrepreneurial culture. These characteristics lead us to the conclusion that innovation hubs are indeed innovation intermediaries which support startups in their attempts to change the existing socio-technical establishment. We believe that VCGN fits well with this definition and corresponds to all four of the above characteristics: through its weekly gatherings with relevant and diverse programming, facilitated networking and its self-identification as such – “VCGN aspires to “connect innovators to make things happen” (Interview with Nathan Render, March 28, 2019).

### **1.2.4 A Typology of Innovations**

In a recent study, Silvestre and Tirca (2019) introduce a typology of innovations, which categorises innovation based on its focus and the motivations of innovators. These include four types of innovations, namely; Social Innovations, Sustainable Innovations, Traditional Innovations and Green Innovations. In addition, they note that Traditional Innovations continue to dominate the innovation discourse in scientific literature, with economic considerations and profit being the main motivation, and other types of innovations, coming far behind.

Based on our analysis, we believe that three out of the four types of innovations Silvestre and Tirca identify – Social, Green and Sustainable support the notion of sustainable development, but Traditional Innovations do not, given the unintended consequences involved (which we discuss below) and it is important that this is addressed within the innovation ecosystem. While innovation’s role in sustainable development is essential, it would be remiss for us not to acknowledge the significance of the unintended consequences of Traditional Innovations, because most innovation currently does not happen with sustainable development in mind.



*Table 1.1. A Typology of Innovations*  
(Source: Silvestre and Tirca 2019)

Social Emphasis	High	<b>SOCIAL INNOVATIONS</b> -Primary focus is given to the social dimension and associated concerns when developing and/or adopting this type of innovation; -Environmental dimension/concerns and economic dimensions/concerns are subservient (i.e., often compromised to maximize social outcomes).	<b>SUSTAINABLE INNOVATIONS</b> -Social, environmental and economic dimensions and their associated concerns are considered in a balanced approach when developing and/or adopting this type of innovation; -There is no maximization opportunities, but satisfactory solutions that allow all the three pillars being considered simultaneously.
	Low	<b>TRADITIONAL INNOVATIONS</b> -Primary focus is given to the economic dimension and associated concerns when developing and/or adopting this type of innovation; -Environmental dimension/concerns and social dimension/concerns are subservient (i.e., often compromised to maximize economic/financial outcome).	<b>GREEN INNOVATIONS</b> -Primary focus is given to environmental dimensions and associated concerns when developing and/or adopting this type of innovation; -Social dimension/concerns and economic dimension/concerns are subservient (i.e., often compromised to maximize environmental outcome).
		Low	High
		Environmental Emphasis	

### 1.2.5 The Unintended Consequences of Traditional Innovations

The process of innovation is often characterized as a “race”, that can work as “a mechanism of greed and unsustainability” (Hasu et al. 2012, 89). Combined with the prevailing “pro-innovation bias” (Abrahamson 1991, Rogers 1983), which refers to a one-sided perspective prevalent amongst decisionmakers, change agents and within academia that innovation is an inherently positive force in society, this race might lead to unintended and undesirable consequences (Sveiby et al. 2012). Examples of such unintended negative consequences might include the contribution to the rise of CO2 emissions by Information and Communication Technology (ICT) innovation (Matsumoto, Kawajiri 2012) and the financial crisis in the late 2000s, that affected communities all over the world, which was linked to rapid uncontrolled innovation in the financial sector, driven by profit and economic motivations (Muniesa and Lenglet 2013).

Given the complex nature of the GSC, these side-effects could further perpetuate social and ecological problems rather than support sustainable development which is why it needs to be addressed. In order to reduce these unintended consequences, it is important that society begin to move away from Traditional Innovations to either of the other alternatives.

### 1.2.6 Innovation Hubs Facilitating the Transition

Given the urgency of the GSC, we believe that that innovation intermediaries (hubs) like VCGN can play a key role in the abovementioned transition away from Traditional Innovations. The profit imperative of Traditional Innovations is not a barrier here, and a growing amount of research (Kiron et al. 2013), shows that engaging in Sustainable Innovations has distinct positive implications for the bottom line. Cohen and Winn (2007) describe how entrepreneurs can seize the opportunity from current market imperfections that lead to environmental degradation and, while being focused on profit, address sustainability issues with innovative solutions. Profit and sustainability can, in fact, complement each other well to form a holistic business model, and importantly, this combination can exist within all firms (Jay et al. 2015). In this scenario there would be more Sustainable Innovations taking place, implemented with integrity and consideration for possible negative consequences.

To do so, however, as Adams et al. (2016, 180) point out, it “involves making intentional changes to an organization’s philosophy and values, as well as to its products, processes or practices to serve the specific purpose of creating and realizing social and environmental value in addition to economic returns”. While this is largely an internal change, we as authors believe that it is essential to create such opportunities for change in the innovation ecosystem (externally) in which firms operate in, to facilitate internal change. In essence, this involves substantially changing and rewiring the culture in which entrepreneurs and firms operate in and as Potts (2010) notes, innovation intermediaries (like VCGN), can play an important role as disseminators of such sustainability cultures.

## 1.3 Literature Gap

In a systematic literature review, Gliedt et al. (2018) confirmed that there exists a gap in the academic research on the role of sector agnostic innovation intermediaries (such as hubs, incubators and accelerators) and their relation to socio-technical system change (or sustainability). They suggest a paucity of literature that explains the interconnectedness of innovation, innovation intermediaries and sustainability and according to them,

*It was found that there is a clear separation in the literature between studies that focus on socio-technical systems change (as related to “sustainability”), and those that focus on innovation (as related to “economic development”). Less than one percent (16) of the 956 “innovation intermediary” publications contained both “economic development” and “environmental sustainability” (Gliedt et al. 2018, 1250).*

A later systematic literature review on incubators and accelerators (Hausberg and Korreck 2017) identified only one attempt to assess the green performance of incubators, done by Fonseca and Jabbour (2012), yet that did not include the social dimension of sustainability. This gap was further confirmed by two exploratory interviews with experts (Interview with Tuukka Toivonen, February 19, 2019, Interview with Lisa Pettibone, February 19, 2019) and they both agreed that filling this gap in the research would contribute to the currently small but growing codified knowledge in the field of innovation hubs. Based on our findings, we believe that our research contributes to addressing this gap and offers valuable lessons for other innovation hubs in this space working to integrate sustainability into their practices, and in some direct or



indirect way address the GSC. Our findings also reflect contemporary trends in sustainability science research by maintaining a solutions-oriented approach (Miller et al. 2014).

## 1.4 Hypothesis

The underlying guiding belief for this research was that sector agnostic innovation hubs, such as the VCs, could, through the implementation of sustainability into their programming and operations, influence other actors in their innovation ecosystems, to foster solutions geared toward addressing the GSC. While the purpose of this research was not to expressly test the validity of this hypothesis, we believe the hypothesis was essential to distilling the following research questions:

## 1.5 Research Questions

### Primary Research Question

*PQ - How might VCGN integrate sustainability into its practices?*

### Sub-Research Questions

*SQ1 - How does VCGN define sustainability?*

*SQ2 - What is VCGN's organisational purpose, what does its vision of the future look like, and does this include sustainability?*

*SQ3 - What is the current state of sustainability at cafés around the world?*

*SQ4 - What are the values that shape VCGN's sustainability interactions with its innovation ecosystem?*

*SQ5 - What are the barriers and drivers that shape the integration of sustainability into practices at cafés around the world?*

*SQ6 - How do cafés decide on, monitor and implement programmes (in relation to sustainability)?*

## 1.6 Conceptual Frameworks

We used three conceptual frameworks and theories to shape our understanding of the study. These in turn reflected on our research questions and provided much food for thought in the discussion phase. Broadly, the conceptual frameworks served as an ideological underpinning for explaining and comprehending the notion of sustainable development, as a lens to understand how to link innovation intermediaries, like VCGN, to the GSC and allowed us to explain how local cultures and values shape organisational discourses on sustainability. That said, our choices of conceptual frameworks for the study were directed by the needs of the study and can broadly be explained in the following manner.

First, given that we intended to study the extent to which VCGN had and could implement sustainability in their operational and programmatic practices, it was important that we had an overarching ideational grounding that shaped our understanding of what sustainability was, the systematic constraints and nested systems in which VCGN operated in, and a method to understand how this was executed operationally and programmatically. This resulted in us

choosing the comprehensive Framework for Strategic Sustainable Development (FSSD) (Broman and Robèrt 2015), over a combination of other concepts like the Brundtland Commission's definition (World Commission on Environment and Development 1987), the Sustainable Development Goals (United Nations 2015), Planetary Boundaries (Steffen et al. 2015), given its wide-ranging, transdisciplinary applicability in both academic and practical settings, yet being strongly grounded in science.

Second, we needed a mechanism through which it would be possible for us to comprehend how innovation hubs, like VCGN, and startups work together, using technology to affect societal changes (to address the GSC). Through a detailed initial literature review, we arrived at the Multi-Level Perspective (MLP) developed by scholar Frank Geels (2010), which has increasingly gained wider currency in the field of sustainability, to explain such transitions. Amongst other ideological bents we considered using, a Theory of Transformative Social Innovation (Haxeltine et al. 2017), stood out. While it explains how social innovation focuses on transformative change, we determined it did not give enough credence to the role of (ecological) sustainable innovation in socio-technical transformation (focussing instead more on social innovation, which was not comprehensive enough for our purpose), and returned to the MLP.

Third, through our exploratory interviews and initial discussion with the leadership of the case organisation, it was clear that there was an inherent set of beliefs (a logic) that were shaping the reality around the general practices of VCGN as an institution and it was important that we comprehend and explore how this impacted its sustainability practices. This logic seemed to stem from the local cultures (in which the network and cafés were present) and the values of the leadership (of the network and the cafés). For this purpose, we used the Theory of Institutional Logic (Thornton and Ocasio 1999, 804), as applied to the sustainability-related practices of VCGI, to aid in the exploration. We did not consider other frameworks here, because in part, our exploratory interviews took us directly to the Theory of Institutional Logic and since it was suitable, searching for alternatives was unnecessary.

A short commentary on the specifics of each framework, their relation to our case, and a justification for their use, is provided in the following paragraphs.

### **1.6.1 Framework for Strategic Sustainable Development (FSSD)**

The FSSD as developed by Broman and Robèrt (2015, 4) is comprised of the following elements:

- A funnel metaphor facilitating an understanding of the sustainability challenge and the self-benefit of competent proactivity.
- A five-level structuring model distinguishing and clarifying the inter-relationships between phenomena of fundamentally different character (5LM).
- A principled definition of sustainability which can be used as boundary conditions for Backcasting planning and redesign for sustainability.
- An operational procedure for creative co-creation of strategic transitions towards sustainability (ABCD).

The funnel metaphor, which seeks to explain the sustainability challenge, was used as an accompanying parallel to understand the complexity of nested systems in which VCGN lies in

(Figure 1.1.) and its potential contribution to sustainability. We analysed the role of VCGN as innovation hubs supporting new businesses to break the unsustainable patterns leading to the closing of the funnel walls, and instead coming up with new sustainable models for production and consumption. The funnel metaphor played a key role in helping us frame answers to SQ 2, by visually depicting VCGN's mechanism of action in addressing the GSC.

The 5LM's classification of the System, Success, Strategic Guidelines, Actions, and Tools levels (Broman and Robèrt 2015) was particularly useful as an auxiliary method (and as such its use is discussed in detail in the methods section) in which to classify and create the questions for the interviews, and address complexity.

Given that there is little shared agreement on the meaning of sustainability and sustainable development as concepts, Connelly (2007, 259) goes as far as noting that the resulting "conceptual ambiguity and ensuing contestation" is "inevitable and explicable". Arguably, the greatest need that the FSSD fills in our work (and the field) is its principle-based definition of sustainability, which, given its scientific rigour, is applicable to a multitude of organisational, regional and cultural contexts (Broman and Robèrt 2015), and removes some of this conceptual ambiguity.

Briefly, the FSSD's definition of sustainability uses the 8 Sustainability Principles (SPs) as boundary conditions within which development is sustainable and outside which unsustainable practices cause systematic violations and harm to the ecological and social systems. The first 3 ecological SPs state that in a sustainable society we are NOT systematically increasing: (SP1) the concentration of substances from the lithosphere into the biosphere; (SP2) the concentration of substances produced by humans; and (SP3) the degradation of the biosphere by physical means. The next 5 social SPs underline the need to NOT expose people to structural obstacles to: (SP4) health; (SP5) influence; (SP6) competence; (SP7) impartiality; (SP8) meaning making (Broman and Robèrt 2015, 8).

Broman and Robert (2015, 3) also note that the principles should display the following characteristics, if they "are to be unifying across disciplines and sectors" and aid in "redesign for sustainability".

- *Necessary, but not more to avoid imposing unnecessary restrictions and to avoid confusion over elements that may be debatable;*
- *Sufficient, to avoid gaps in the thinking, i.e., to allow elaboration into second and higher orders of principles from a complete base;*
- *General, to be applicable on any arena, at any scale, by any member in a team and all stakeholders, regardless of field of expertise, to allow for cross-disciplinary and cross-sector collaboration;*
- *Concrete, to actually guide problem solving and innovation, i.e., redesign through step-by-step approaches in real life;*
- *Non-overlapping, to enable comprehension and facilitate development of indicators for monitoring of progress.*

In a sense, the principle-based definition provided us with a universally-applicable characterisation of sustainability with which we approached the study and provided us with a yardstick to assess how sustainability was implemented in the different VC hubs and their

innovation ecosystem. It was particularly useful in the design of our interview questions, the interpretation of the results from the interviews and in the documentary analysis phase, apart from serving as a guiding light for our recommendations.

Finally, while we did not use the operational procedure for creative co-creation of strategic transitions towards sustainability (the ABCD process), as a method in our research, but it informed some of the recommendations we made (its use as recommendation is explained in Appendix C).

### **1.6.2 Multi-Level Perspective (MLP)**

To provide a lucid, descriptive mechanism to comprehend how the interaction of innovation hubs like VCs, and startups facilitates the creation of solutions to address the GSC (for that matter any pressing societal challenge), we used the MLP, which “has emerged as a fruitful middle-range framework for analysing socio-technical transitions to sustainability” (Geels 2010, 24). Our use of the MLP was reflected in certain questions in the semi-structured interviews we conducted, particularly with startups and café leadership, to see if they understood how ingraining a culture of sustainability in their practices, could have a role in the various socio-technical transitions they were attempting to implement.

Fischer and Newig (2016, 3) state that the MLP “distinguishes between three analytical levels with increasing temporal stability: niche (flexible and fluid), regime (semi-stable) and landscape (slow societal processes that provide the context for regime stability or change).” The regime level represents the existing status quo functionality of the current socio-technical system. The landscape level represents society and trends (physiological) that change with the passage of time. The niches provide the radical innovation that responds to changes in landscape and transform the regimes. “Transitions, defined as regime change, are explained by an interplay between niche innovation, internal regime change (or resistance) and landscape factors” (Fischer and Newig 2016, 3).

Gliedt et al. (2018) comprehensively display that the MLP can be used as a theoretical bent to explain how innovation intermediaries accelerate environmentally sustainable transitions. They conclude, based on a systematic literature review, that links exist between “sustainability transitions theory and practice and on the integrated roles of actors within multi-level transitions during periods of institutional uncertainty” (Gliedt et al. 2018, 1259). We believe that this is almost certainly the case with the cafés and that Gliedt et al.’s findings can perhaps be extrapolated to beyond just ecological sustainability (though that is probably where the primary impact is felt) to explain innovation intermediaries’ impact on all aspects of sustainability, particularly in the case of VC hubs.

