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Sport hybrid organizations: development of an innovative classification framework

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Author: **Davide Simonetto**

Student ID: 920703
Advisor: Mario Calderini
Co-advisor: Gabriele Guzzetti, Tommaso Tropeano, Veronica Chiodo
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Abstract

Hybrid organizations represent a business type in growing diffusion, they are in the middle between for profit companies and those belonging to third sector, combining objectives aimed to create social capital with financial sustainability through the activities carried out. This typology was born as a response to the need that governments have in solving and mitigating the various problems of today's society, whether they are economic, social, or environmental. The United Nations has identified 17 objectives, SDGs, for sustainable development, which make up the 2030 Agenda. Among the various challenges, this thesis deals with social inclusion and the role of sport in achieving it. Sport has always been considered as an educational and social means for people, supporting processes of motor, emotional and relationship development. The research focuses on sports organizations that present a hybrid form to conduct their business. After a research phase of existing firms of this type, the peculiar dimensions are identified and used to create a classification model. Businesses differ according to the use of profits, the alignment between social and commercial missions, and the source of funding. This study highlights the challenges faced by the various types of businesses and how they influence the risk of mission drift.

Key-words: hybrid sport entrepreneurship, social inclusion, classification framework, mission drift, social-commercial conflicts

Abstract in lingua italiana

Le organizzazioni ibride rappresentano una tipologia di business in crescente diffusione, esse sono nel mezzo tra le compagnie for profit e quelle appartenenti al terzo settore, unendo obiettivi finalizzati alla creazione di capitale sociale con la sostenibilità finanziaria tramite le attività svolte. Questa tipologia di business nasce come risposta alla necessità che i governi hanno nel risolvere e mitigare i vari problemi della società odierna, che siano economici, sociali o ambientali. Le Nazioni Unite hanno identificato 17 obiettivi, SDG, per uno sviluppo sostenibile, che costituiscono l'Agenda 2030. Tra le varie sfide, questa tesi si occupa dell'inclusione sociale e del ruolo dello sport per il suo raggiungimento. Da sempre lo sport è stato considerato come mezzo educativo e sociale per le persone, sostenendo processi di sviluppo motorio, emotivo e relazione. La ricerca si concentra sulle organizzazioni sportive che presentano una forma ibrida per condurre il proprio business. Dopo una fase di ricerca delle imprese di questo tipo esistenti, le dimensioni peculiari sono identificate e utilizzate per creare un modello di classificazione. Le imprese si differenziano in base all'utilizzo dei profitti, all'allineamento tra le missioni sociali e commerciali, e alla fonte di finanziamento. In questo studio vengono evidenziate le sfide affrontate dalle varie tipologie di business e in che modo influenzano il rischio di mission drift.

Parole chiave: imprenditorialità sportiva ibrida, inclusione sociale, modello di classificazione, mission drift, conflitti sociali-commerciali.

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Executive summary

Hybrid organization is an emerging form of entrepreneurship that puts into question the traditional idea adopted by public and private companies. In last years this organizational form has spread worldwide, characterized by companies with a double role in society, creating a solution to social and environmental problems, work opportunities and a competitive position on the market (Vaccaro, 2017). These merge the clear intention of generating a positive impact for people and the creation of economic value. The sectors more addressed by hybrid companies are those of education, health care, economic development of marginalized areas and environment. The constituting characteristics are:

- Clear social/environmental purpose
- Earned Income through economic activities
- Multistakeholder governance
- Separation from State
- Economic risk
- Human resources composed by a mix of paid workers and volunteers
- Participatory nature

The presence of distinctive objectives and stakeholders involved causes tensions between parts involved. The main risk is mission drift, that means loss of the original mission, this could be fatal for companies' long-term activity. The tensions identified are correlated to the mutual social-economic nature of hybrid companies. Some of

them are the management of customers and beneficiaries, the achievement of a social mission and generation of economic value, the competition and collaboration with other enterprises, the influence of stakeholders with different interests, and the adoption of a specific supply chain considering the trade-off cost-mission.

Another area of development for hybrid companies is the sport sector, which has always been considered important for the inclusive opportunities provided to individuals (European Commission, 2017). Hybrid sport entrepreneurship plays a role in solving social issues for marginalized people, helping their inclusion in community, and avoiding anti-social behaviors. Also, from an economic point of view, this type of business brings positive effects to people: new job opportunities, new or renewed infrastructures and a stimulation of the economic growth mainly in peripheral areas (Pellegrini et al., 2020). The role of sport is confirmed by the UN in the Agenda 2030, where it is considered an important driver for a sustainable development and its contribution in diffusion of ethical values, like respect of diversity and responsibility. Hybrid sport entrepreneurship represents the subject of the thesis due to its characteristics and potential in generating a change.

The issue addressed is that of social exclusion. It represents a condition of denial of resources, rights or goods, and the inability to take part in activities available to the majority of people (Levitas et al., 2007). The exclusionary processes have become more recurrent, especially due to the actual pandemic crisis, and represent a situation that is shared both by poor and well-developed countries. Exclusion can be caused by economic factors, like low-income populations that cannot afford services, but also by other things, like the lack of infrastructures or inaccessibility to them.

Thus, the work of research is focused on hybrid organizations that use sport activities as a means to reach social inclusion of individuals. In particular, the aim is to identify

the alternative business models that hybrid companies can adopt, highlighting their approach in managing conflicts and tensions between social and commercial logics.

The first step is an analysis of the existing literature about the topic in order to find a possible area of study. Despite the presence of a consistent number of publications, there are topics not considered in depth. There are documents that discuss about the characteristics of sport entrepreneurship, their role for social and economic development, their relationships with institutions, but not about the business models that can be adopted. The gap identified through this process is the lack of classification models established for evaluating sport hybrids. Only one model has been found during the research and it is too simplistic because considers only the alignment between activities done, thus, through this work is expected the provision of a more comprehensive framework. Moreover, based on that, the characteristics regarding the management of social and commercial identity are highlighted. This step of the research led to the identification of two research questions:

- **RQ1:** *What are the hybrid organizational models, at international level, that utilize sport as a mean of social inclusion?*
- **RQ2:** *How hybrid sport organizations manage their social and commercial identities, and what are the tensions created?*

In order to provide answers to research questions, the development of an innovative framework for the classification is necessary. First of all, a revision of existing model for hybrid companies take place in order to know what has already been done and the logics behind them. The constituting dimensions identified are:

- Hybrid spectrum
- Organizational Structure
- Revenue stream

The first is about the generation of value and its distribution to shareholders. The specific positions are *not for profit*, where the profits are fully reinvested, *social enterprise*, partly reinvested and the remaining distributed, *profit for purpose*, fully distributed, *profit with purpose*, fully distributed, but the social activities are distinct from the core business.