Kivimaa et al. (2019) in a recent work building on the MLP and on the findings of Gliedt et al. took things a step further and developed an intricate classification system, to explain how innovation intermediaries facilitate transitions toward sustainability in different phases. While a detailed discussion of their findings is beyond the scope of this discussion, the classification system developed, corroborates the view that intermediaries like VCGN facilitate transitions toward sustainability and that the MLP (along with other conceptual frameworks in the field of innovation and transition) provides a lens to view these transitions from. Based on the framework, we believe that given the length and breadth (and relative non-specificity) of

VCGN's activities that it lies in the *Acceleration and Embedding Phase*, working as a *Systemic Intermediary* "aligning different perspectives and preventing strategic games; engaging in market creation and identification/evaluation of promising niches" in the sphere of *Niche-Regime Intermediation* (Kivimaa et al. 2019, 6). This classification, while not germane to our hypothesis, provides a useful tool to compare different intermediaries and hubs in the innovation space, and allowed us to compare VCGN to other networks of hubs, that came up in our interviews.

### 1.6.3 Institutional Logic

A clear trend that emerged from our initial discussion with the leadership of VCGN and from our exploratory interviews (Toivonen 2019 and Pettibone 2019) was talk of a narrative around the locational values, cultures and embedded beliefs that manifested themselves in the way hubs and startups operated in that space. To this effect, we explored the idea of using an institutional logic approach to see if we could comprehend how sustainability was perceived, in different VC hubs across the world. Thornton and Ocasio (1999, 804) define institutional logics, as "socially constructed, historical patterns of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their social reality." Building on their own work, Thornton and Ocasio argue that the institutional logics approach is now manifested in the social sciences as both a meta-theory of institutional logic and a method of analysis (Thornton and Ocasio 2008, 99). The meta-theory focuses on "how institutions, through their underlying logics of action, shape heterogeneity, stability and change in individuals and organizations" (Thornton and Ocasio 2008, 103). Using the meta-theory as a base, we applied some of the methods that Thornton and Ocasio (2008) state, constitute an institutional logics approach, including interpretive methods (particularly semi-structured interviews and documentary analysis) to understand what logics shape VC hubs' narrative around sustainability in their innovation ecosystems.

We complemented this approach by taking inspiration from Silva and Figueredo (2017) who in a first-of-a-kind hypothesis, posited the applicability of an institutional logics approach to the comprehension of the sustainability-based practices of an organisation. While it was out of the scope of our study to test Silva and Figueredo's hypothesis with VCGN (perhaps this can be an avenue for further research), we used their line of reasoning, to develop questions for our interviews around practices and in our documentary analysis, probing for inherent institutional logics.



## 2 Research Methods

### 2.1 Methodological Overview

The purpose of our study was to investigate how sector agnostic innovation hubs integrate sustainability into their practices, the impact of this integration on their innovation ecosystems, particularly on startups, in relation to the GSC, with the aim of creating a set of suitable recommendations, based on our findings, to add on the scientific knowledge in the field. This was achieved through multi-methods research, using a qualitative approach to study the embedded case of VCGN, through VCGI and five cafés in cities across the world. Primary data was gathered through two main avenues. First, semi-structured interviews with the leadership both at VCGI and the five different cafés, with startups who use the services of these hubs and with policymakers and funders (investors) who shape or drive the innovation ecosystem in which these hubs operate. Second, through a discourse analysis of strategy and other public documents from VC hubs about their operational and programmatic practices. We attempted to triangulate our findings by verifying interview data gathered from inside the organisation against documentary evidence and the site observation, and against data from interviews conducted outside the VCs.

### 2.2 Approach

The study used a case study approach. A case study approach or method allows for empirical enquiry into understanding contemporary phenomena in a real-life context, where the “how” and “why” questions are understood (Yin 2009). A case study approach was most relevant because it allowed us to understand the mechanism of action of how a network of innovation hubs like VCGN impacts startups and entrepreneurs, what drives and enables its current practices around sustainability, and to perhaps extrapolate our findings from our case, to a wider audience.

#### 2.2.1 Case Description

VCGI is a US-based public benefit corporation that supports an international network (VCGN) of independent Venture Café sites in their development and ongoing activity. VC was originally conceived as a restaurant (Kirsner 2018) and inspired by a book titled *The Venture Café: Secrets, Strategies and Stories from America's High-Tech Entrepreneurs* by Massachusetts Institute of Technology (MIT) entrepreneur and researcher Teresa Esser (2002). Esser described a mix of money, ideas and “serendipitous connections” as core elements for growing businesses and creating jobs (Esser 2002). The first Venture Café site was established in 2009 as a not-for-profit partner organization to the Cambridge Innovation Center (CIC) with the mission of “connecting innovators to make things happen” (Venture Café Global Institute 2019).

Venture Café sites have evolved closely with the CIC and its expansion efforts, but not exclusively. In four out of five sites we examined in this study, CIC provides space, participants and in many cases in-kind and financial support for cafés. CIC then benefits from the social

networking and programming VC offers. Thus, VCGN and CIC share influence over operational practices and culture (Interview with Nathan Render, March 28, 2019).

To date, VCGN has grown to eight independent operating sites serving as intermediaries for breaking down industry silos and building connectivity within innovation communities (Render 2019). The original Cambridge site is overseen by the Venture Café Foundation with extensive programming that includes maintenance of two civic innovation halls, a corporate innovation programme called Captains of Innovation, and an online platform called StartHub. *Thursday Gatherings* are VCGN's main programming initiative and are the focus of this study.

*Thursday Gatherings* are open to the public and span for five hours every Thursday evening. They feature networking, curated programming, office hours, interactive demonstrations and complimentary beverages (Kirsner 2018). A mature site like Boston will host an average of 450+ innovators weekly, approximately 25,000 people annually, 30% of which are registered first-timers (VCGI 2019). In addition to the sites in operation, there are more than a dozen in planning (Render 2019). Through knowledge transfer, on-boarding and other system integration, VCGI has unique leverage in infusing sustainability into VCGN's programming and operations globally.

## **2.3 Case Study Classification**

Given the wide and often confusing debate around the ideological foundations and descriptions of case studies, we found it prudent to stick with one particular approach to case study research developed by Scholz and Tietje (2002), to guide our methodology. The following methodological description uses their system of dimensions and classifications of embedded case studies, to explain our methodological choices and motivations (Scholz and Tietje 2002, 9), in addition to providing commentary on the operational parts of the FSSD we used as well.

### **2.3.1 Design**

Our study was designed as a single case study with embedded units. Since we were studying the entirety of VCGN, it manifested itself in the study as a single case (unit of analysis). However, given that we intended to do that through the detailed analysis of the different operational and programmatic practices of its hubs (sub-units of analysis), it necessitated an embedded approach, which would have allowed us to work with multiple sub-units. Scholz and Tietje (2002, 10) note that in an embedded case “the multiplicity of evidence is investigated at least partly in subunits, which focus on different salient aspects of the case”, serving our purpose. A choice of an embedded case study over a holistic one, was also necessitated by the multi-method approach we used to gather and interpret data.

### **2.3.2 Motivation**

Our motivations for the choice of VCGN as our case study varied across the four members of our research team. One of our team members had a past personal affiliation to the organisation and was interested in its success and potential collaboration with it in the future, and therefore displayed an intrinsic motivation (we reflect on the possible limitations/biases we may have

had in our research later). For the other three, our motivation was instrumental, where we were interested in advancing the scientific knowledge in the field of innovation hubs and sustainability transitions.

### **2.3.3 Epistemological Status**

Epistemologically, this case study had elements of both an exploratory study and a descriptive study. Given that VCGN is a unique type of network of innovation hubs with multiple global locations and that the field of study is nascent, much of our design was exploratory. We did however have a basis in a number of conceptual frameworks identified above (though we did not explicitly indulge in theory validation) that guided our research questions, giving the answer to the questions a descriptive tinge.

### **2.3.4 Purpose**

Our case was a method of research, with the hope that findings (and recommendations) from it can be used in the future for actionable practices.

### **2.3.5 Format**

As per Scholz and Tietje's (2002) structure, the case is presented in an unstructured format. While certain conceptual frameworks or guiding lights existed in terms of how to shape and interpret the study, the results and interpretation could have yielded a discussion that was devoid of similarities between the sub-units, requiring further study, rather than a general set of recommendations, hence the unstructured format.

## **2.4 Data Gathering**

We used a multi-method qualitative approach for data gathering and consolidation. For primary data, we used semi-structured interviews and documentary analysis of relevant organisational documents including operational plans, marketing materials, websites, programme plans etc. For secondary data, we looked at a number of influential journals in the field and held open-ended exploratory interviews with academics and experts. Given the nascence of the field and the organisation and the non-standardisation of data from the cafés, a quantitative design would have been hard to defend and almost impossible to find data for. The following paragraphs explain how data was gathered and consolidated at each step.

### **2.4.1 Literature Sources**

For the initial scoping and critical literature review, we mainly looked at a number of influential journals in the field, including the *Journal of Cleaner Production*, *Sustainability* and *Environmental Innovations and Societal Transitions*. We tracked articles and used a keyword analysis, to see if there were particular phrases or terms being used across different articles, to strengthen our searches. Our searches were conducted on Google Scholar and the Blekinge



Tekniska Högskola (BTH) Summons Portal using the keywords gathered. In addition, we also tracked sources that were cited frequently across articles, as a way to fortify our search strategy. This introductory background review was essential to us identifying which of the different conceptual approaches we wanted to use, and in turn helped us narrow the scope of what we wanted to study with VCGN.

#### **2.4.2 Open-Ended Exploratory Interviews**

We conducted open-ended unstructured exploratory interviews with two academic experts in the field, Tuukka Toivonen (a scholar at University College London) and Lisa Pettibone (a scholar at the Freie University in Berlin) and with two professionals in the innovation intermediary space who are affiliated to VCGN, Stas Gayshan (the Managing Director of CIC) and Nathan Render (Director of Operations, VCGI). While the interviews had a generally unstructured agenda, they were timebound to 60 minutes and we probed the interviewees on linkages between their expertise and our topic at hand. The exploratory interviews with the academics helped firm up our research questions and confirmed the conceptual frameworks we had narrowed down upon – the FSSD and the MLP, and guided us toward a new angle of inquiry, a third relevant framework – the Theory of Institutional Logic.

#### **2.4.3 Semi-Structured Interviews**

We conducted semi-structured interviews with programme and executive directors of the aforementioned 5 VC hubs, one with the leadership of VCGI, 3 with founders of startups and entrepreneurs, who currently use or have recently used the services of the VCs in question, and 3 with a combination of investors and policy-makers who played a part in the innovation ecosystem of the hubs. The choice of semi-structured interviews allowed us to suggest some themes and questions to the interviewees, as a springboard for us to elicit the interviewee's ideas and opinions, without overtly directing the interviewee towards a particular choice or theme (as structured interviews tend to do).

Interviews with café leadership provided a real-world assessment of the need for sustainability and the operational gaps and barriers of implementing sustainability. They also provided know-how that was not readily available in the form of data and operational guides. The interviews with the café leadership helped us address SQs 1, 2, 3, 4 and 5, all the while providing context to SQ 6.

The interview with the leadership of VCGI explained the motivation and reasoning behind the existence of the network. It also provided an understanding of how VCGN will expand in coming years, as well as a systems perspective on the challenges and opportunities the network and cafés face. The leadership of VCGI in many cases verified what we learnt at the café level, while simultaneously introducing new avenues of thought. These interviews were particularly useful in addressing SQs 1, 2, 5 and 6.

Interviews with startups and entrepreneurs allowed us to identify the demand for VCGN's services, how and where sustainability was being introduced to the narrative and facilitated our search for any trends or similar operational behaviours that were exhibited across different cafés. Interviews with startups helped us answer SQ 3 primarily, while allowing us to verify

our responses from café leadership for SQs 1, 4, 5 and 6 and from investors and policy-makers for SQ 3 and 4. Finally, interviews with investors and policy-makers, provided deeper insight into the external influences on the VCs and the startups, in terms of both norms and values, but also financial and regulatory considerations. These interviews helped us answer SQs 4 and 6 primarily, while allowing us to verify our responses from café leadership for SQ 1 and from startups for SQ 3.

In summary, the interviews with startups, investors and policymakers served as a valuable third leg, in our triangulation attempts and complemented the data we extracted from the café leadership and from the documentary analysis.

#### *Interview Questions*

The interview questions were prototyped with a local innovation hub, the Blekinge Business Incubator (BBI) in Karlskrona, and certain tweaks were made after the test. We used two sets of slightly differing interview questions: the first, focussed internally at respondents from VCGN and the second, focussed externally on members of their innovation ecosystems. The questions themselves were designed around the 6 SQs with the aim being to elicit responses that would help us answer them. The two different question sets are available in Appendix A.

#### **2.4.4 Site Observation**

One member of the research team conducted a site observation and attended a *Thursday Gathering* in Boston, in March 2019.

#### **2.4.5 Documentary Analysis**

We conducted a documentary analysis of the available documentation from the cafes and VCGI, both directly related to sustainability and high-level documentation for operations and programmes. The in-house documents comprised of expansion plans, guidelines, strategy plans and organisational structures amongst other details. In addition, other documents we analysed included (but were not limited to) marketing plans, websites and social media accounts. Information gathered in the documentary analysis helped us answer SQs 1 to 6 and our analysis of this information contributed to the answers developed for the PQ.

### **2.5 Data Analysis**

The data analysis process involved four major steps. All the interviews were first transcribed. Once this was done, we moved the interview data and the documentary analysis data to a Microsoft Excel sheet where we coded it, before we analysed the raw data for the results. Once the results were written, we provided an interpretation in the form of a discussion and recommendations.

### **2.5.1 Transcribing**

11 of the 12 semi-structured interviews we conducted were initially automatically transcribed using TEMI an external software (compliant with European General Data Protection Regulations (GDPR)). In the interest of accuracy, the interview data was manually checked against the automatic transcription to ensure quality and rigor. We transcribed one interview entirely manually at the beginning. This interview served as a basis for comparison, to ensure that the other 11 interviews met the same standard.

### **2.5.2 Coding**

The transcribed interview data and the documentary analysis data were then coded using a top-down thematic scheme. We used 15 colour-coded themes to delineate the text from the interviews (see [Appendix B](#)). The 15 themes were based on the interview questions, which in turn were designed to elicit responses for the 6 SQs. Once the text had been coded, we transferred the coded text to a Microsoft Excel sheet, where we analysed the text for meaning, and represented this meaning in the form of keywords and key phrases. The next step involved looking at all the keywords and key phrases for each theme (from all the different interview and documentary sources), using an intuitive analysis to seek patterns and trends, which could then be extrapolated into findings.

### **2.5.3 Results**

Once the coding was complete, we expanded upon the intuitive analysis of the keywords and key phrases to present our findings. The findings were presented according to the 15 themes and have a similar structure, which represent the source of the data of the findings.

### **2.5.4 Discussion**

The discussion was built around the 15 themes from the findings. These themes were organised under the six SQs which we identified as germane to answering the PQ. In addition, we also reflected upon the validity of our findings and our confidence in the results. We discussed our methods, choice of conceptual frameworks and any limitations of the research.

## **2.6 Use of the Operational Parts of the FSSD as a Classification Method**

The 5LM's unique structure of System, Success, Strategic Guidelines, Actions and Tools helped shape the SQs and the PQ. We used the 5LM's different levels to ask questions, delineate data and analyse our results. The System level, which includes "principles for the functioning of the global system" (Broman and Robèrt 2015, 6), served as a basis to shape interview questions around SQs 4 and 6. The Success level which includes the definition of the vision (Broman and Robèrt 2015, 6) was relevant to SQs 2 and 5. The Strategic Guidelines level which explains how to "approach the principle-framed vision strategically" (Broman and Robèrt 2015, 6) was relevant to SQ 1 and in answering the PQ (particularly for the creation of recommendations). The Actions level was self-explanatory and related to SQ 5 and our

recommendations. Finally, the Tools level which includes “methods, tools and other forms of support that are often required for decision making” (Broman and Robèrt 2015, 6) related to SQs 3 and 5. For the semi-structured interviews, the 5LM served as a useful conceptual structuring tool for the creation of questions for the 12 interviews we conducted. For each level of the 5LM, we asked questions related to the SQs as described above (see [Appendix A](#) for sample interview questions).

## **2.7 Methodological Limitations**

A detailed discussion of methodological limitations is provided in the Discussion chapter.

## **2.8 Research Timeline and Map**

The following steps contextually and chronologically trace our actions for the study and are a textual depiction of the accompanying research design map below. (See [Figure 2.1](#))

### **2.8.1 Background**

We performed an initial, critical and scoping literature review to identify the gap in the literature related to innovation hubs and discover different theoretical approaches to our study. At this stage, we also identified and contacted the different VC hubs, to gauge interest and a suitable sample size to ensure the validity of our results. After this, we conducted four exploratory interviews with academics and experts, to make sense of the gap in the literature and test our initial hypothesis, as to whether what we wished to address in our study was relevant to the GSC. The result of the background steps was a final literature review with a clearly identified gap in the literature, a discussion of our proposed frameworks and a clearer understanding of our proposed research questions and the corresponding method.

### **2.8.2 Research Design Steps**

Step 1 involved the framing of the research questions and a discussion of the choice of best methods to address these questions. Given the type of case and availability of data, we settled on semi-structured interviews and a documentary analysis for data gathering, in our choice of a case study method.

Step 2 involved the creation of an interview design questionnaire and the creation of a format for the documentary analysis. Both stages made use of the structure provided by the 5LM as discussed above.

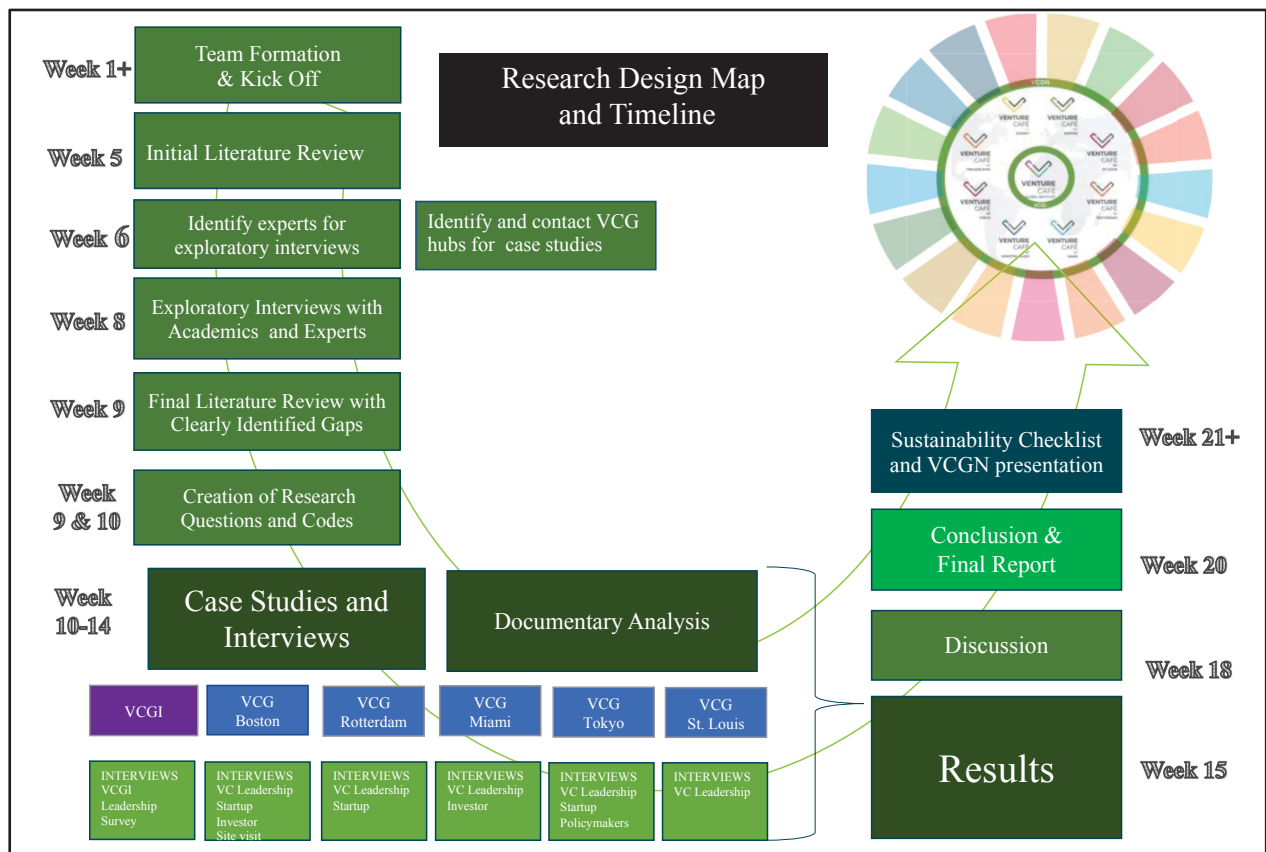
Step 3 involved the data collection process where we conducted 12 semi-structured interviews and performed a documentary analysis on operational, strategic, programmatic and communications documentation.

Step 4 involved analysing and presenting the data gathered, identifying trends, common practices and areas, through a coding procedure.

Step 5 involved a discussion of the results of the data analysis.

Step 6 involved the creation of recommendations for how sustainability can be implemented into the operational and programmatic structures of sector agnostic hubs, in general.

*Figure 2.1 Research Design Map and Timeline*



### 3 Results

The results of this research are presented according to the themes we used to code the data from the interviews and documentary analysis. As mentioned previously (see [Section 2.5](#)), the 15 themes used, corresponded to the 6 SQs and the structure below depicts how the findings from the themes answer specific research questions.

***SQ1 - How does VCGN define sustainability?***

Themes: 1. Personal Definition of Sustainability and 2. Organisational (Network) Definition of Sustainability

***SQ2 - What is VCGN's organisational purpose, what does its vision of the future look like, and does this include sustainability?***

Themes: 3. Mechanism of Action, 4. Organisational Purpose and 5. Future Vision

***SQ3 - What is the current state of sustainability at cafés around the world?***

Themes: 6. Current State of Sustainability – Programmes and 7. Current State of Sustainability – Operations

***SQ4 - What are the values that shape VCGN's sustainability interactions with its innovation ecosystem?***

Themes: 8. Values and 9. Culture/Institutional Logic of Sustainability

***SQ5 - What are the barriers and drivers that shape the integration of sustainability into practices at cafés around the world?***

Themes: 10. Barriers, 11. Enablers and 12. Competitors & Competitive Advantage

***SQ6 - How do cafés decide on, monitor and implement programmes (in relation to sustainability)?***

Themes: 13. Decision Making, 14. Monitoring the Impact of Programming and 15. Specific Actions Related to Programmes

The results are presented within each theme according to the four sources of data we relied upon: 1) interviews with café leadership, 2) interviews with external partners (including startups, investors and/or policy makers, 3) an interview with VCGI's leadership and 4) the documentary analysis that considered individual café websites, VCGI's website, and some proprietary internal documents provided to us by VCGI.

#### 3.1 Personal Definition of Sustainability

##### Café Leadership Findings

We found varied and contested personal definitions of sustainability from the café leaders we spoke to. The respondents provided a variety of responses; some focussed on an ecological understanding (*"treating the things that we consume and possess in a way that nature treats"* and *"something that is regenerative"* (City 1 2019)), some focussed on a purpose-driven and entrepreneurial understanding of sustainability (*"if you want to build a successful startup, then it's got to be for the people and for the planet."* (City 5 2019)) and others talked about removing

social structural obstacles (*“the arc of improvement is one that is not interrupted by existing societal roadblocks or obstacles that were put in place intentionally or unintentionally to prevent a particular individual from traversing on their arc of development or improvement”* (City 2 2019)).

### **VCGI Findings**

VCGI staff we spoke to, talked about sustainability in terms of survival of the human race and the Earth’s resilience capabilities, in addition to society’s ability to maintain longevity.

### **External Verification**

Three out of six investors and startups we talked to, viewed sustainability largely in terms of financial survival and returns on investments, due to the pressure on entrepreneurs to have economically viable businesses. Notable exceptions were City 4 and City 5, where the startups we talked to, indicated that a wider definition of sustainability, which included ecological and social aspects, existed.

### **Documentary Analysis**

N/A

## **3.2 Organisational Definition of Sustainability**

### **Café Leadership Findings**

We found that there was no standard organisational definition of sustainability from the café leadership we spoke to. This was applicable to both VCGI and within the cafés surveyed. At first, two-fifths of respondents chose a financial definition, another two-fifths spoke of an ecological definition and one respondent talked about a triple-bottom line approach.

However, there was an underlying organisational commitment (both at the network level and within the cafés) to aspects of social sustainability via ideals like social inclusion, diversity and justice, which all the café leaders talked about.

### **VCGI Findings**

VCGI leadership staff we spoke to, talked about sustainability from a programmatic and operational perspective, without clearly offering a standard organisational definition. From an operational perspective, sustainability was explained as organisational growth in a non-wasteful manner and from a programmatic perspective, sustainability was about educating entrepreneurs to address global issues.

*If we are going to grow globally, how do we do that in the least damaging way possible? So, how do we make better investments on the front end from products to processes that are less wasteful? And then, on the education side, going back to the human condition, how do we just get more people trying to address and finding solutions to sustainability from all over the planet?* (VCGI 2019)

### **External Verification**



Startups and investors we talked to, recognised both the ecological and financial needs of sustainability for their organisations but were unable to verify the cafés' definition of sustainability.

### **Documentary Analysis**

The single case in which the word “sustainability” explicitly appeared in VCGI’s documents, related solely to financial sustainability and the survival of cafés. However, as we observed in the interviews, analysis of the documents and websites of the cafés, showed multiple mentions of commitments to diversity, inclusion, access, equality and development (“*We believe innovation is a process to improve the human condition*” (City 3 Website 2019)) at the local and global levels (without being explicitly linked to sustainability).

## **3.3 Mechanism of Action**

### **Café Leadership Findings**

We found that all cafés had a clear understanding of the mechanism of action, of how VC impacted the world. The key mechanisms that emerged, included using networks to catalyse impact, teaching and educating participants, facilitating the creation of jobs, providing connections and partnerships to influence change, and positioning themselves as hosts and trend setters for innovation, to the entrepreneurial community. In three out of five cities, we also found strong collaboration initiatives with educational institutions, as additional enablers for change.

*We have done theme nights with different universities. This really worked well because it was based off students that are pitching for their businesses, graduates that became entrepreneurs (who) came as panellists, alumni that became venture capitalists. And then professors did some mini-lectures. (City 5 2019)*

While a majority of these mechanisms were premised largely on economic value to society, through job creation and providing access to funding and visibility, there was also a strong commitment to creating an inclusive and diverse innovation ecosystem, to address local problems. (“*we are brokers of opportunity given the role that we play. We look at our programming and our impact as helping individual people, which then collectively shifts society.*” (City 2 2019))

### **VCGI Findings**

The network’s leadership demonstrated a deeper understanding of the mechanisms of action and provided a more holistic perspective on the GSC and VCGN’s role in addressing it (VCGI saw themselves as the connector bringing together solutions from different VCs).

### **External Verification**

External partners confirmed VC’s mechanisms of action and mentioned additional mechanisms, which they felt added value to the innovation ecosystem. These included mentoring and free office hours with experts.



In City 2 and City 5, we found that startups and investors confirmed that VC led by example with their commitment to social inclusion and diversity, which in turn influenced the practices of external partners.

### **Documentary Analysis**

The documentary analysis of the network-level documents reinforced what VCGI leadership shared in the interview, underlining the network's commitment to addressing global problems, using innovation to provide access to all.

The documentary analysis of café websites, on the other hand, reiterated the local orientation of the cafés and confirmed an understanding of the key mechanisms of action, the café leadership provided us.

## **3.4 Organisational Purpose**

### **Café Leadership Findings**

It was clear from café leadership that the network shared a common purpose, which was evident in the language used to describe the organisational purpose; as a bridge or connector, as a community builder, to support innovation in the local economy, to lead change and to support entrepreneurship (*"VC's kind of the glue or the connector within the whole ecosystem... We have startups, students, corporates, investors, governmental organizations, and everyone is working on a specific element. But we as Venture Café are the connecting parts"* (City 4 2019)). The café in City 4 particularly stressed its role as a *"hotspot for talent"*. The café in City 5, particularly stressed its role as an educator, given the local context.

### **VCGI Findings**

VCGI was in agreement with the local café leadership, and in addition, stressed the network's role as a *"global R&D lab for problem solving"* (2019) and as a facilitator of friendships. The leadership also mentioned VC's role in addressing global challenges, given the interconnectedness of the issues facing society today.

### **External Verification**

Startups and investors in all the cities reinforced the café and network-level descriptions of organisational purpose (mentioned above). The investors in City 1 and City 2, noted the value of VC's role in education, not only to the startups they support, but also to the investors themselves and their companies.

### **Documentary Analysis**

The documentary analysis verified and reiterated the above findings.

## **3.5 Future Vision**

### **Café Leadership Findings**

Four out five cafés leaders surveyed, responded with a short to medium-term vision for the future. Café leadership was unclear about a vision for the future, in relation to their own cafés, VCGI and the overall network. When asked about their respective cafés, respondents had

different measurements of success in the future. Some answered with specific KPIs, as an ideal measure and most viewed financial sustainability as the primary goal (“*be a well-funded ecosystem builder*” (City 2 2019)). Others viewed the vision in terms of expansion and a move from local to global impact and making more global connections.

All in all, the vision for each café and for the overall network was different and uncoordinated. In addition, none of the cities had an explicit vision for ecological sustainability but indicated their continued support for their implicit social sustainability priorities.

### **VCGI Findings**

The overarching goal was to expand to 50 cafés by 2025, with the objective of impacting 1 million people per year (“*We have this vision to be in 50 cities by 2025. That means that over the course of a year, approximately a million people will attend Venture Café. It's about 20,000 people a week...*” (VCGI 2019)). The leadership indicated aspirations to embed the UNSDGs across all VC sites, within programming and operations, as well as shaping VCGN’s future role, as a global connector for innovation for social and ecological change. In terms of operations, VCGI would prefer to standardise operational ecological sustainability practices across all sites, especially in relation to procurement and transportation.

### **External Verification**

N/A

### **Documentary Analysis**

The documentary analysis at the network level indicated a vision for the future, centred around expansion to 50 sites worldwide by 2025 and increased global collaboration, within the network, which corroborated what the VCGI leadership said. There was little information available from café documents.

## **3.6 Current State of Sustainability – Programmes**

### **Café Leadership Findings**

All the café leaders we interviewed, indicated a strong, intentional commitment to social sustainability at the cafés, which was implicit in the diversity of the audiences and of presenters at events. That said, each café had complete autonomy over their programming and content curation process. It was indicated that there was little coordination between the cafés themselves and across the network, regarding programming and events, apart from the basic structure of the *Thursday Gathering*.