The second is the level of alignment between social and commercial activities. There are two possible situations: *integrated*, when social activities generate revenues for the organization, and *differentiated*, when for value creation is necessary the use of a different set of activities not related to the mission.

The third regards the funding mechanism adopted by the businesses. Often hybrid companies use both internal and external sources, thus it is considered the dominant one. The possibilities are those of *internal* mechanism, which is characterized by money generated through activities provided, like sales, and *external*, which represents the dependency on donations and grants.

Through the integration of the three dimensions, six different business models have been obtained, for each one is defined the tensions existing, the level of autonomy in taking decision and opportunities. The models identified and their characteristics are the following:

- Group A (Not for profit + Differentiated + Internal or External)

Companies with a not well-established entrepreneurial structure, where profits, if any, are reinvested in social mission. There is the risk of having unsustainable budget deficit if the focus is too much social oriented. Then, there are tensions coming from commercial stakeholders that want a more economic approach.

- Group B (Not for profit + Integrated + External)

It is a situation similar to Third Sector organizations, like charities and philanthropism, and the financial results are very poor. This group is dependent from donations and grants, its autonomy in taking decision is quite limited, and a development towards an entrepreneurial form is very difficult. Of course, this dependence is associated to vulnerability in case of loss of financing.

- Group C (Not for profit or Social venture + Integrated + Internal or External)

It is composed of companies that can generate economic value through the social activities provided. The social and economic identities are subject to a mutually reinforcing mechanism because an increment of one is correlated to the other. There are pressures coming from commercial stakeholders to enlarge the customer basis, and from social to generate more impact.

- Group D (Social venture or Profit for purpose + Differentiated + Internal)

Companies with a more defined entrepreneurial structure and aimed to profits generation. These face a situation where beneficiaries are not able to pay for goods or services, thus the stream of revenues come from a different set of activities unrelated to the mission. This situation is associated to a great risk of mission drift towards corporate companies, which means an orientation to more profitable clients with a low interest in generating impact for communities, that in case of hybrids should be a priority.

- Group E (Profit for purpose + Integrated + Internal)

Organizations characterized by an entrepreneurial mindset. These are able to make profitable the social activities thanks to a beneficiary's segment addressed that is able to pay the services or products. Social and commercial activities have a high degree of alignment enabling the exploitation of a mutual reinforcing mechanism.

- Group F (Profit with purpose + Differentiated + Internal)

It has a social mission that is distinct and unrelated to the core business, which is composed by entrepreneurial activities with social orientation. The social operations bring a low, or null, level of incomes, and represent a complexity factor for the business management. This form sometimes is adopted for marketing reasons, making the image of a sustainable company.

These are the six business models identified through the innovative classification model development. There are some combinations that are not considered in the list because of incompatible features, while others have been merged because of their similarity. These decisions are taken in order to make simpler the management and description of models.

In order to have a more practical approach, the model is applied to a sample of 100 business cases of hybrid sport entrepreneurships currently operating in the market. In order to provide the specific positioning, it was necessary the establishment of evaluation criteria to manage the limit situations. The results obtained about the distribution of companies are the following: Group A 13%, Group B 24%, Group C 22%, Group D 9%, Group E 26%, and Group F 6%.

Then, the distribution has been considered according to different characteristics, like the location and sport portfolio offered to customers. In this way, the results obtained differ from the previously, in particular the American organizations are more near to for profit side, with a higher distribution in group D, E and F, and for those with a multisport offer, which are more near to social side, especially in group B.

The objective of the thesis research is to establish the business models that hybrid sport entrepreneurships can adopt and describe them through the conflicts and competition between social and commercial logics. The results obtained through the

model application to the sample is not to be considered as a quantitative study because of the limited number of companies considered compared to market dimension.

1. Introduction

The current research is the result of a study on the emerging area of hybrid organizations, a new form of business characterized by social and commercial interests. This typology was established in response to social issues that governments alone cannot solve, like climate change that recently has gained the spotlight.

Given the existence of many publications regarding the hybridity, the focus of this analysis has been the specific sector of sport and physical activities as means to achieve a greater social inclusion. Sport is an area with a great potential both from an educational and commercial perspective. It plays an important role for the creation of physical and psychological wellbeing, creating opportunities and preventing anti-social behaviors.

“Sport has the power to change the world. It has the power to inspire. It has the power to unite people in a way that little else does. It speaks to youth in a language they understand”.¹

These words were spoken some years ago by the South African president Nelson Mandela. He has highlighted the social role and the potential to create a change. Today, sport is something that brings together people, the celebrations occurred and media attention in occasion of European Football Cup and Olympic Games of last summer are evidence of the incredible involvement in people life. These activities and

¹ Nelson Mandela, at the inaugural Laureus World Sport Awards, 25th May 2000, Monaco, France

events, of course, have a prominent role also from an economical point of view, providing a lot of job opportunities and community development, through new infrastructures and leisure activities. Sport affects other sectors that are not directly related, just think to affluence in bars during football match or tourism in cities where Formula 1 races take place.

Despite the popularity of sport for people, there are many individuals that do not participate in these activities, denying in this way the achievement of social benefits. Often, those that mostly need a sport practice face the great entry barriers. An example is the lack of infrastructures with adequate access at an affordable price and specialized staff for people with physical or intellectual disabilities. Thus, actions aimed to inclusion of individuals with issues, that can be social, economic, or so on, represent a priority of today's society, and need the collaboration between State and private organizations.

Companies able to balance financial results and social impact, through the provision of sport activities as means for reaching inclusion, represent the focus of the thesis research. In particular the goal is the identification of possible business models that can be adopted, stressing on their existing conflictual logic due to hybridity.