*By design we're sort of engineering this diversity. For us the panel metrics are very important because the panel is a way where you're putting a number of different experts on the same level – literally we have them in these high chairs. And so, to the extent that you have people of colour and women on those same high chairs with the other typical tech people, it's that subtle messaging that these people are all equal and they're all experts. (City 1 2019)*

**City 1** - In City 1, there was a strong focus on social sustainability. However, the external demand for programming was driven by prominent local industry such as healthcare, AI and defence.

**City 2** - In City 2, programming included the UNSDGs on a regular basis.

**City 3** - N/A

**City 4** - In City 4, there was an effort to weave sustainability across different themes and programmes using the UNSDGs.

**City 5** - City 5 supported a specific government-led programme, which showcased sustainability-focused startups and the UNSDGs were used as the criteria to vet these startups.

### **VCGI Findings**

VCGI leadership indicated that (ecological) sustainability-related programming was not a priority and that they did not feel the need to be at the forefront of it, given VCGN's other commitments in the social and economic spheres. They also indicated that a new position had been created at VCGI, to coordinate programming on a global level and to ensure consistency across the network (there was no mention of sustainability in relation to this).

In addition, the leadership confirmed that the UNSDGs formed the basis for programming in City 4 and City 5. City 4 linked all their monthly theme nights to the UNSDGs, and City 5 used the UNSDGs in their partnerships.

### **External Verification**

Startups and investors across cities confirmed the presence (and their attendance) of sustainability-related events at the cafés. In City 4 and 5, VCs helped advance and implement municipal and government commitments to sustainability, using the UNSDGs, by connecting policymakers with startups. The investor in City 2 confirmed the diversity (implicit sustainability) of attendees and presenters at events.

### **Documentary Analysis**

The documentary analysis revealed that programming was designed according to local context and demand. All café websites indicated the presence of at least one sustainably-related programme. Additionally, some also expressed the need for the cafés to have more programmes on the business imperative for sustainability.

**City 1** - In City 1, the café hosted explicit ecological and social sustainability-related events, on at least a monthly basis. These events included “The Sustainability Collaborative” and a “Youth CITIES Hackathon”, as well as annual conference nights that included Earth Night, Energy Connect, She Connect and Social Impact Connect.

**City 2** – The café organised events on ecological (climate) and social sustainability (equal pay, gender equality, philanthropy, health, mindfulness and social change). This programming took place at least biweekly. Sustainability in the café's programming was also implicit, which was evident from diversity figures for attendees and presenters. In 2017, 40% of presenters were women and 70% of presenters were people of colour.

**City 3** - In City 3, the café did not host explicit sustainably-related events. However, the website did reveal the presence of a few events with a sustainability component, including 39\*N which had a focus on agricultural technology, hosted by Monsanto.

**City 4** - In City 4, an analysis of the website and events indicated a dedicated explicit sustainability component in programming. This manifested itself in the form of specific monthly themes (e.g. Sustainable Solutions, Energy, Circular and Resilience; Global

Challenges – Local Solutions (UNSDGs) and Impact and Growth (Social Impact)). In addition, the theme for 2019's signature event in conjunction with the city municipality, was "Electrify the City", indicating a strong ecological approach.

**City 5** - An analysis of City 5's website revealed the presence of sustainability-related programmes including the Future Food Camp Cluster programme (which refers to the UNSDGs in its description) and a Social Impact conference night.

### **3.7 Current State of Sustainability – Operations**

#### **Café Leadership Findings**

Two of the cafés surveyed indicated a commitment to a "zero-waste" (*"At VC we consume a lot of cups as we were serving drinks to folks and so we've implemented a zero-waste programme here at the bar so that we're not creating waste that can't be reused in some way."* (City 1 2019)) initiative and had in place some recycling and composting plans. Additionally, all the cafés mentioned the problematic use of disposable cups for their events (with the exception of City 4, which uses washable glass products). Café leadership also indicated that there was no network-wide policy in relation to ecological operational sustainability (water, energy, procurement, waste and transportation) but there were some sharing of best-practices. Alcoholic beverages were served across all cafés to support interpersonal networking.

**City 1** - Staff in City 1 indicated a "zero-waste" initiative was present, as well as a recycling and composting system in place. When possible, City 1 sourced beverages and (organic) food locally.

**City 2** - N/A

**City 3** - City 3 had a "zero-waste" effort in place as well as a recycling and composting programme with an emphasis on local, organic food sourcing. The use of plastic cups was a concern, but no specific action had taken place yet.

**City 4** - In City 4, there was a strong emphasis on eco-efficiency; glassware and paper straws were used in place of plastic, and when possible, alcohol and (organic) food were sourced locally. Additionally, they led staff and ambassador visits to some of the VC's sustainability partners as part of a training and development plan.

**City 5** - N/A

#### **VCGI Findings**

VCGI did not indicate a strong level of standardisation around operational sustainability. While there was an expressed interest to do more, they lacked the know-how on a network level, and had no network-level policies or decision-making in place on operational sustainability.

#### **External Verification**

External partners had varying opinions of cafés' operations in terms of sustainability. In City 2 the investor interviewed acknowledged that VC's location is LEED certified. The startup from City 1 confirmed the café's efforts to encourage participants to reuse their plastic cups during events, while other external partners in City 1, 2 and 3 noted that the use of plastic cups was excessive.

#### **Documentary Analysis**

City 2 indicated the use of a LEED certified location (through CIC) in their operations. Across the board, VC employees specify gender pronoun preferences in email signatures.

### 3.8 Values

#### Café Leadership Findings

The leadership at all the cafés indicated a strong alignment over a particular set of values they believed were shared, by their individual café and the network. These included diversity, inclusion, integrity, trust, responsibility, accessibility, equality, open-mindedness, innovation, and creativity as the most-mentioned.

#### VCGI Findings

The VCGI leadership confirmed the validity of the above-mentioned values for VCGI and the network as a whole. In addition, they mentioned stewardship to global resources as an additional value.

#### External Verification

All the startups, investors and policymakers we interviewed confirmed that the values VC espoused were expressed in a tangible way and incorporated into programming and operations. Some even went as far as to say that VC had served them as an inspiration to do the same in their own organisation.

*I've taken a lot of lessons from Venture Café, not just in our membership outreach, which we're trying very hard to diversify. But also, in a few other areas. One is, we put growth stage companies on stage at our events. Our outreach tends to get kind of static because we use our existing networks to reach out to companies so we realized that we could cast a wider net and invite communities to participate in the forum that we haven't historically reached out to. So, for example, being very proactive about reaching out to women entrepreneurs, minority entrepreneurs and entrepreneurs from different geographies. (Investor City 2 2019)*

Specifically, the importance of diversity and inclusion in VCGN was underlined by external partners, all over the world.

#### Documentary Analysis

The documentary analysis reinforced the findings above. This was apparent from network-level documents and particularly visible from cafés' websites and their online presence. (*"Foster inclusivity. Great minds may think alike, but it will take diverse minds to change the world. This community thrives because we welcome participants without regard to race, colour, gender, sex, religion, national origin, age, military service, sexual orientation, gender identity or gender expression, or disability."* (Website City 2 2019); *"Anyone with an idea has the potential to become a successful entrepreneur or innovator"*, *"No hard sales! Tip: Innovation is about top-level thinking, not bottom-line outcomes. Focus on building relationships that will last."* (Website City 4 2019); *"Treat others as you would like to be treated, join, experiment as an active participant, connect responsibly, respect diversity, ask yourself "how can I help?"* (Website City 1 2019)).

### 3.9 Culture/Institutional Logic of Sustainability

#### Café Leadership Findings

The café leadership was aware of local culture and designed its programming accordingly. In three out of the five cities, young people tended to value sustainability and sought out purpose-driven employers or could consider creating their own purpose-driven venture, which in turn impacted the culture in which VC operated.

**City 1** - City 1 was considered to have an established culture of innovation, primarily around consumer technology, healthcare and education with elements of sustainability in it. The café's location, amongst a high concentration of educational institutions, impacted its culture.

**City 2** - City 2 was defined by inequality and disparities in access to economic opportunities. The city's unique susceptibility to the effects of climate change and its historic economic and racial divides resulted in some recognition for the need for sustainability.

**City 3** - Strong economic undertones drove the innovation community within City 3 and sustainability was perceived as a buzzword, more than something that was embedded in the culture.

**City 4** - City 4's highly developed innovation ecosystem was considered to have a strong commitment to sustainability. The international student population in the city was an influential factor in the community and shaped its culture. There was, however, a slight backlash against sustainability from right-wing nativist politicians.

**City 5** - City 5's national context was characterised by a traditional, risk-averse, hierarchical culture. The Café attempted to counter this by creating an inclusive, horizontal, innovative environment through partnering with sympathetic elements in the government (Ministry of Trade and Innovation). (*"Innovation is something that people at once think is weird. It is something that comes with change and people [...] are hesitant to change"* (City 5 2019)).

#### VCGI Findings

VCGI was aware of the impact that consumerism had on society as a driver of innovation culture and the sustainability impact of partner organizations the VC was engaged with. Alternately, VCGI recognised the role young people had as engaged global citizens and they attempted to shape VCGN's outlook toward this demographic.

#### External Verification

**City 1** - In City 1, the external interviewees confirmed a growing awareness around sustainability, and the startup confirmed the impact of this on the café's culture.

**City 2** - In City 2, the investor confirmed the accepted urgency around climate change and the pervasiveness of the inequalities in shaping local culture.

**City 3** - N/A

**City 4** - In City 4, the startup underscored the importance of and demand for sustainability in the local innovation culture, and that the city had a role in driving innovation.

**City 5** - In City 5, the policymakers confirmed the structural obstacles to sustainability within society as identified above, and that was then further augmented by the startup. Both verified VC's role in countering and addressing these obstacles.

#### Documentary Analysis

At the network level, the organisation was heavily guided by its partnership with CIC and half of the planned new VCs would be opened in cooperation with CIC. This was a defining factor



for their organisational culture. The individual cafés' statement of "Community Credo" confirmed the café leadership's awareness of local culture. In City 5 the documentary analysis confirmed VC was aware of structural obstacles to entrepreneurship in the local culture and its attempts to address this by adding statements to their "Community Credo". (*"VC is a free and flat community. There are no bosses, subordinates, seniors/junior here", "Let's experiment without fear of failing here", "There is no need to be always perfect"* (City 5 Website 2019)).

### 3.10 Barriers

#### Café Leadership Findings

Three out of five cafés indicated that their mixed sponsorship and grant funding business model has indirect influence on their programming, often requiring them to be dependent on external funders (within local contexts) who are not necessarily aware of and committed to sustainability (*"This month we have Bayer/Monsanto sponsoring. This [funding mix] has been an ongoing challenge."* (City 3 2019)). In addition, all the cafés confirmed that early-stage startups and entrepreneurs are preoccupied with financial survival, with little demand for sustainability, which affected the cafés' programming options. Multiple opinions confirmed that explicit sustainability programming could decrease attendance.

**City 1** - City 1 indicated that socio-economic divisions were very present across the metropolitan area and that the local area demographic within the developed innovation-entrepreneurship space was mostly driven by consumer trends and the existing status quo, with mild demand for sustainability. (*"the profile of the individuals who are participating in our content here is predominantly Caucasian and predominantly male... between 18 and 40"* and *"[the interest in innovation is mostly for] the next dating app or how can I find a snack"* (City 1 2019))

**City 2** - In City 2, it was conveyed that basic needs were not being met for a large swathe of the population and therefore, many people were not thinking about sustainability. Additionally, mistrust and lack of confidence in the relatively new innovation ecosystem in the city was causing entrepreneurs to leave.

**City 3** - City 3 communicated that historical racial and class divisions made it difficult for VC leadership to relate to the general population.

**City 4** - In City 4, competing hubs focussed on social impact and/or sustainability seemed to attract entrepreneurs interested in the field, while VC was perceived as more profit-driven in comparison, thus limiting options for sustainability programming. Additionally, the politicization of sustainability (*"we just had elections, and the party that won basically had [said] in their opening speech... all the people that are working on sustainability are fooling themselves"* (City 4 2019)) and people questioning sustainability's relevance to their daily lives was a barrier.

**City 5** - City 5's local culture was considered homogeneous, hesitant to change, risk averse and having a poor perception of entrepreneurs and startup culture.

#### VCGI Findings

Large grants and investors did not have an explicit interest in and did not incentivise sustainability-based programming or operations. The interviewee said that investors were looking at the short-term, focused on issues like job creation and economic development.



### **External Verification**

All six external innovation ecosystem interviewees confirmed the information from the Café Leadership on startups' preoccupation with financial survival. City 2 contributed additional insight about the urban sprawl in the city which challenged people's mobility to network.

### **Documentary Analysis**

The documentary analysis revealed that the lack of specific sustainability criteria for the selection of sponsors presented itself as a barrier to sustainability.

## **3.11 Enablers**

### **Café Leadership Findings**

The growing global awareness about the importance of sustainability was seen as a primary enabler across all hubs. Central urban locations in particular enabled access to a higher number of entrepreneurs. Additionally, there appeared to be local ecological and social sustainability commitments enforced through city policies. An inherent commitment to social sustainability within the VC network was apparent and furthermore, demand from young employees to work in purpose-driven organisations emerged as another enabler, across the board. It was also noted that the business case for sustainability was an important enabler and additionally, most café leaders, indicated that some funding for sustainability was available.

**City 1** - There was an already active innovation ecosystem in City 1 that benefited from a high concentration of educational institutions and technology companies. Furthermore, this mix attracted an international demographic.

**City 2** - In City 2, an explicit concern over sea level rise and an awareness of climate change was present due to local ecological implications. Additionally, there was a high proportion of entrepreneurs going to the café events due to lack of similar or competing organisations.

**City 3** - N/A

**City 4** – A large number of international students attracted to purpose-driven organisations in City 4, the city's commitment to the Smart City movement and a high awareness of sustainability were seen as enablers.

**City 5** - In City 5, an existing demand and supply for health-related products, due to an aging population, was considered an enabler.

### **VCGI Findings**

VCGI mentioned that VCGN focused on a specific age group (20-35 years old) which tended to be more sustainability conscious. There was also confirmation that some impact funders existed.

*People say millennials care more, but they really mean young people. They're so idealistic and they think anything's possible. In my opinion, that's everybody when they're young, until we beat it out of them, everybody believes that they can change the world. [...] You [young people now] have learned how to articulate impact much better than previous generations have. So, I'm optimistic. (VCGI 2019)*

### **External Verification**

External interviewees confirmed that there was an increased global awareness of sustainability. Furthermore, it was confirmed that VC's central locations were key enablers for high attendance of events. In City 4, sustainability was seen as a competitive advantage for startups. A strong business case for sustainability was seen as an enabler. (*"You can see that more sustainable companies now get the podium and are put on the spotlight than other companies. There's a definite trend in the startup scene where sustainable startups are more adored than other companies."* (Startup City 4 2019))

### **Documentary Analysis**

VC's free entry and complimentary beverages were seen as an attraction for participants.

## **3.12 Competitors & Competitive Advantage**

### **Café Leadership Findings**

Café leadership across cities indicated that while there was no holistic direct competitor to VCGN, there were local players and some international networks, which were similar, in certain aspects (impact, space and occasionally programming). In terms of a competitive advantage, all café leaders underlined the frequency and consistency of programming and services, as VC's competitive advantage.

The leadership in City 4 indicated that while it was hard to name specific competitors, entrepreneurs and startups who were interested in sustainability were more likely to use the services of a hub that had a specific social or ecological sustainability focus, rather than the Venture Café, because the café was perceived as being more mainstream (commercially focussed).

### **VCGI Findings**

The network leadership indicated that while at a network level, there didn't seem to be many direct competitors to VCGN's model, Impact Hub (in the social impact space) with their global presence, could be perceived as a competitor in certain aspects.

### **External Verification**

**City 1** - The startup in City 1 indicated that VC enjoyed a competitive advantage over competitors, given VC's unique blend of programming and its ability to make "organic connections" within the innovation ecosystem.

**City 2** - The investor in City 2 indicated that competition was industry specific and that VC's focus on innovation and inclusion was unique and different. In addition, compared to others, VC was consistent with its programming.

**City 3** - N/A

**City 4** - The startup in City 4 indicated that VC had a "*great reputation*" in the local innovation and entrepreneurship space, and that VC's competitors were more focussed on coworking, or were exclusively in the social impact space. *"They are definitely unique. There is no other similar coworking environment like VC. I think VC has such a huge name by itself and is a huge organisation, nothing really even tries to get close to that."* (Startup City 4 2019)

**City 5** - The startup and policymakers in City 5 indicated that there was no direct competitor to VC given its frequency of high-quality events, top speakers and interesting attendees. The

policymakers suggested that other coworking spaces, such as WeWork and Crew (other brands), competed with VC.

### **Documentary Analysis**

The documentary analysis confirmed VCGI's perception of the competitive advantage being VCs' ability to leverage different levels of connections (local and global) and across different sectors to achieve a vibrant innovation ecosystem.

## **3.13 Decision Making**

### **Café Leadership Findings**

Mirroring the singularity around the organisational purpose of cafés, all the cafés surveyed indicated the following practices around how they make decisions around programming.

At the café level, first, decisions were driven by local and community needs (*"being hyper aware of what the innovation ecosystem looks...where we can help to strengthen its needs"* (City 2 2019)); second, cafés had a large degree of autonomy in their choices around programmes and events; third, decisions were made on the basis of the values VC espoused (see [3.8 - Values](#)); fourth, decisions were made on the basis of data and feedback; fifth, cafés created programmes underwritten by external corporate funding (though they maintained control of content); and sixth (at the network level) there was little coordination across the network and between the cafés on programming (despite the presence of "Venture Café Learns" – a monthly call designed to facilitate sharing within the network).

Finally, café leadership indicated that programming in many cases was conducted in partnership with certain prominent partners, within a specific local context. These included local ministries and innovation agencies, municipalities and universities. One café specifically pointed out the value of prototyping new themes and content, even when the perceived interest in the topic was low (*"We don't always let (community input) dictate to us what the content should be... one year we did the survey and 'water tech' came in at 1%... but we were interested in that topic. We decided to put it on the calendar, and it turned out to be one of our most successful events"*. (City 1 2019))

### **VCGI Findings**

The network leadership indicated that (ecological) sustainability was *"not a (formal decision-making) filter currently used"* in reference to operational sustainability and in programmes. They verified the autonomy and independent decision-making structure of the individual cafés and suggested that while the cafés had a mandate to fundraise, there was a standard limit on the amount of funding that could be accepted from corporates for programming (20% of the total funding).

The leadership indicated the presence of a programmatic advisory board or think-tank for cafés, to support and better inform the programming (this advisory board is currently in place for City 2 and City 5) and play a key role, when new cafés are launched.

### **External Verification**

N/A

### **Documentary Analysis**

The review verified the presence of programmatic advisory boards in City 2 and 5 and its existence in the expansion strategy for the network.

## **3.14 Monitoring the Impact of Programming (Related to Sustainability)**

### **Café Leadership Findings**

All cafés confirmed they use a comprehensive set of quantitative data such as numbers of events, attendance and frequency of visits, satisfaction rates and diversity of presenters and audience. They also collected some qualitative data in the form of stories of successful connections and stories of impact.

Three out of five cafés use the UNSDGs to inform and design programming to varying degrees (they did not mention whether the UNSDGs' targets are used as a measuring tool). Additionally, monitoring financial sustainability (in relation to programming) was also mentioned as a key consideration for all of the cafés.

Specifically, in City 4 we found that the café used bracelet trackers for visitors to track interactions, activities and the number of beverages consumed, amongst other things.

### **VCGI Findings**

The network leadership confirmed that all cafés report to VCGI on the above metrics. Additionally, they confirmed there was a focus on growing the number of cafés globally (and therefore a greater potential sustainability impact) and on potentially integrating the UNSDGs across new cafés.

### **External Verification**

The external partners supplemented the information provided by the Café Leadership. The investor in City 2 emphasised the impact the café had on their organisation.

*I've taken a lot of lessons from Venture Café, not just in our membership outreach, which we're trying very hard to diversify. But also, in a few other areas. One is, we put growth stage companies on stage at our events. Our outreach tends to get kind of static because we use our existing networks to reach out to companies so we realized that we could cast a wider net and invite communities to participate in the forum that we haven't historically reached out to. So, for example, being very proactive about reaching out to women entrepreneurs, minority entrepreneurs and entrepreneurs from different geographies. (Investor City 2 2019)*

In City 5, the café tracked the number of applications they recommended to their partners' award and accelerator programmes. The startup in City 4 confirmed the use of a proprietary connection-tracking bracelet at the café.

### **Documentary Analysis**

The documentary analysis suggested that in addition to the above-mentioned metrics, cafés tracked the number of programme partners and sessions held, gender pronouns that attendees used, primary role of attendees in the innovation community, stage of business and the age of

the audience (this allowed them to measure impact and supplemented the quality of attendance figures). Cafés also tracked the number of Ambassadors (see [3.15 – Specific Actions Related to Programs](#)).

### 3.15 Specific Actions Related to Programmes

#### Café Leadership Findings

Based on our discussion with café leadership, the following (successful) specific actions that the cafés employ in their programming were found. These are presented in the following manner:

##### Actions related to Networking

- Complimentary beverages and a suitably designed space for collaboration and networking.
- A name tag and a check-in and check-out process at the reception/kiosk.
- A thorough feedback and evaluation process to measure satisfaction and impact.

##### Actions related to Events

- Early-stage startups are invited to pitch their organisations in front of investors, for both feedback and funding.
- Each café displays a large amount of diversity of presenters and attendees, based on network requirements.
- Cafés prefer experiential and interactive formats that lead to greater engagement, such as hackathons (action-based learning) and open space technology. (*“We often have a lot of play-centred activation, things that are hyper-experiential. I’m a big fan of not having panels.”* (City 2 2019))
- Cafés based their programming around different types of themes, on a monthly, weekly and nightly basis.

*What we do is that every month has a theme and each theme connects to a part of the Sustainable Development Goals... Then we also try to connect to the national or city agendas. So, for example, in September is World Harbour Day, so we would have a theme that talks about the maritime industry. We will invite bigger corporates that could say something about a trend in the maritime industry, but also will attract a lot of startups.* (City 4 2019)

- Cafés organised events that featured thought leaders to share insights. (*“Our most successful theme nights are the ones that bring over 400 attendees. The key ingredients are strong partnerships that are ideally sponsoring or bringing in a big name.”* (City 2 2019))
- One café was part of a startup acceleration programme in collaboration with the local ministry for trade and organised a weekly, hour-long session on issues related to policies and entrepreneurship with the UNSDGs as the primary criteria.

##### Actions related to Professional Development

- Office hours are available for entrepreneurs to receive no-cost professional expertise each Thursday.
- Mentoring is available for entrepreneurs to receive guidance from professional experts each Thursday.

**VCGI Findings**

The above findings were verified by VCGI as specific actions which have been adopted throughout the network.

**External Verification**

The external partners interviewed confirmed the findings above.

**Documentary Analysis**

The website review noted that visitors are invited to become content contributors (submitting content recommendations) and/or Ambassadors (greeters and hosts, bartenders, photographers, etc.), which facilitates greater engagement and coordination.

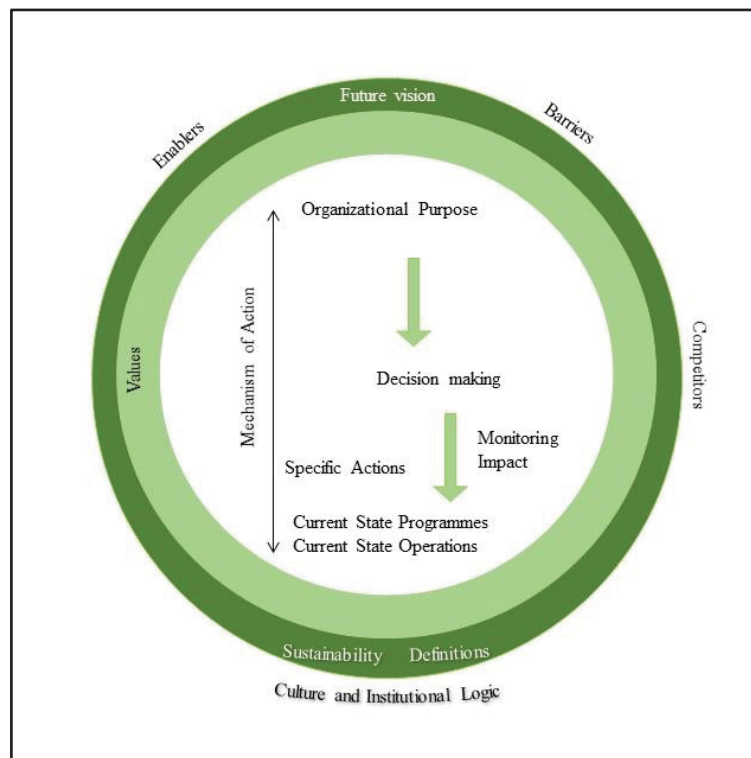
## 4 Discussion

The discussion of our results is presented in the following format.

First, we attempt to shed light upon the six SQs we identified as germane to answering the PQ. As explained previously, we do this by providing commentary on the themes that form the six SQs, in the form of answers to these questions. These are presented along with a few high-level recommendations, which we believe will help address some of the issues and gaps that emerge.

Second, we reflect upon the validity of our findings and our confidence in the results. In order to do so in a structured manner, we also discuss the methods we use, reflect upon our choice of conceptual frameworks, discuss and identify the limitations of our research, before suggesting avenues for further exploration.

*Figure 4.1 Visual Depiction of Relationship between Themes*



### 4.1 Sub-Research Questions

#### 4.1.1 SQ1 – How does VCGN define sustainability?

Themes: 3.1 Personal Definition of Sustainability and 3.2 Organisational (Network) Definition of Sustainability

At the outset, it is important to underline that we did not find a shared definition of sustainability (neither personally nor at an organisational level) within VCGN in our interviews. There was



also no evidence of a shared understanding and language of sustainability (which is often manifested in key organisational communication such as websites, operational documents and team meetings) from the documentary analysis. As suggested earlier (see [Section 1.6.1](#)), defining sustainability in a cohesive and collective manner, is essential to addressing the “conceptual ambiguity and ensuing contestation” (Connelly 2007, 259) that emerges from the lack of a shared definition, and plays a vital role in both embedding sustainability within an organisation and its ability to impact the world (see Albaladejo, Lautiainen, and Minkova 2016).

With reference to personal definitions of sustainability, we found that all the interviewees had differing views. These ranged from purely ecological understandings, to some implications of social sustainability, as well as concurrently placing a strong emphasis on financial sustainability (for their respective cafés). This leads us to believe that there is perhaps not enough discussion within the organisation (or even within the innovation ecosystem) on the topic of sustainability (in order to create space for and provoke deeper personal reflection), which in turn impacts the organisational definition of sustainability.

Similarly, there was also no cohesion visible in the responses from internal stakeholders, when prompted to share their view of VCGN’s organisational definition of sustainability. Echoing the personal definitions, the majority of the responses focused on ecological sustainability as well as, the importance of financial sustainability, with little mention of social sustainability. It was apparent that VCGN had not yet addressed the concept in a structured manner and reached a collective conclusion on the role and meaning of sustainability in the network.

However, on further probing and when we explained the term, we found that a lot of their implicit and explicit organisational values and objectives, were actually directed towards social sustainability, particularly around values like inclusion, diversity and justice, which they stressed often. The network’s commitment and embodiment of social sustainability was, in fact, found to be commendable, and sets an example of how they could also approach and integrate a holistic definition of sustainability into the organisation’s practices.

The lack of a comprehensive definition of sustainability leads to several challenges for the network’s success and overall efforts to impact the innovation ecosystem. If the goal of the network is to implement sustainability into its practices, the major question that arises, if there is no shared, comprehensive definition of sustainability, is what kind of sustainability are they referring to? This confusion then manifests itself in terms of a lack of clarity around the organisation’s purpose for being, which in turn lays the foundations for its vision and together affect how VCGN impacts the world (when individual cafés adopt different strategies). This could result in disjointed initiatives and a diffused impact, given the inability of the network to mobilise itself fully and harness the collective strength of the cafés and VCGI.

### **Recommendations**

Considering the implications of the above, one of our main recommendations to VCGN would be to identify a comprehensive definition of sustainability, which the whole network would agree upon, adopt and use as a foundational building block for the operationalisation of VCGN’s programmatic delivery.

We would recommend using the FSSD and its principle-based definition of sustainability, as a starting point in this process. Given the comprehensive nature of the 8 SPs (their main attributes

being general, sufficient, necessary, concrete and non-overlapping), they would provide VCGN with the minimum boundary conditions within which they could innovate, build on and tailor their organisational needs. This could then form the basis for a comprehensive and practical definition of sustainability which could be complemented with tools and concepts in the field, such as the Planetary Boundaries Framework (Steffen et al. 2015), and the UNSDGs.

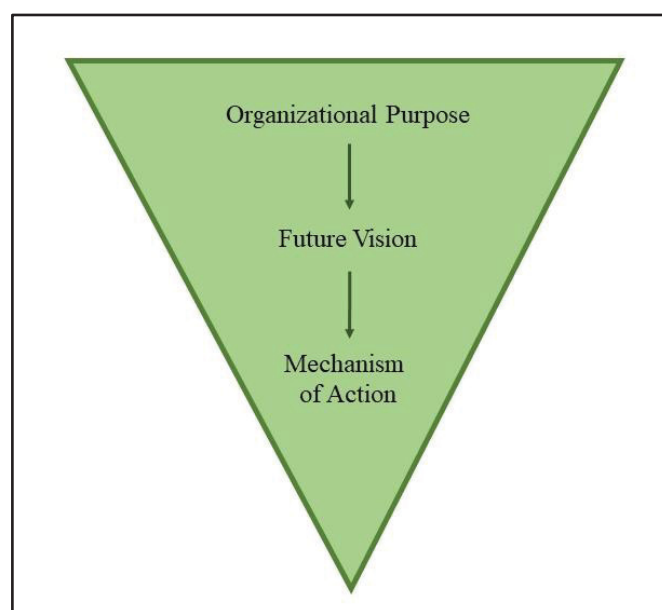
Given its use of thresholds and control variables, the Planetary Boundaries Framework when used to supplement the 8 SPs could provide additional specificity around operational sustainability metrics for VCGN. Additionally, the UNSDGs are particularly important given their relevance to the global narrative on sustainability, and the consensus around them. This would both facilitate VCGN's access to institutional funding as well as increase their reach and impact, given the UNSDGs' increasing role as a global currency in the field (United Nations 2019).

#### **4.1.2 SQ2 – What is VCGN's organisational purpose, what does its vision of the future look like, and does this include sustainability?**

Themes: 3.3 Mechanism of Action, 3.4 Organisational Purpose and 3.5 Future Vision

SQ 2 was closely linked to SQ 1 and by answering the question we hoped to have insight into how VC's staff and leadership viewed the role of the network in addressing complex, global issues. To do this we attempted to gauge their understanding of the organisation's mechanism of action (of how it impacted the world), how it would do so in the future, as the network expanded and whether sustainability had any role in this. Figure 4.1. depicts the relationship between the different themes in this SQ, with Organisational Purpose shaping the Vision, which in turn shapes the Mechanism of Action.