The work is composed by a first part where the concepts of hybrid organization and inclusion, with reference to sport sector, are described, using the documents published in last decade as source of information. Then, follows a chapter dedicated to the objectives to reach with the analysis and the methodological process. After that, the development of the classification model is defined, identifying the existing typologies and their peculiarities. The work continues with the application of the model to a set of hybrid sport businesses operating in today market, displaying the results obtained. Finally, the last chapter is dedicated to conclusions, where the outcomes are critically discussed and new exploration area for future research are exposed.

This thesis tries to fill a gap in existing literature, because there is no classification model developed regarding the sport hybrid sector.

The innovative framework designed in this analysis is based on the combination of three dimensions considered distinguishing factors. Their selection is aimed to highlight the social-commercial duality and derived tensions.

2. Literature review

The aim of this chapter is to provide some key concepts that have been used many times and represent the basis of the whole thesis. This part is the result of a documents' review regarding the topic of analysis. In particular, the concepts to consider are the following:

- Definition of the term *Hybrid organization*, its features, and challenges, focusing on sport sector (2.1).
- Analysis of the meaning of *Inclusivity*, highlighting the role of sport in reaching it and the governmental policies that are adopted (2.2).

Thus, in the following pages, the concepts related to the protagonists of the research will be presented.

2.1 Hybrid organizations

The hybrid organizations are a new emerging typology of business positioned between for profit and non-profit sectors (Venturi and Zandonai, 2014). They are characterized by an intended and clear social mission, like NGOs or charities, but at the same time by a commercial stream of revenues that is used to reach the social aim, in this sense, there is a likeness with the corporate businesses (Venturi and Zandonai,

2014). This form is particularly diffused in triple bottom line sectors, which are characterized by economic, social, and environmental factors, for example areas of microfinance, poverty reduction, health care, economic development, environment, education, housing policies and culture (Battilana and Lee, 2012), where the main purpose is to provide a positive outcome for the community.

To better explain the concept of hybridity, could be helpful the use of a metaphor. A symphony orchestra is composed by two different entities that coexist: the musicians, who perform mainly for their passion for music, and, on the other side, the administrators that consider the economic component related to the exhibition, like the location, pricing and so on, with the goals of generating profits and costs minimization (Glynn, 2000). In the same way, the hybrid organizations consist of two different identities, social and commercial, that to work properly have to cooperate and create a hybrid organization identity (Cornelissen et al., 2021).

The economic logic is driven by profit maximization objectives, like the distribution of dividends, while the social is aimed to the creation and development of strong linkages and networking among groups (Almandoz, 2012). The challenge of hybrid companies is to combine the different parts in a way that enables to reap benefits from both, but the presence of distinct institutional logics can lead to conflicts and tensions between the representatives of the specific logic (Battilana and Dorado, 2010), who push for the advancement of their specific position at the expense of the other.

Hybrid enterprises add a further level of competition compared to traditional companies: it is not based only on the quality of goods and services provided, but on their ability to generate a positive social or environmental impact for society (Haigh and Hoffmann, 2012).

In this analysis, it is adopted the term *Hybrid Organization*, but, in literature, different names are used to describe the same phenomenon, just to list a few, these are Fourth Sector, L3C (Low-profit Limited Liability Company), Blended value, For-benefit, Value-driven, Mission-driven and Benefit corporation (Haigh and Hoffman, 2012), the first one is interesting because give an important outlook about hybridity. Historically, the sectors of the market are three: private, government and third one, also known as charity, non-profit or NGO sector (Anderson, 2020). Among them, a new one is becoming relevant, the *Fourth sector* (Sabeti, 2009), which combines market-based approaches of private businesses with social and environmental aims of the other two sectors².

Today, each kind of corporation, independently from the mission or operation field, is expected to invest part of the capability in issues that matter to their employees, customers, or communities (McPherson, 2018). There is a shared vision regarding the need of businesses to have a purpose beyond just profit and, at the same time, the charity sector organizations are looking for opportunities about revenues sources different from traditional fundraising and grants (Anderson, 2020). Hybrid companies represent the mash-up of these two logics: organizations with the heart of a charity and the head of an enterprise (Anderson, 2020).

The changes about society, policy and economy, and their emphasis due to globalization and other crisis (like the recent pandemic, but, also, wars and banking collapsing), have shown that the State is unable to satisfy the needs of the community autonomously, for this reason there is the necessity of the support of other actors (Ricchezza, 2017; Fazzi, 2012). In literature, the origin of hybrids come from traditional

² Source <https://www.fourthsector.org/what-is-the-fourth-sector>

organizations that convert in them, or through their establishment as a solution to a gap (Spear, 2001). Thus, the market is characterized by for profit businesses, that are trying to become more sustainable and social-oriented, and by non-profits, which are moving to have an economically sustainable business models, and governments, that are forging market-based approaches to service delivery. From this framework, socially motivated entrepreneurs are driving the adoption of hybrid form of business (Sabeti, 2011).

The movement and transformation from non-profit organizations to hybrid identity has recently become a popular survival strategy (Maier et al., 2016; Pearce, 2003). This situation is the answer to the issue of gradual reduced funding support from domestic and foreign grant-making corporations during the phasing-out period (Haigh, 2015; Parks, 2008), mainly in the developing countries, which are those with greater necessity of support. There are worldwide programs aimed to sustain various local NGOs, that have been developed in the last years, and are finalized to provide an assistance through this transformation process (Alexius and Furusten, 2019; British Council, 2017).

The current world market situation is characterized by a lot of socially oriented businesses (Battilana and Lee, 2014) operating in many different sectors and pushed by the same objective: social impact and value generation for the community. In this paper, the focus is dedicated to sport organizations aimed to the inclusion of marginalized groups, that is a little part of this big and variegated framework

2.1.1 Characteristics

Haigh and Hoffman (2012) have identified three main differences that distinguish hybrid organizations from the traditional corporations:

- *Relationship of social/environmental issues to organizational objectives*: hybrid configuration is developed to address social/environmental problems. Intentionality represents the distinctive feature.
- *Relationships with suppliers, employees, and customers*: while, traditionally, priority is given to cost factors, hybrids are focused on mutual benefits generation, and, then, financial expenses.
- *Interaction with the market, competitors, and institutions*: hybrid businesses provide activities serving both the market and the conditions of the social and environmental contexts in which they operate.

A further important distinguishing characteristic of hybrid organizations, identified in literature, is the fact that, while the for profit companies put entry barriers to the market, limiting the number of competitors, the hybrids incentivize the access of other entities (Venturi and Zandonai, 2014). Imitation represents a successful result for their social mission, because enable a broader impact distribution (Venturi and Zandonai, 2014). For this reason, hybrid organizations play an active role for the diffusion of their best practices, because they directly illustrate and spread them to other business in order to increase the social benefits for the community (Haigh and Hoffman, 2012). In this sense, hybrid entrepreneurs can be considered as a sort of game changers.

The first research, at European level, about the multitude of hybrid enterprises was conducted by EMES European Research Network in 1996³, through predefined criteria of economic, political, social, and environmental aspects. The study has represented a starting point and then, it was followed by theoretical and empirical analysis about the social enterprises (Borzaga and Defourny, 2001) and by inquiries about the integration in the job market of disadvantaged and emarginated people (Defourny and Nyssens, 2010).

Young (2012) has provided a definition of social enterprise, describing it as "*activity intended to address social goals through the operation of private organizations in the marketplace*". This definition considers every private organization that has commercial activities aimed to a social goal, thus both companies with and without profits generation can be included under this category (Austin et al., 2006).

The characteristics of hybrid organizations can be distinguished in primary and secondary (Sabeti, 2011). Among the formers, there is the commitment to a purpose, it is not a collateral, but the social aim is the priority of the company, and an earned incomes source reliance, representing the economic part necessary to carry out the operations. The seconds are stakeholder governance and ownership, fair compensation, reasonable return, social and environmental responsibility, transparency, and protected assets. Transparency about the impact, finance and activities, and the involvement of a differentiated set of stakeholders, are innovation elements that are used in order to adapt to the new hybrid form (Anheier, 2011).

³ Consortium of 15 members state of European Union. Studies conducted on the business dynamics focused on general interest generation. <https://emes.net/focus-areas/social-enterprise/>

About the human resources present in these enterprises, volunteers cover a prominent role and represent a crucial resource (Paine et al., 2010). They are individuals driven mainly by personal motivations rather than financial goals (Austin et al., 2006). Moreover, these types of organizations face economical constraints that does not enable to have a full-paid staff (Bridgstock et al., 2010), thus, the presence of volunteers is something necessary.

Defourny and Nyssens (2012) have presented a set of conditions, based on EMES research, to describe the ideal type of social enterprise (Figure 1). It is not a list of characteristics that must be met by businesses, but it is a tool that helps analysts for positioning them relatively to another one and eventually identify groups for a deepening study. They presented a list of nine indicators in three subsets, (1) economic and entrepreneurial dimensions, (2) social dimensions, (3) participatory governance. The conditions identified by the two authors are the following:

- A continuous activity producing goods and/or selling services.
- A significant level of economic risk, who assumes, totally or partly, the risk associated to activities provided.
- A minimum amount of paid work, the hybrid businesses are characterized by a mix of volunteers and paid workers, that are regularly employed with a defined salary.
- An explicit goal of impact generation for the community or for a defined beneficiary segment.
- An initiative coming from a collective effort of citizens or community groups, resulting from a set of needs and goals.
- A limited profit distribution, this constraint reflects the social priority because does not allow a behaviour oriented to maximize profits.

- A high degree of autonomy, hybrid organizations can depend on public subsidies, but are not managed by government. The owners have the right to make decisions and close their activities in autonomous way at any moment.
- A decision-making process not based on shares ownership. The voting power is not distributed according to the capital of shareholders, an example is the situation in which each member counts as one vote.
- A participatory nature. Various stakeholders that are affected by the activity, like customers, can have a voice in decision making process.



Figure 1, Conditions identified by Defourny and Nyssens (2012) to describe social enterprises

2.1.2 Stakeholders

The term stakeholder refers to an entity with interest in an organization, it can affect or be affected by the business activities conducted. Each company interfaces with stakeholders, some of them are internal to the organization. while others not, among

the most common there are institutional investors, creditors, employees, customers, suppliers, communities, governments, and partners⁴.

The governance form of social enterprises is defined *multistakeholder* (Bacchiega and Borzaga, 2013) because they are based on a collective dynamic and on the participation of different groups and organizations. This multiplicity of interests represents the principal innovation, compared to traditional commercial activities, because highlights the horizontality of the social enterprise and participation of various subjects for internal decisions (Picciotti, 2013). Distinct groups of stakeholders means different opinions and expectations about objectives and priorities to give to the organization, and this could lead to challenges and contradictions (Venturi and Zandonai, 2014). It is of critical importance, for hybrid companies, to have and maintain good relationships with stakeholders involved because these could bring to an easy access to capital and future benefits (Mair and Martì, 2006).

The hybrid organizations challenge the traditional economic theory and dominant logics about entrepreneurship (Roundy, 2017). In the private corporations, the business is market-driven with priority of profit maximization, through incomes from commercial activities destined to the shareholders (Billis, 2010). On the other side, the public organizations, which are driven by public utility reasons, are owned by the State and money come from taxation system (Billis, 2010). Hybrid companies consider both the perspectives simultaneously, researching solutions that maximize profit and generate social impact, making the presence of many stakeholders collaborative, without, or with few, conflicts.

⁴ Source <https://www.investopedia.com/terms/s/stakeholder.asp>

In general, social oriented businesses explore new combinations of entrepreneurial activities (Martin and Osberg, 2007), characterized by elements of innovation aimed to reach a great impact in terms of social change for communities (Rago and Venturi, 2014).