*Figure 4.2 Relationship between Organisational Purpose, Future Vision and Mechanism of Action*



At an organizational level, it was clear that all the café and network leadership had a comprehensive understanding that VCGN's purpose centred around being a bridge or connector, as a community builder, supporting innovation in the local economy, leading change and supporting entrepreneurship. What emerged as a disconnect here, was the network leadership's additional identification of purpose, as addressing global challenges. This is striking on two counts. First, because this was rarely (if ever) mentioned by the cafés as part of their (local) purpose, and second, because in addressing global challenges and "*improving the human condition*" (VCGI 2019), it seems that the notion of sustainability (or sustainable development) is implicit, given the number of global challenges we face that are directly related to sustainability (or the lack of it, thereof).

Considering the implications of the above, it is clear that the absence of any overt mention of sustainability in the organisation's purpose is therefore problematic, given the need to address global challenges. We could hypothesize that this in turn is linked to the limited organisational definition of sustainability (SQ 1, discussed earlier), and in a sense the lacking of this limited definition manifests itself and permeates through, into the organisational purpose.

In terms of the future vision of the organisation, the disconnect between café and network leadership was more apparent. It was clear that a majority of café leadership viewed the future as an abstract concept, estimating the future at differing time intervals. In terms of a vision, they concentrated on their own cafés (rather than the network), with financial survival as the primary goal, with little mention of sustainability. At the network leadership level, in contrast, there was a clearer vision of the future, with set targets for expansion and events, as well as a mention of sustainability through the UNSDGs (which in turn supported VCGI's wish to address global issues).

This leads us to the conclusion that there is a clear disconnect between the future vision that VCGI has for the network and the future visions that individual cafés enunciated for themselves and the network. This is problematic on two counts. First, the lack of commonality around a vision for the future for the cafés and the network is perhaps indicative of a deeper tactical malaise, which could affect the organisation's medium to long-term planning. Second, relatedly, while there was some mention of sustainability from VCGI, there was no corroboration of this from the cafés, especially if the goal is to infuse sustainability into VCGN's practices, because this would risk becoming a top-down approach, with little implementation on the ground.

Both the café and network leadership displayed a clear understanding of the mechanism of action of how VCGN impacts this world. In terms of the MLP framework we used to ground this thesis, their explanation is in line with the MLP's explanation of socio-technical change, and VCGN's role in such a system. The only major gap or issue of concern that emerged from an FSSD lens, was the fact that the understanding of the mechanism of action for the café leadership, stopped short of addressing the global level (and hence the GSC), which will need expanding, to support the aspirations of the network leadership.

## **Recommendations**

In terms of Organisational Purpose, VCGN would benefit from broadening its definition of organisational sustainability (perhaps using the FSSD, as described earlier). This, in turn would allow VCGN to address the GSC within its organisational purpose and state the fact explicitly, as well as allowing individual cafés to unite in this purpose, alongside VCGI, given its stated need to address global issues.

In terms of a Future Vision, first, it is imperative that VCGI and the individual cafés are on the same page in terms of a vision for the collective network, which is fundamental to its long-term organisational success. We would recommend that VCGN adopt a shared vision creation process (perhaps through the A Step, of the ABCD process of the FSSD, see [Appendix C](#)) to do so. Second, we would recommend that any visioning process be done keeping sustainability in mind (perhaps using the 8 SPs of the FSSD as boundary conditions for the process).

In terms of Mechanism of Action, given the clarity displayed on the subject by the café and network leadership, we would only recommend that this understanding be broadened slightly, to include how entrepreneurs and startups could address the GSC and what VCGN's role in this is. This we believe will happen organically, once sustainability is clearly embedded in the organisational purpose and when a shared common vision that enunciates sustainability exists and these in turn stem from a shared, comprehensive definition of sustainability.

#### **4.1.3 SQ3 – What is the current state of sustainability at cafés around the world?**

##### **6. Current State of Sustainability – Programs, and 7. Current State of Sustainability – Operations**

In order to devise recommendations for VCGN to implement sustainability, we needed to first understand the current state of sustainability in programming and operations, within individual sites and the network as a collective. While this research focused primarily on programmatic aspects of VCGN, we also inquired into operational sustainability practices, related to programming. In general, the lack of central coordination across the network to ensure consistency in content, stood out and will need to be addressed (both for sustainability and other goals).

VCGN's shared commitment to social sustainability within its programming was impressive. Their focus on diversity, inclusion, and justice, surfaced in all interviews (including those with third party verifiers) and the documentary analysis. While these efforts were not classified as, or necessarily understood to be sustainability-related, by VC stakeholders, this ingrained emphasis links directly to some aspects of social sustainability. Efforts to improve implicit social sustainability programming (advocating for diverse event attendees and presenters) were supplemented by requirements for each café to report back to VCGI on diversity metrics. This further strengthened and streamlined the organization's commitment to aspects of social sustainability and ensured a shared commitment to it.

Alternately, ecological sustainability content was sparse and less codified. Unlike social sustainability commitments, there appeared to be no consistent adoption of ecological sustainability principles and/or targets within event curation, beyond the individual will of café leadership and local demand from the community. Thus, while most individual cafés acknowledged the importance of ecological sustainability, the lack of consistent programming underlined the discrepancy between social and ecological sustainability. In multiple instances, VCGI claimed that innovation would “fix the world” and “improve the human condition” (VCGI 2019), and as such was the goal of their programming. Given that these goals are part of the broader GSC, it is clear that VCGI will need to enunciate and incorporate more ecological sustainability into its programming, if it wants to achieve such objectives.

From an operations perspective, cafés indicated some operational concerns about the environment though it was inconsistent. An example here was the case of disposable plastic cups (typically hundreds of these are used during a *Thursday Gathering*). These are a highly visible sustainability concern and came up as an issue they were trying to address, multiple times. Only one café is using reusable cups (City 4) while several other cafés expressed a “zero-waste” initiative, (which seemed exaggerated based on personal observation), but continued to dispose of cups. It is clear that there is room for coordinated action in reducing the number of cups and establishing policies about use of cups.

In terms of location, most café sites were nested within the offices of partner organization, CIC. Therefore, VC operations were susceptible to external influence on policies, or lack thereof, for procurement, energy consumption and waste reduction. In one case (City 2) the café is located in a LEED certified building, but that is by chance rather than by request. By establishing policies around ecological sustainability, VC has the opportunity to be more explicit in vetting future sites for operations including standards around building, resource use, and proximity to public transportation, as well as transportation and air miles between existing and emerging sites.

It is evident that the main drivers for including ecological sustainability was local demand, surrounding culture and the motivations of the personal leadership of individual cafés. Without a requirement coming from the global network, cafés will not perceive ecological sustainability as important as financial and social sustainability.

From a social perspective, the use of gender pronoun preferences in employee email signatures is an example of how social sustainability has been penetrated within VCGN operations. This sheds light into how a coordinated effort can spread across the network in a streamlined way, which in turn provides insight into how sustainability considerations can be incorporated into every day operational practice. This practice and process deserves to be commended.

Finally, the widespread distribution of and consumption of alcohol is potentially problematic due to the fact that alcohol has been recognized as a harmful, even fatal, substance to human health. Furthermore, alcohol is considered religiously and culturally insensitive in certain contexts, which contradicts VC’s intention to make the innovation community as inclusive and accessible as possible to wide audiences.

## **Recommendations**

That VCGN play a greater role in coordinating programming across the network and within this role disseminate a holistic and comprehensive perspective on sustainability. While the current focus on social sustainability in programming is strong, the network will have to focus explicitly on embedding ecological sustainability into programming to ensure that this holistic perspective is provided. Programming sustainability content clearly links back to the organisation’s purpose, which in turn derives from VCGN’s definition of sustainability, as suggested earlier.

In addition, VCGN should reduce the amount of alcoholic beverages served and encourage the consumption of non-alcoholic drinks instead. From an operational perspective, VCGN should incorporate ecological sustainability reporting standards compatible with the social sustainability reporting metrics it has in place. The checklist in Appendix D provides greater details on this step.



#### **4.1.4 SQ4 – What are the values that shape VCGN’s sustainability interactions with its innovation ecosystem?**

##### Themes 8. Values and 9. Culture/Institutional Logic of Sustainability

The answer to this SQ sheds light on the values that shape VCGN internally and externally, their current relationship to sustainability (if any) and what needs to be changed or adapted, to aid in the process of adopting sustainability into VCGN’s practices.

In terms of (internal) values, we found that in general, VCGN had a consistent set of shared values that had percolated into their operations and programming. This was evident from our interviews, documentary analysis and site observation. These values which included inclusion, diversity, integrity, trust, responsibility, accessibility and equality, amongst others, were in line with the previously explained social sustainability commitments that VCGN enunciated. We believe that these social values are far-reaching and deserve to be commended, especially because it is evident from external verification that VCGN is able to live up to its values and practice what it preaches.

However, we also found that these values were not representative of an ecological commitment, as there were no words that enunciated this. If the goal is therefore to implement sustainability into its practices, these internal values will need to be expanded upon to indicate an ecological commitment and represent a more holistic understanding of sustainability.

In addition, given VCGN’s reliance on external funding and partnerships, especially in relation to its programming, we found that its model presented (or could present) a particular challenge to its values. Despite café and network leadership’s insistence that the cafés were solely responsible for the curation of events, it was evident that programming is dependent on what there is funding for. This creates a potentially unhealthy relationship with funders and could result in programming partnerships that are at odds with VCGN’s values. E.g. collaboration with organisations like Monsanto/Bayer and Boeing Defence, Space & Security (which currently occurs in certain cafés), could challenge its values (especially if VCGN broadens its values to include a holistic sustainability commitment), given the role these organisations play in the GSC (see, Guyton 2015).

Given the clear impact of VCGN’s values on its innovation ecosystem and how investors and startups have confirmed their adoption and use of VCGN’s values into their organisations, it is vital that VCGN take responsibility for the above-mentioned issues, especially if it wants to lead by example, as its leadership has stated on multiple occasions.

In terms of the institutional logic, it is clear that local society and culture impacts programming for VCGN, in local cafés and how it is perceived. This allows cafés to work with the institutional logic prevalent and use it to supplement its goals, or as needed, to try and counter the logic (in coordination with strong local partners). We explain with examples below.

Example 1: In certain cases, the local café works to augment the local institutional logic, using its supportive aspects to achieve its goals in that context. E.g. City 1’s programming was reflective of the city’s (its institutions, its history, its culture etc.) commitment to social inclusion, diversity and justice, given that these were priority areas in the local context, City 1 expressed, needed addressing. City 1 did this by representing these values in programming

diversity, special incubation programmes and working to ensure access to innovation for underrepresented communities and demographics.

Example 2: VCGN formed a partnership with the Ministry of Trade and Industry in City 5. Their partnership focussed on countering the inherent institutional logic, which was conservative, hierarchical and closed to new ideas like innovation and entrepreneurship. City 5 did this by taking on an educative role, with lectures, talks and discussions focussed on bringing in new ideas and challenging the status quo. It also attempted to dismantle entrenched hierarchies by discouraging the exchange of business cards and encourage everyone to use first names when meeting at the café venues.

In conclusion, VCGN's model of adapting and working with, or against, local institutional logics is an interesting one, and one that so far seems to work. While indicative of a cultural flexibility, it also gives them a method to deal with local conditions, as the network seeks to expand in the coming years.

### **Recommendations**

We suggest that VCGN adopts additional values underlining an ecological commitment to sustainability. This would then make their representation of and commitment to, a holistic and comprehensive definition of sustainability more visible. As highlighted previously, this in turn is clearly linked to the organisational definition of sustainability and yet again indicative of how it can permeate into the core of the network and shape its operations and programming.

#### **4.1.5 SQ5 – What are the barriers and drivers that shape the integration of sustainability into practices at cafés around the world?**

Themes: 10. Barriers, 11. Enablers and 12. Competitors & Competitive Advantage

VCGN's integration of sustainability into its practices at both the café and network level is influenced by a range of external factors, which can broadly be classified as barriers and enablers. Both categories are comprised of highly contextualised and location-specific elements, which makes it difficult to extract and discuss a large number of generalised findings. Our views are discussed below.

One such general barrier to VCGN's integration of sustainability, is the shortage of external funding for programmes that explicitly espouse sustainability. Finding such funds was found to be a priority for network and café leadership. They noted that if there was more sustainability-related funding available, they would be open to incorporate more explicit sustainability into programming. However, we came across a number of untapped opportunities for such funding, in our research, which leads us to believe that the inability to tap these funds, was symptomatic of the lack of priority afforded to sustainability. This in turn we believe can be traced back to the lack of sustainability within the organisational purpose which in turn stems from an incomplete definition of sustainability (which we highlight above) and needs to be addressed.

Another barrier we observed across the network was the low demand for sustainability-related programming, from early-stage startups and entrepreneurs, which manifests itself in decreased attendance of VC events due to the stereotypes associated with the language of sustainability and audiences it targets. This results in a never-ending cycle, given VCGN's sensitivity to



feedback from their innovation ecosystem, with fewer sustainability-focused programs. This occurs because these firms are preoccupied with financial survival. They consider sustainability as a “nice-to-have” additional value-add, once they are established, and this stems from a lack of awareness of the potential benefits for startups, in integrating sustainability at the very beginning of their entrepreneurial journey. It is essential that VCGN try and overcome this barrier.

In general, all cafés demonstrated great awareness of the specific barriers in their local contexts and successfully navigated through them, turning them, in many cases, into enablers, for developing a competitive advantage, whether these be institutional logics or physical barriers to access. E.g. As highlighted previously, City 5 is working to support a new generation of entrepreneurs and drive a cultural shift in its context (changing the institutional logic). It is achieving this by educating the innovation ecosystem and also by physically locating the café in the midst of a government and business district. This has increased the attendance and diversity of participants. It attracted different elements of the innovation ecosystem, supported networking and the cross-pollination of ideas. These locally-aware and tailored strategies need to be commended and repeated as VCGN expands worldwide, as they have proven to be an important enabler for the organisation’s commitment to sustainability.

Looking at the enablers that support VCGN’s integration of sustainability, the most prominent of these is the growing global awareness about the importance of sustainability. This growing awareness shaped the demand for sustainability in a number of cafés. It was often demonstrated by local ecological and social sustainability commitments, in the form of governmental policies and initiatives. In addition, awareness of parts of the GSC was in some cases (E.g. City 2 - Climate Change and City 4 - Smart City Programs) accompanied by an understanding of the potential benefits of being an early-mover in the sustainability innovation space. In response to this, cafés in City 2, City 4 and City 5 have embraced this understanding and implemented a series of partnerships with the explicit goal being to support education on the integration of sustainability (often using the UNSDGs as a tool). It is clear that this approach works well and must be replicated as the network expands.

In conclusion, overcoming the barriers and capitalising on the enablers could bring significant competitive advantage to VCGN. While this is certainly important for the survival and success of the organisation, a big part of their vision and mission is “*getting more people to address and find solutions to sustainability from all over the planet*” (VCGI 2019), and this could only be achieved by having more innovation intermediaries working together. Therefore, the current sparsity of global and local competitors is not necessarily aiding VCGN in its ambition to contribute to solving global challenges. It would be better off therefore, pairing with other players in this space.

### **Recommendations**

Addressing the issue of funding would require proactive outreach from cafés and the network, by applying for funding and grants that have a focus on sustainability, might this be explicitly expressed in the funding conditions or implicitly implied by the funder’s intentions. And, as suggested previously, a broadening of the organisational purpose, to prevent oversights like this happening again in the future.

In order for VCGN to change the perceptions and underline the importance of sustainability to early-stage startups, cafés could create and deliver content that stresses the value and potential

benefits of integrating sustainability into the core principles driving the organisational vision of sector agnostic startups. One potential resource could be Bob Willard's seminal text on the "The New Sustainability Advantage" (2012), which clearly states the business case for sustainability.

To effectively address the GSC in a systematic manner within the innovation ecosystem, we recommend that VCGN encourage, actively support and collaborate with competitors, in the space and together develop a vibrant field of innovation ecosystem. This would be a key component of a more systemic approach to addressing global challenges.

#### **4.1.6 SQ6 – How do cafés decide on, monitor and implement programmes (in relation to sustainability)?**

Themes: 12. Decision Making, 13. Monitoring the Impact of Programming and 14. Specific Actions Related to Programmes

VCGN's programmatic decision making around *Thursday Gatherings* are predominantly location specific. Curating content for each café relies heavily on the discretion of café leadership combined with some global (diversity and inclusion) targets required by VCGI. Thus, decision making is driven mostly by local economic trends, supplemented by global requirements, and designed to suit local community needs. This is important, because the way in which cafés select, decide on and modify programming, will influence implicit and explicit sustainability initiatives, within programming and operations for cafés and at the network level.

While the autonomous programming approach has proven to be sufficient in responding to local circumstances and has provided VCGN with a template for expansion, we believe it remains inadequate on a network level, when addressing the GSC. In order to reflect VCGI's vision for innovation to "*fix the world,*" and "*improve the human condition*" (VCGI 2019), a global scale approach to programming will be necessary. As things stand currently, there is little coordination across the network, with regards to an overall goal for programming. While there are a number of possible reasons as to why this is happening, we can also think of the clear link between the lack of sustainability within the organisational purpose (which can be traced back to an incomplete definition of sustainability), as one of the root causes of this. In addition, it is clear that VCGI will need to centrally coordinate programming as it moves forward (this is something they have indicated that they are considering).

Furthermore, reflected in their differing but consistent use of "community credos", VCGN prides itself on remaining neutral to special interests, and discourages direct marketing and selling of goods or services in the Café. However, given VCGN's primary funding and partnership model for programming (as we have pointed out above), this could undermine decision making integrity and challenge core organizational values, and needs to be addressed within decision-making.

Finally, VCGN emphasizes data-driven decision making and is actively working to expand the metrics tracked in order to measure impact on surrounding innovation ecosystems. This is also a similar case for how VCGN monitors the impact of its programming. While cities are required to report on social metrics of participants (diversity, number of meetings, connections made etc.), there are no metrics in place to measure operational and/or programmatic ecological sustainability across the network. These are again important in relation to systematically

addressing the GSC and can be traced back to the lack of sustainability within the organisational purpose.

It was interesting to observe the acceptance of the UNSDGs as a metric within VCGN. They were considered relevant to three out of five cities. As highlighted previously these are increasingly seen as the global currency for tangible sustainability and have a role as a potentially universal framework for monitoring impact and tracking sustainability KPIs within cafés and the network. The UNSDGs offer a variety of applications to influence and brand existing and future sustainability programming. They are also a helpful solution in working across cultures since they have already been endorsed and embraced by the international and business community.

In terms of format and programme design, it was clear that VC's *Thursday Gatherings* programme structure works well. This was further validated by third parties we interviewed. The consistent and adaptable structure of *Thursday Gatherings*, combined with the open-mindedness and receptiveness of VC staff and audiences, deserves to be commended and replicated. Given this, we also see no reason why VCGN shouldn't take a proactive approach in embedding sustainability in its programming. One possible way to do so would be to use a "Trojan Horse Strategy" (City 1 2019), which involves making sustainability the hidden agenda of programming, by placing it within topics with a different explicit focus. This would mitigate the concerns café leadership raised about turning participants off, with explicit sustainability programming, and could be a low-risk way to introduce sustainability, SPs, and the UNSDGs to a sector agnostic audience. In addition, inviting sustainability professionals to fill mentoring, event facilitation, and knowledge expert roles, could be another low-cost way to advance sustainability in the existing programmatic services offered by VC.

### **Recommendations**

VCGI indicated that it had recently hired a new staff member to play a role in global programming to ensure that there was coordination in achieving collecting goals, across the network. We believe that in order for this effort to be successful (at addressing the GSC, amongst other concerns) VCGN should synchronize its organizational purpose and definition of sustainability, as a foundation for effective network-scale decision making processes.

VCGN should ensure Programme Advisory Boards are in place at every café, as the network expands. It would be ideal if these boards had sustainability professionals on them and they would also act as a counter to external influence on programme decision-making. In addition, VCGN ought to incorporate ecological sustainability criteria when enlisting content from contributors, selecting partnerships and hosting events, as this would be an effective way to incentivize and track sustainability within programming.

In order to make better data-driven decisions and track impact around sustainability, VCGN should implement procedures to track ecological sustainability. As recommended earlier, a custom set of metrics should be created and adopted (see [Appendix D](#)). This should also be combined with a greater adoption and pairing with the UNSDGs across the board, given their ability to be used as a guide, across different measures and categories.

Finally, VCGN should prototype a "Trojan Horse Strategy" across the network, in addition to working with sustainability experts at all levels, to take on various roles at the cafés worldwide.

## 4.2 Validity of Findings

### 4.2.1 Credibility

In terms of credibility or the internal validity of our results, we present our assessment of the fifteen themes, using the following scale: Slightly Confident. Confident and Very Confident. This assessment is based on both our intuition and the availability of triangulated data for that particular theme (which confirms what we gathered from café and network leadership).

E.g. Slightly Confident as a measurement would indicate that findings from some of the interviews with café leadership were not triangulated or minimally confirmed by external verification. Confident as a measurement would indicate that findings from interviews with a majority of the café leaders were externally verified by network leadership and a majority of the external interviewees. Finally, Very Confident would indicate that findings were mentioned and verified by more than a majority of the interviewees.

While some of the individual themes might have a lower assessment, when they are combined with other themes to answer the six SQs, it leaves us confident in the validity of the discussion of the SQs.

*Table 4.1. Credibility of Findings*

Theme	Assessment	Theme	Assessment
1. Personal Definition of Sustainability	Confident	9. Culture/Institutional Logic of Sustainability	Slightly Confident
2. Organisational Definition of Sustainability	Very Confident	10. Barriers	Confident
3. Mechanism of Action	Confident	11. Enablers	Confident
4. Organisational Purpose	Very Confident	12. Competitors & Competitive Advantage	Slightly Confident
5. Future Vision	Confident	13. Decision Making	Confident
6. Current State of Sustainability - Programs	Confident	14. Monitoring the Impact of Programming	Slightly Confident
7. Current State of Sustainability - Operations	Slightly Confident	15. Specific Actions Related to Programs	Very Confident
8. Values	Confident		

Below we also provide an assessment of the confidence in the transferability, dependability and confirmability of our research based on the type of case study organization we worked with, availability of data and researchers' possible biases.

#### **4.2.2 Transferability**

Given the highly specialised nature of the organisation and the case, the transferability of findings remains limited to perhaps other sector agnostic innovation intermediaries and within the innovation ecosystem.

#### **4.2.3 Dependability**

We believe the findings are fairly dependable and should result in similar results, should the research be repeated. Additional external verification to triangulate the data, could have made the findings even more dependable, but we are satisfied with the result.

#### **4.2.4 Confirmability**

All research replicates the inherent biases present within researchers. That said, being a group of four researchers in this project, with varied cultural and professional backgrounds, we believe that we were able to overcome any significant biases in the interpretation of the results and our biases did not significantly impact the objectivity of the study.

E.g., One of our team members had had previous contact with VCGN and knew 3 of the 12 interviewees prior to this research. To overcome this bias, we limited this team member's involvement with those interviewees and did not involve them in the process or interpretation stage that followed.

### **4.3 Discussion on Research Method**

We felt that the multi-methods, qualitative approach could have been additionally strengthened with a quantitative aspect. This quantitative aspect would have been particularly useful in understanding the current state of VCGN's operational sustainability, by measuring it with certain metrics. We could have also used a quantitative approach to measure sustainability in programming. However, given the paucity of time and the inconsistency of the formats of VCGN's data (beyond certain social metrics), that was unfeasible.

Reflecting upon our data sources, we managed to only interview 12 of the 15 intended targets, due to their unavailability. While 12 interviews provided a solid base, additional interviews would have strengthened the triangulation of data gathered. For the documentary analysis, the lack of standardisation of data and documents across the network, made a detailed, quantitative study difficult and reduced our ability to probe programming content in greater detail.

### **4.4 Reflection on Conceptual Frameworks**

The FSSD served as the primary framework and proved its use on multiple occasions. Both theoretical and operational elements of the FSSD were employed in the research study.

Theoretically, the 8SPs and Funnel Metaphor were particularly useful in establishing where VCGN stood relative to the GSC and how it could actually address the GSC.

The MLP shaped our understanding of the innovation ecosystem, VCG's role in addressing the GSC using innovation and provided us with a theory of sociotechnical change. Without it, it would have been difficult for us to make the case for the study of VCGN within the field of sustainability.

The theory of Institutional Logic, while useful in helping the external cultures and values that shaped sustainability within cafés, was perhaps too broad a theory for our purposes. The fact that VCGN is a global organisation, and the hubs we researched were in such different geographical and cultural settings made it difficult to comprehend a single network-level institutional logic and instead we were dealing with multiple local contexts and logics. Perhaps working with a theory that looked at organisational decision-making practices and what influences them could have added a little more depth and nuance to our thinking and allowed us to navigate the local contexts better.

## **4.5 General Limitations**

Generally speaking, the only major limitation of our research was the fact that we did not get a chance to study all the cafés that form VCGN and our focus was limited to the *Thursday Gatherings*, while a number of cafés increasingly offer other services and programs, including mentorships, trainings and business development options. This limited approach, possibly prevented us from analysing the entirety of VCGN's impact in relation to the GSC.

## **4.6 Avenues for Further Research**

Given the nascence of the field and the fact that there are a limited number of sector agnostic innovation hubs like VCGN in operation, there exist a number of avenues for further research. These are outlined below:

- Further research about the overall role of sector agnostic hubs in the innovation ecosystem and how they can address the GSC by implementing sustainability within their practices.
- Further research around the impact of sustainability-related programming at innovation hubs and its effect on startups, where the focus would be to measure the immediate impact on the operations of early-stage startups.
- Given the reluctance of many entrepreneurs and hubs to engage in explicit sustainability ventures, research into the role of the "Trojan Horse Strategy", where sustainability is added to every other topic implicitly, could be very useful.



## 5 Conclusion

In our study, we researched how sector agnostic innovation hubs could implement sustainability into their practices, using the case of VCGN. Given the nascence of the field, there was a clear gap in the research around these kind of innovation intermediaries, their innovation ecosystems and the impact on the GSC. To do this, we used a multi-method design, with a primarily qualitative approach, based on semi-structured interviews, documentary analysis and a site observation. The FSSD, a MLP and the Theory of Institutional Logic provided a conceptual lens to the work.

### **How might the Venture Café Global Network integrate sustainability into its practices?**

Based on our findings, we conclude that primarily for VCGN to implement sustainability into its practices and achieve its aspirations to address global challenges, it is imperative that VCGN incorporates a comprehensive definition of sustainability at an organisational level. In our study, we found that café and network leadership had differing views on sustainability, which compromises VCGN's ability to address these global challenges. We explain below.

A comprehensive, shared and consistent definition of sustainability would allow VCGN to frame these global challenges it wishes to address in a manner, that it can then work to find solutions to. This definition would strengthen its current commitments to social sustainability, as well as introduce ecological sustainability into its operations and programming, which is currently insufficient. Based on VCGN's commitment and ability to live up to its values, and its proven impact on the innovation ecosystem, it is safe to assume that this new definition of sustainability would percolate into the organisation's structure, vision, purpose and decision-making procedures, which would become more apparent in its operations and programming, before impacting change in its innovation ecosystem, through the startups, policymakers and investors it works with.

Based on the above, VCGN should:

1. Adopt a comprehensive, shared and consistent definition of sustainability, which allows for framing the GSC and the responses to it, within certain boundary conditions. The 8 SPs within the FSSD, emerge as one such coherent choice.
2. Work to implement this definition, within the organisational purpose of VCGN, its vision for the medium to long-term future and use this definition to expand its understanding of the network's mechanism of action within the innovation ecosystem.
3. Expand its list of stated and unstated values to be representative of ecological sustainability, building on its strong stated social commitments. In addition, VCGN should continue with its flexible model of adapting and working with, or against, local institutional logics, which would allow them to better introduce sustainability to the innovation ecosystem as the network expands.
4. Work to introduce more explicit sustainability (ecological and social) programming at its events which when combined with its current implicit social sustainability imperatives in its programming, would significantly increase its sustainability impact (and thus address global challenges). This would have to be done in a coordinated manner, across the network, and championed by VCGI, in a departure from current practices.



5. Complimentarily, introduce greater ecological sustainability commitments into its operations, by introducing reporting standards compatible with the social sustainability reporting metrics in place. In addition, VCGN should attempt to standardize policies in the network, around building design and proximity to public transportation (wherever possible), travel between existing and emerging sites, and around local procurement and resource use.
6. Work with the elements in its innovation ecosystem that have proven receptive to sustainability and work to systematically address elements that have emerged as barriers to sustainability. In terms of enablers, VCGN should continue to create strong partnerships with local institutions (city councils, ministries etc.) and capitalise on the growing global awareness about the importance of sustainability. In terms of barriers, VCGN should work to clearly state the business case for sustainability for early-stage startups and its financial advantages for them as well as work comprehensively to secure external funding for its sustainability programmes.
7. Finally, work with the UNSDGs, using them as the currency for its sustainability practices. Our research showed that various cafés in the network already use the UNSDGs in different ways, but a coordinated network-level approach to appropriating the UNSDGs would be most useful. In a broad sense, use of the UNSDGs provide a common language around sustainability at both an operational level, internally and on a programmatic level, externally, as well as provides easier access to specific sustainability-related external funding, give their increasing global reach and use. Specifically, the targets of the UNSDGs, could also be internalised by VCGN, to measure the organisation's sustainability-related progress.

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## APPENDIX A: Interview Questions

### *Semi-structured Interview Questions for Venture Café Sites Leadership:*

#### SYSTEM

1. What is Venture Café's broader role in society and do you as a programme director understand how this happens, how does Venture Café impact the world?
2. How would you define sustainability personally and what it means for the organization?
3. Is there other common language, definition, and/or key words that pertain to sustainability [pause]. What about "social sustainability," diversity, social inclusion, and/or justice (from an internal perspective)?

#### SUCCESS

1. Where do you see your Venture Café hub in 10 years and where do you see the Venture Café network? What would you like to have achieved by then in terms of sustainability and impact on the community?
2. Demand for sustainability: is there a present demand from startups and/or funders for sustainability that you are aware of? How is this demand generally communicated/conveyed? Examples and are there legal and/or regulatory requirements around sustainability you are aware of?
3. Who do you consider the leading sustainability player in innovation economy – local or global – and why?
4. What is the surrounding culture of sustainability locally and regionally that affects sustainability decisions? Societal/cultural sustainability commitments? Climate commitments? (An example would be a high demand on Fair Trade coffee in Sydney, fuelled by the hipster culture in the area.)
5. What are the local politics of sustainability and how does it affect your decision-making?

#### STRATEGIC GUIDELINES

1. How does Venture Café make decisions in general and how does it make decisions around sustainability?
2. If you were training your successor what would you tell them to are the core values around decision making in your local Hub context and within the Venture Café network?