2.1.3 Legal models

One of the main issues faced by hybrid businesses is the legal model, this is because of the coexistence of two different legal entities in the same structure (Battilana and Lee,

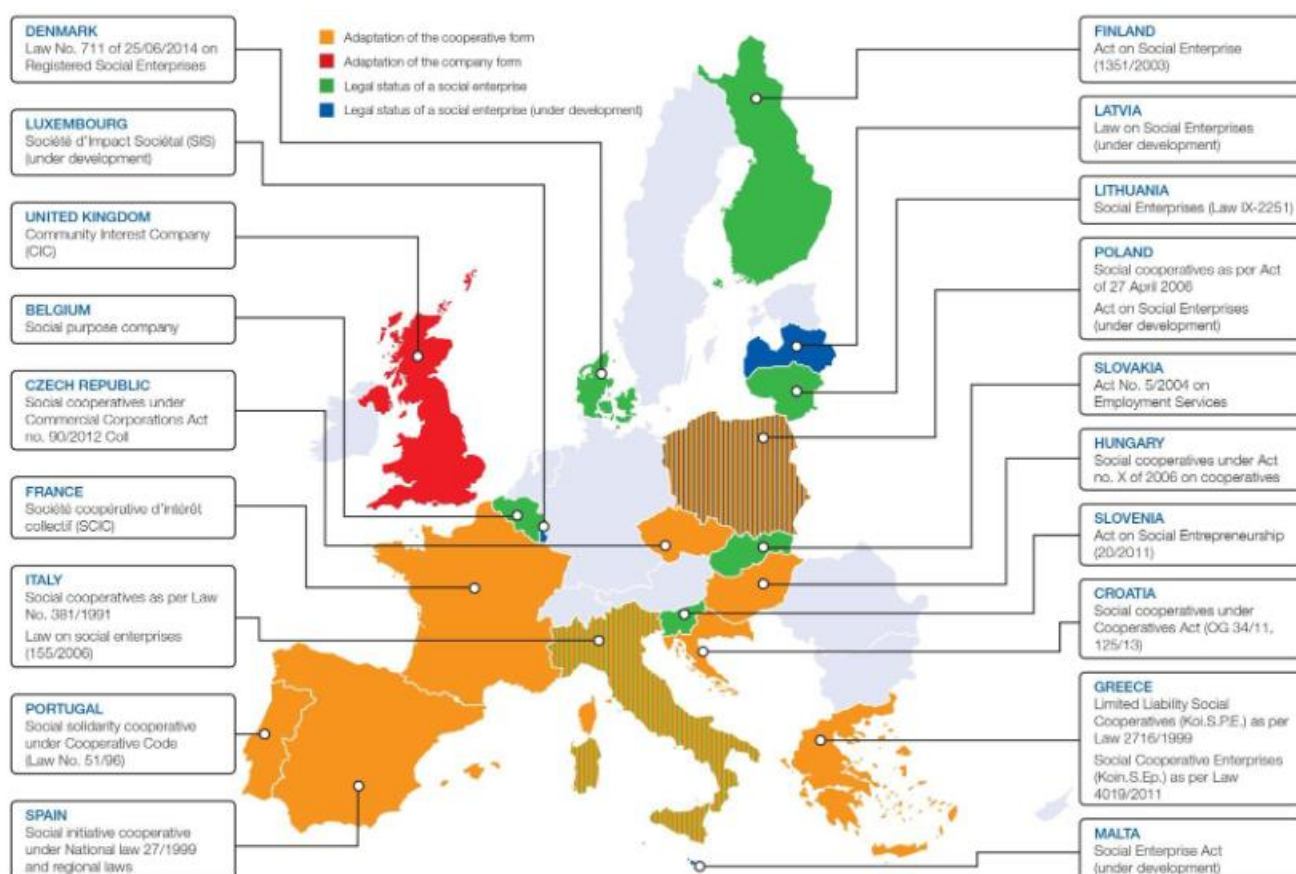


Figure 2, European framework regarding legal models

2014). Creation of a hybrid entity that can serve both charitable goals and business objectives simultaneously may sound simple, but from a legal perspective it is quite complicated (Bromberger, 2011).

Problems are related to financial, organizational, and relational aspects (Battilana et al. 2012). The specific type of legal form adopted by organizations' entrepreneurs is very critical because it has effects mainly on the capital access opportunities (Sabeti, 2011) and, moreover, enables to achieve financial sustainability and to produce the desirable social impact.

The current scenario presents a significantly fragmented system that brings together a variety of businesses delivering impact (Figure 2)⁵. Some of the hybrid entities that can be found are *Impresa Sociale* in Italy, *Social Purpose Company* in Belgium, the *Enterprise Solidaire d'Utilité Sociale* in France, the *Società d'Impact Societal* in Luxemburg, *Community Interest Company (CIC)* in UK, and *Low Profit Limited Liability Corporation (L3C)* in USA. Then, there are models adopted in more countries, like *Benefit Corporations*, which has been introduced in 2010 in USA, and now recognised in Italy (2016)⁶ and Colombia (2018)⁷. Moreover, there is a group of companies that are named *Socially Responsible Businesses*, which can generate profits as well as a positive impact on a pure voluntary basis, with no legal imposition (Clark Jr and Babson, 2012).

These different legal models are characterised by distinct features related to the management of incomes, profits distribution, use of assets in case of dissolution, tax

⁵ The picture is taken from the work of Maier A. (2020), titled *A map of social enterprises and their eco-systems in Europe*, in *Employment of Social affairs and inclusion*

⁶ Law 28 December 2015, No. 208, art. 1, sub-sections 376–38

⁷ <https://nativallab.com/la-colombia-seguita-litalia-nellintrodurre-le-societa-benefit/>

treatment, selection of a specific sector of intervention, communication of results through reports, and governance typology. There is a difference between the existing models in Europe and those in United States due to the specific interpretation of the concept (Venturi and Zandonai, 2014). In US, where the conception of the term is considered more near to the traditional corporate businesses, there are almost three popular models adopted that belong to the for profit dimension and that pursue at the same time social impact targets and commercial activities (Bromberger, 2011):

- B-Corp, which is more a brand rather than a legal form, it is a label released by the non-profit organization B-Lab to companies that satisfy certain conditions. For its achievement is necessary to undergo voluntarily to a series of questions and tests aimed to measure their social mission commitment. This certification brings advantages related to the credibility of the mission, provides a better engagement of employees because committed to the cause, and advantageous positioning for the future⁸.
- Benefit corporation, a legal model of commercial nature focused on the achievement of social goals or public utility. The goal is to create long-term sustainable value for all stakeholders. Often, they are required to report annually the results obtained from financial and social perspective, through the sustainability report, in order to show their long-term commitment in this sense. Moreover, it is necessary the presence of at least one “benefit” member in the Board, with the responsibility to protect mission interest rather than profit (Bromberger, 2011).