#### ACTIONS

1. What are the main drivers for determining what programmatic activities you run? How are gatherings and trainings offered decided on? How does this process vary from site-to-site?
2. Could you remember the most successful theme nights? What aspect of the programmes offer makes them successful? Content, style, what is unique about this? Do you think we can apply this to sustainability related content? What were the unsuccessful ones? Why?
3. What role does sustainability have in your programming? How could sustainability be added to programmatic activities?

#### TOOLS

1. How does VC measure and evaluate its impact/success?
2. Has there been integration of Agenda 2030 and/or UNSDGs in programming that you are aware of? If so, when, who and why?
3. Who are the key partners Venture Café engages with? What defines these partnerships? Are there any sustainability partners?

***Semi-structured Interview Questions for the VCGI Leadership:***

**SYSTEM**

1. What is Venture Café's broader role in society and do you as the Executive Director understand how this happens, how does Venture Café impact the world?
2. How would you define sustainability personally and what it means for the organization?
3. Is there other common language, definition, and/or key words that pertain to sustainability [pause]. What about "social sustainability," diversity, social inclusion, and/or justice (from an internal perspective)?

**SUCCESS**

1. Where do you see your Venture Café hub in 5 or 10 years and where do you see the Venture Café network? What would you like to have achieved by then in terms of sustainability and impact on the community?
2. Demand for sustainability: is there a present demand from startups and/or funders for sustainability that you are aware of? How is this demand generally communicated/conveyed? Examples and are there legal and/or regulatory requirements around sustainability you are aware of?
3. Who do you consider the leading sustainability player in innovation economy – local or global – and why?
4. What is the surrounding culture of sustainability locally and regionally that affects sustainability decisions? Societal/cultural sustainability commitments? Climate commitments? (An example would be a high demand on FairTrade coffee in Sydney, fuelled by the hipster culture in the area.)
5. What are the local politics of sustainability and how does it affect your decision-making?

**STRATEGIC GUIDELINES**

1. How does Venture Café Global Institute make decisions in general and how does it make decisions around sustainability?
2. If you were training your successor what would you tell them to be the core values around decision making within the Venture Café network?

**ACTIONS**

4. What are the main drivers for determining what programmatic activities you run? How are gatherings and trainings offered decided on? How does this process vary from site-to-site?
5. Could you remember the most successful theme nights amongst the network? What aspect of the programmes offer makes them successful? Content, style, what is unique about this? Do you think we can apply this to sustainability related content?
6. What role does sustainability have in the programming of different Venture Cafés? How could sustainability be added to programmatic activities?

**TOOLS**

1. How does Venture Café Global Institute measure and evaluate its impact/success?
2. Has there been integration of Agenda 2030 and/or UNSDGs in programming that you are aware of? If so, when, who and why?
3. Who are the key partners Venture Café network engages with? What defines these partnerships? Are there any sustainability partners?

***Semi-structured Interview Questions for Member Innovation Ecosystem of the Venture Café Sites Interact with:***

**ORIENTATION**

1. What do you do? What field are you most associated with?
2. What is your interaction with Venture Café and how does it add value to your work?

**SYSTEM**

1. How do you understand Venture Café's role in influencing the innovation ecosystem? How do you fit in the picture?
2. How would you define sustainability personally and what it means for your organization?
3. Is there other common language, definition, and/or key words that pertain to sustainability that you are exposed at the Venture Café? [Pause] What about "social sustainability," diversity, social inclusion, and/or justice (from an internal perspective)?

**SUCCESS**

1. Demand for sustainability: Are you aware of a demand / need / incentive for sustainability from startups/investors involved with the Venture Café? How is this demand/need generally communicated/conveyed? For example, financial, legal, societal requirements?
2. What is the surrounding culture of sustainability locally and regionally that affects decision making? Societal/cultural sustainability commitments? Climate commitments? (An example would be a high demand on FairTrade coffee in Sydney, fuelled by the hipster culture in the area.)
3. What are the local politics of sustainability and how does it affect your decision-making?
4. Who do you consider the leading sustainability player in innovation economy – local or global – and why?

**STRATEGIC GUIDELINES**

1. How do you make decisions around sustainability? How do you convey that to investors/entrepreneurs/shareholders?
2. What do you perceive as core values of Venture Café?

**ACTIONS**

1. What are the main drivers for determining what programmatic activities you attend?
2. Could you remember the most successful theme nights? What aspect of the programmes offer makes them successful for you? Content, style, what is unique about this? Do you think we can apply this to sustainability related content?

**TOOLS**

1. What value have you received through Venture Café and how do you evaluate ROI?
2. Has there been integration of Agenda 2030 and/or UNSDGs in programming that you are aware of? If so, when, who and why?
3. Who do you perceive are the key partners of Venture Café? What defines these partnerships? Are there any sustainability partners you know of?
4. Other similar intermediaries that provide similar value?



## APPENDIX B: Coding Themes

*Coding themes for Interviews with Venture Café Sites and VCGI Leadership and Documentary Analysis:*

<b>ORGANISATIONAL PURPOSE - LIGHT PURPLE 1</b>
<b>MECHANISM OF ACTION HOW VC IMPACTS THE WORLD - GREY</b>
<b>DEFINITION OF SUSTAINABILITY PERSONAL - GREEN</b>
<b>DEFINITION OF SUSTAINABILITY ORGANISATIONAL - ORANGE</b>
<b>CURRENT STATE OF SUSTAINABILITY OPERATIONS - CORNFLOWER BLUE</b>
<b>CURRENT STATE OF SUSTAINABILITY PROGRAMS - LIGHT RED 1</b>
<b>FUTURE VISION GENERAL - CYAN</b>
<b>BARRIER - DARK YELLOW 2</b>
<b>ENABLER - DARK GREEN 2</b>
<b>CULTURE / INSTITUTIONAL LOGIC OF SUSTAINABILITY - LIGHT PURPLE 3</b>
<b>DECISION MAKING - LIGHT RED BERRY 2</b>
<b>VALUES - DARK CYAN 1</b>
<b>SPECIFIC ACTION RELATIONS RELATED TO PROGRAMS - DARK MAGENTA 1</b>
<b>IMPACT RELATED / KPIS / SDGS / TOOLS ETC - LIGHT RED 3</b>

*Coding Themes for Interviews with Member Innovation Ecosystem of the Venture Café Sites Interact with:*

<b>ORGANISATIONAL PURPOSE OF VC - LIGHT PURPLE 1</b>
<b>MECHANISM OF ACTION HOW VC IMPACTS THE WORLD - GREY</b>
<b>SUSTAINABILITY AWARENESS - GREEN</b>
<b>CURRENT STATE OF SUSTAINABILITY VENTURE CAFÉ OPERATIONS - CORNFLOWER BLUE</b>
<b>CURRENT STATE OF SUSTAINABILITY VENTURE CAFÉ PROGRAMS - LIGHT RED 1</b>
<b>BARRIER - DARK YELLOW 2</b>
<b>ENABLER - DARK GREEN 2</b>
<b>CULTURE / INSTITUTIONAL LOGIC OF SUSTAINABILITY - LIGHT PURPLE 3</b>
<b>VENTURE CAFÉ VALUES - DARK CYAN 1</b>
<b>SPECIFIC ACTION RELATIONS RELATED TO PROGRAMS - DARK MAGENTA 1</b>
<b>IMPACT RELATED / KPIS / SDGS / TOOLS ETC - LIGHT RED 3</b>

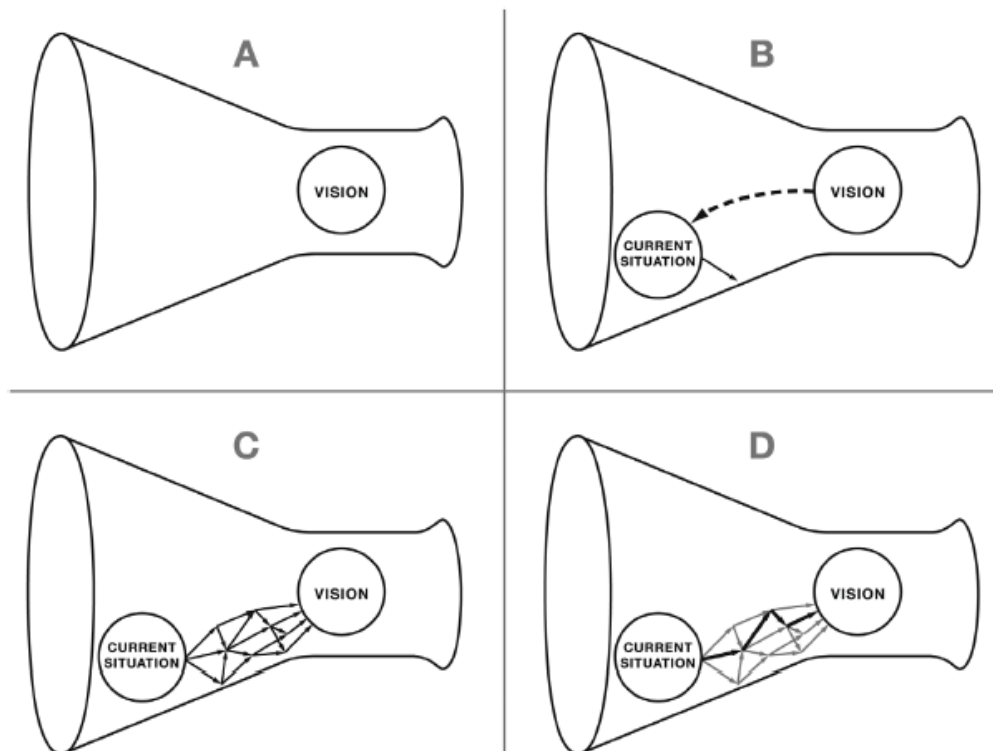
## COMPETITORS - YELLOW

## APPENDIX C: FSSD Operational Procedure (ABCD)

The Framework for Strategic Sustainable Development includes an operational procedure for organisations to to-create a strategic plan for sustainability transition (also referred to as ABCD). The procedure includes the following steps (Broman and Robèrt 2015):

1. In the first step (A) participants of the procedure learn about the challenge and the basis of the FSSD and co-create a possible organisational purpose, distill the organizational values and agree on the vision of the future in relation to the Sustainability Principles.
2. In the second step (B) participants assess the organization's current performance with respect to the agreed purpose, values and vision and identify the possible challenges and assets in going further.
3. In the third step (C) participants use creative methods like brainstorming to generate ideas that can help closing the gap between the imagined future and current reality.
4. In the fourth step (D) participants apply strategic guidelines proposed by the FSSD to choose the actions that will comply with Sustainability Principles, organizational purpose, vision and values and be viable and can act as flexible platforms for the next steps.

The image from Broman and Robèrt (2015) represents how these steps are connected to the funnel metaphor:



## APPENDIX D: Sustainability Checklist Venture Café sites



### *Sustainability Checklist for Operating Venture Café sites*

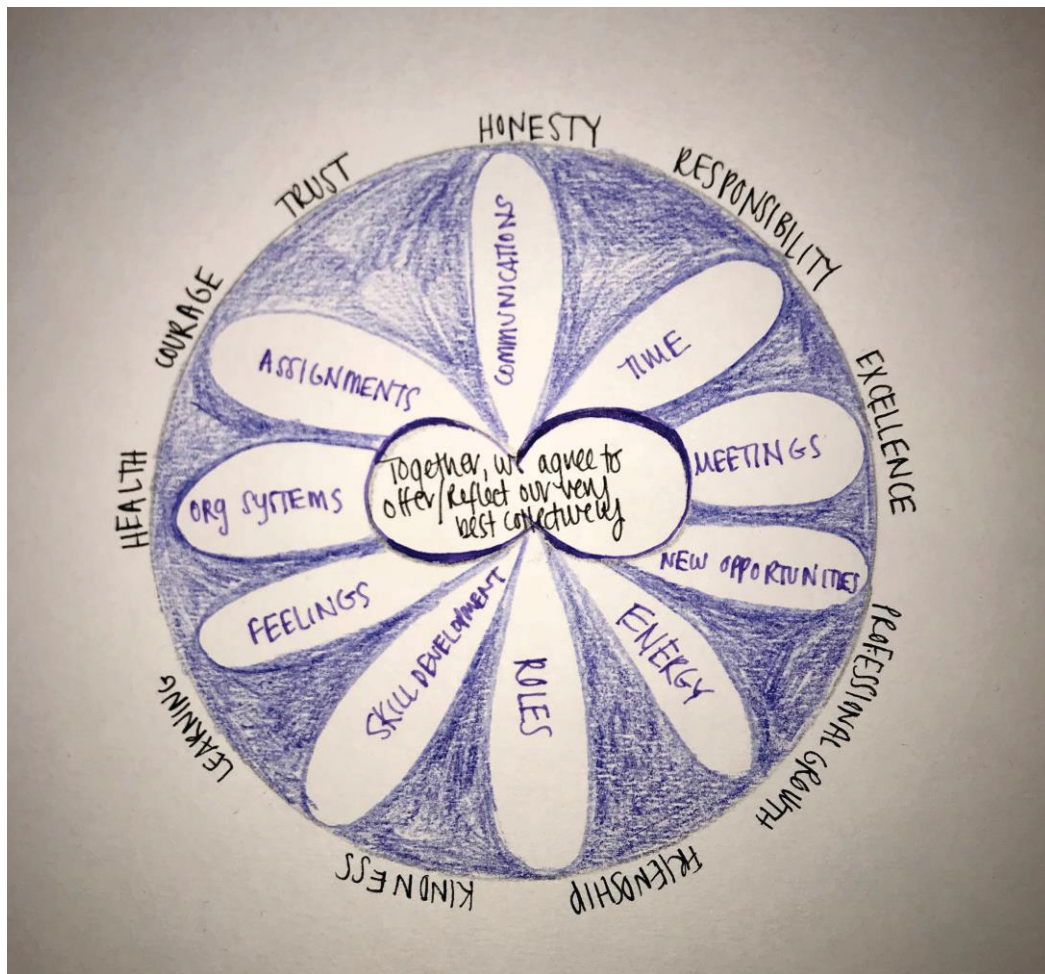
#### Infrastructure

- ✓ Define sustainability internally and set city specific goals
- ✓ Adopt sustainable purchasing policy
- ✓ Adopt zero-waste policy
- ✓ Adopt green events policy and integrate systems
- ✓ Include UNSDGs into job descriptions and staff goals
- ✓ Identify SDG person and implement marketing and tracking kit
- ✓ Form VC Sustainability leadership team
- ✓ Request plants and monitor air circulation
- ✓ Source local and organic beverages, and eco-friendly caterers
- ✓ Ban single use plastics and incorporate reusable dishes and cutlery
- ✓ Audit space for resources usage and prioritize efficiency measures
- ✓ Join CIC and/or City Sustainability Council
- ✓ Join VCGN SDG Alliance (Sustainability Council)

#### Hospitality

- ✓ Incorporate SDG slide deck into rotating screen monitors facing participants
- ✓ Invite local Green Drinks to meet regularly, research and contact local sustainability organizations and reach out to collaborate
- ✓ Incorporate SDG tag system for event and theme night marketing
- ✓ Create sustainability website page
- ✓ Include monthly sustainability-related themes into programming
- ✓ Include SDG in Credo
- ✓ Add SDG/sustainability in content, contributor, ambassador and events forms
- ✓ Add SDG commitment and pledge into sign-in process
- ✓ Include SDG in every newsletter
- ✓ Start tracking all sustainability events
- ✓ Include SDG metrics in Impact Report
- ✓ Engage local sustainability experts
- ✓ Promote healthy (non-alcoholic) drinks

## APPENDIX E: Thesis Team Compass





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