⁸ Source is The advantages of being a b-corp, Walden university. <https://www.waldenu.edu/online-masters-programs/master-of-business-administration/resource/the-advantages-of-being-a-b-corp>

- Low Profit Limited Liability Company (L3C), a typology characterised by the goal of carry out activities with a low margin and big volumes, in order to generate a wide social impact. This is the situation adopted by businesses that address customers with limited purchasing power.

Notable that, as said upon, these three typologies of business are considered for profit organizations.

In United Kingdom, which is a country aligned with United States' logic, there are the so called, CIC (Community Interest Company) that are businesses introduced in 2005 and are characterized by bringing activities aimed to the benefits of the community, independently from political motivations (Department for Business, Innovation & Skills, 2012).

In Europe, the hybrid organizations are more positioned between the non-profit and State sectors (Rhodes and Donnelly-Cox, 2012), and their distinction is mainly about the value distribution. There is not a defined a statute for hybrid organizations, because there is a strong dependency on specific socio-economic conditions and laws at national level (Aicoon, Confcooperative). The first appearance of the *Social enterprise* concept in Europe took place with a promotion on an Italian journal entitled *Impresa Sociale*, launched in 1990 (Borzaga, 2010). In Italy, the legislation did not allow associations with economic activities, thus the Parliament passed a law in 1991 for the creation of a new legal model, the *Social Cooperative*, which is considered suited to the pioneering area of social enterprises (Defourny and Nyssens, 2012).

The main difference between American and European situation is the fact that, while in Europe there are public intervention in aid of social enterprise (Picciotti, 2013), in USA, there is a lack of them, thus the organizations adopt a more market-oriented approach, indispensable to carry on the activities (Defourny and Nyssens, 2010; 2012).

In general, the companies that go under the hybrid label, despite their degree of sustainability or innovation, face a series of hurdles (Battilana et al., 2012):

- The legal form, there are two different institutional logics that could give difficulties related to complex requisites of organizational and administrative nature
- The funding mechanism, from donations and grants, or from sales of products and services.
- The relationship customers-beneficiaries, pricing decisions for the goods and for the services. The situation in which beneficiaries are not able to pay for the service, and in this sense are distinct from customers, representing a further complexity factor.
- Organizational management and HR, need of develop a culture inside the company with human capital focused on both social and commercial objectives and in a proper selection of partners with a shared vision.

To overcome the funding obstacle, some countries have decided to introduce legal forms that enable at the same time a commercial stream of revenues and benefit of fiscal advantage. This is the case of L3C, Benefit corporation and Flexible corporation in US (Battilana et al., 2012), the CIC in UK (Nicholls, 2010) and Social Cooperatives in Italy (Borzaga and Defourny, 2001).

Hybrid organizations represent a good alternative to State and other for profit businesses, that are important for the regeneration and exploitation of the cultural capital (Ricchezza, 2017).

2.1.4 History

The hybrid organization, as explained above, is a particular business form characterized by a strong social commitment, thus the generation of impact is a critical point for them. This idea of business was contested many years ago by the famous economist Milton Friedman, but today is becoming increasingly widespread (Battilana and Lee, 2014), and that is witnessed by some publications like the letter of Larry Fink, CEO of American company BlackRock, or studies from influent journals, among them an article of Harvard Business Review has been selected.

Milton Friedman, American exponent, and Nobel prize for economy in 1976, wrote an article titled *The social responsibility of business is to increase its profits*, in 1970, where the thematic was addressed. As the name suggests, he said that the enterprises have not a direct responsibility about social and environmental issues, but they have only to focus on profit maximization for shareholders. In particular, he highlighted that the social responsibility is individual, considering a nonsense spending someone else's money for a general social interest, when customers or employees could individually spend their own savings on the specific action if they desired to do so (Friedman, 1970). The most famous sentence of the article, is the following:

"There is one and only one social responsibility of business: to use its resources and engaged in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud".

In 2017, Hart and Zingales published a sort of answer to Friedman's paper, named *Serving shareholders doesn't mean putting profit above all else*⁹. The statement that the article wants to support is the following, companies should give priority to maximization of shareholder welfare, not value. This is witnessed, for example, from a growing percentage of shareholders that are becoming interested and more sensitive in prosocial behaviour, like buying an electrified car instead of a gas guzzler, or other products with no negative impacts (Hart and Zingales, 2017).

Then, very important is the letter wrote in 2018 by Larry Fink, the CEO of BlackRock, for the clients of the company¹⁰. Blackrock Inc. is a multinational investment management corporation based in New York, the world's largest asset manager with clients in hundreds of countries. The letter of the CEO of a such big company is a confirmation of the importance and influence at top level that hybrid businesses have reached in these years. Larry Fink said that due to failure of governments in preparing the future, there is the necessity of companies to respond to broader social challenges, from both public and private business. For long-term prosperity, financial performance is not enough, but it is needed a positive contribution to society, giving benefits to all of stakeholders involved in the organization (Fink, 2018). For him without a sense of purpose each type of organizations is destined to a negative scenario, which is succumbing to short-term pressure of earnings distribution and scarifying important investments for the long-term growth, that could be employee development, innovation and capital expenditures. Larry Fink, also, gave a set of

⁹ Article published by Harvard Business Review on 12th October 2017

<https://scholar.harvard.edu/hart/publications/serving-shareholders-doesnt-mean-putting-profit-above-all-else-%E2%80%9C-article-was-first>

¹⁰ Fink, L. (2018), A sense of purpose, Letter to CEOs <https://www.blackrock.com/corporate/investor-relations/2018-larry-fink-ceo-letter>

questions that each company must ask themselves, as a self-assessment, in order to understand its specific positioning and if there is the necessity of make some changes. This list ranges from questions about the role played in community, how impact is managed, diversity in workforce, to others more near to the response to technological change, retirement systems, and so on.

Of course, there are a larger amount of paper, articles, and other types of documents about the role played by organizations for the welfare of the community, but these three are very significant because are related to big actors of the entrepreneurial system: one of the most famous American economists, a study from one of the most important university in the field of research, and a letter from the CEO of a multinational company. Thus, these documents represent the evolution of the approach to the thematic that has taken place in the last 50 years.

Just to give some parameters of the increasing importance gained by this type of business worldwide, few points are evidenced:

- The number of companies directing their CSR activities increased more than 75% in last years (McPherson, 2018)
- More than half of global organization are implementing or evaluating ESG considerations in their investment strategy (Eccles and Klimenko, 2019)
- Many big corporations are acquiring social enterprises in the belief that this kind of products and services can become key feature of the future market (Austin and Leonard, 2008)

2.1.5 Complexities and tensions

Hybrids present a greater complexity rather than traditional businesses about the areas of governance, operations, management, stakeholder and strategic decision making (Davies and Chambers, 2018). In hybrid organizations the difficulty is in managing simultaneously two different objectives, thus the challenge is to align as much as possible the social and commercial activities in order to exploit the generation of mutual reinforcing process. The duality represents a complex factor because needs to address two different groups of people, customers and beneficiaries, with distinct activities and managing a limited quantity of resources, human and financial, which in these typologies of companies represent a constraint (Davies and Doherty, 2019).

The hybrid nature is reflected by internal and external tensions that make the business model design difficult to be done. Here, there is a list of the possible tensions that can be faced by companies:

- *Mission vs money*, this represents the conflictual logics (Battilana & Dorado, 2010; Battilana et al., 2012). The expectation is to capture value for the owners and, at the same time, create value for beneficiaries (Santos et al., 2015). There is the risk of being too focused on one side and leaving in background the other. Overemphasis on the market logic could lead to a reduction of services for beneficiaries that are people with great necessity, but costly to serve, causing a mission drift¹¹ (Ebrahim et al., 2014), instead, overemphasis on social part could lead to unsustainable budget deficits. The tension between the two identities is a “fact of life” for hybrids (Yunus et al., 2010).

¹¹ Deviation from initial mission and focus

- *Customers vs beneficiaries*, the firsts are the targets of commercial activities, while the others are those that receive benefits from the social value generation programmes. Hybrid organizations address the needs of both the parts, generating incomes from customers while meeting the needs of beneficiaries (Laasch, 2018). Usually, these companies address the low-income markets where people are poor and have no possibility to pay, and their presence is in response to a need and not to a commercial demand. A situation of not alignment between customers and beneficiaries means complexity, with a business model harder to manage and scale (Santos et al., 2015). The tensions are due to an overfocus on a specific group at the expense of the other, considering that customers can provide resources, and beneficiaries may not generate income (Santos et al. 2015).
- *Commercial vs social metrics*, hybrid organizations can rely on both types of metrics, focusing on the total value generated for customers and beneficiaries. Actually, there are no objective frameworks for evaluating the impact generated and compare social mission success in a quantitative manner (Wolfgang et al., 2015), thus there is the need of qualitative, ambiguous, and non-standardised metrics (Ebrahim and Rangan, 2010). Overemphasis on quantifiable metrics can lead commercial objectives to become dominant (Smith et al., 2013) and there is the risk to abandon the activities hard to be measured (Zahra et al., 2009). The opposite situation can lead to prioritization of programmes with limited financial viability, creating issues for the businesses' balance.
- *Deep vs broad impact*, it could be, for example, the provision of benefits to one community while withholding possible benefits for another. In that situation, companies suffer the pressure of doing nothing in a marginalized area (Stott and Tracey, 2007).

- *Multistakeholder*, the success of hybrid companies lies in bringing together groups with divergent backgrounds and values (Smith et al., 2013). Among the subjects involved, some have a social mission, like donors and partners, others a commercial priority, suppliers and investors, thus, this difference could create tensions about whether and when emphasize one of the two logics (Smith et al., 2013).
- *Collaboration vs competition*, corporate businesses that serve the same customer segment are called competitors, but this logic is not translated in the same way to the social enterprise context because they seek social impact, not only economic profit (Yunus et al., 2010). For the hybrids, if another company produce a positive impact is something of constructive for the community, for this reason this situation is called *Coopetition*. It is the merging of words competition and cooperation, represent a peculiarity of the hybrid organizations because they compete for fundings and customers, but still retain mutual benefits (Yunus et al., 2010).
- *Culture*, this is related to a set of decisions concerning the selection criteria to use for the recruiting process, hiring employees with social or business background (Battilana and Lee, 2014), the degree of alignment between the social and economic value propositions performed, and the typology of legal model to adopt (Smith et al., 2013).
- *Long-term vs short-term horizon*, hybrid organizations need to be focused both on short-term and long-term objectives. The formers are mainly related to financial reasons in order to be sustainable in activities provision, while the others to the social impact, because it needs years of time to produce visible effects. Thus, hybrid companies need to manage and be compliant to objectives about a multiple time horizon (Laasch, 2018).

- *Economies of scale*, the growth can threaten social impact, because there are many situations in which the creation of impact for the community is founded on local relationships with beneficiaries and links with local communities (Smith et al., 2013). Nevertheless, an increasing of financial incomes represents a necessary, though not always sufficient, condition for generate a greater social impact (Seelos and Mair, 2017). Thus, the organizations' board have to consider benefits and risks deriving from this strategic decision.
- *Supply chain*, traditional corporate businesses try to reduce the costs of suppliers looking for the best trade-off among quality and price, while the hybrids have a supply chain that is "ethical", where the suppliers share the same mission. Usually, this type of provision leads to higher costs that means not competitive price (Short et al., 2009), requiring customers that absorb the premium price to make the products available for beneficiaries (Davies and Chambers, 2018).

In conclusion, the management of hybrid organizations is very complex for the unique challenges and tensions to face (Yunus et al., 2010), in particular, the duality social-commercial represents the generating factor of conflicts (Figure 3), thus a proper managerial structure for that is necessary.

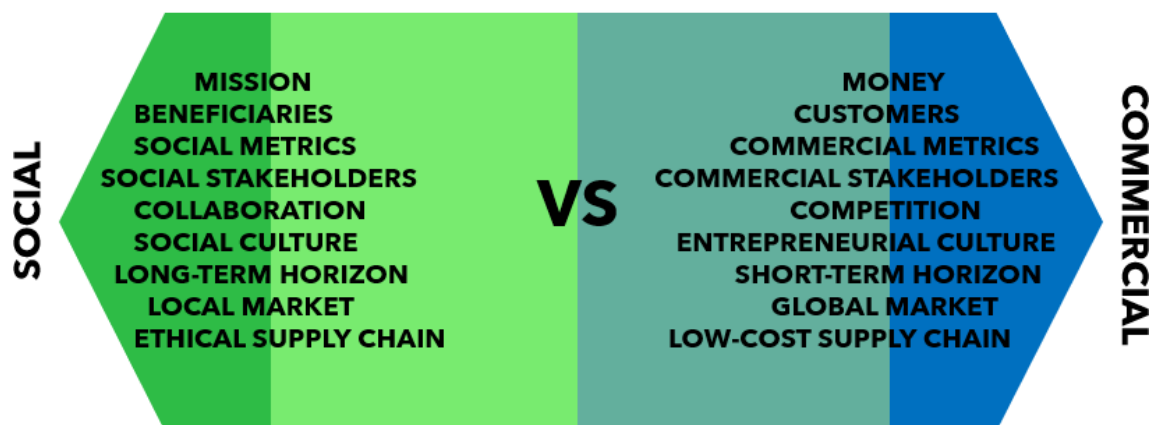


Figure 3, Tensions coming from the duality

2.1.6 Sport entrepreneurship

Sport entrepreneurship represents a progressively upcoming topic in literature, its impact on economic development is great, thus it has received attention by the academic community and by the public sector (Ratten, 2010; Ratten and Jones, 2020). It is an area of the business and management world characterized by innovative social activities used for the creation of new markets (Smith and Stewart, 2010) and generation of inclusion (Lyras and Peachy, 2011).

As expected, the name is the combination of two concepts: sport, which usually is characterized by a set of activities with intrinsic social and welfare objectives, and entrepreneurship, that instead is more related to strategic approaches and managerial structure.

Today, sport sector has a prominent economical role, in the EU-28¹², it generates 363,390 mln € directly, and 630,064 mln € considering the total, this represents the 3.72% of the total GDP (SpEA, 2020) and then, more than 6.46 million people are employed, and carries a growth higher than the other areas (Eurostat, 2018)¹³. Then, the great sport events, such Olympic Games or FIFA World Cup, move extremely high levels of investments, like infrastructure establishment or improvement, and a large number of visitators, developing leisure and other activities for fans (Devine et al., 2010). This brings many benefits for the development of local economies and

¹² The **EU-28** is the abbreviation of European Union (EU) which consists of a group of 28 countries (Belgium, Bulgaria, Czech Republic, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Croatia, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland, Sweden, United Kingdom) that operates as an economic and political block. <https://www.igi-global.com/dictionary/eu-28/58384>

¹³ The reference is <https://op.europa.eu/en/publication-detail/-/publication/76b94a58-2f3c-11eb-b27b-01aa75ed71a1/language-en/format-PDF/source-175886302>

communities (Ciomaga, 2013). For the impact that sport has for the life of people and for its economic potential, EU Commission chose to put it in a central role in their Agenda (European Commission, 2017). Hybrid sport entrepreneurship is a process aimed to economic growth (Fellnhofer and Kraus, 2015) and to generate a social change (Kefela, 2012), through the production of innovative ideas related to sport area. Today, entrepreneurial knowledge and mindset are considered key competences for having and successfully manage any sort of organization (Cardella et al., 2021).

In literature, there are different definitions of sport entrepreneurship, thus, finding a universal and shared one is quite difficult due to the complexity and multidisciplinary of the concept (Jones and Keogh, 2006). Among them, those of Vanessa Ratten, who is considered a pioneer in this field (Cardella et al., 2021), are reported below:

- SE¹⁴ is the use of social issues to create change in the sporting context. It utilizes sport activities as a way to encourage the development of solutions to social problems (Ratten, 2010)
- SE is an emerging form of entrepreneurship, inherent in the management of sports, which transforms sport-based organizations into an entrepreneur and enterprise (Ratten, 2011)

In these definitions are highlighted the dual mission, social in order to solve the community issues and provide benefits to society, and entrepreneurial for company's management and structure.

Entrepreneurship in sport is positive for the community, creating job opportunities, stimulating economic growth, generating innovative ideas, and providing renewed

¹⁴ Sport entrepreneurship

infrastructures (Pellegrini et al., 2020). Thus, an entrepreneurial approach in sport can have a mitigation effect for the economic declining situation and, at the same time, enable the identification of new opportunities for value creation process (Peredo and Chrisman, 2006).

The sport business model adapts well to the enterprise described by Schumpeter, (1965), which is characterized by four peculiarities: innovativeness, risk-taking, proactivity and profit orientation. Be entrepreneurial is of great importance in this sector, but in general for every type of companies, because enable the identification of new opportunities and for the long-term sustainability and profitability (Shane and Venkataraman, 2000).

Often, sport enterprises have a mix of fully paid workers and volunteers, this can help in securing resources. Another characteristic is the support provided by government through the utilization of infrastructures, that due to their cost cannot be purchased by companies (Chalip, 2006). A possible strategy that sports companies can adopt to become more entrepreneurial could be an enlargement of products and services provided to customers (Hayduk, 2020). It can be done through merchandise, that is more related to the sport, or through activities like restaurants, bars and so on. In this way the brand image can expand into disparate categories, larger than the traditional industries (Hayduk, 2020).

The geographical distribution of sport enterprise varies according to countries' situation. In more developed and wealthier, like United States or EU members, their presence is considerably higher compared to the developing areas (Ratten, 2012).

2.2 Inclusivity

Considering the last two centuries, it is undeniable that human wellbeing has improved massively, but, today, the world is still coping with crisis, of both environmental and financial nature, and many people in the world live under the poverty line, belonging to the so-called BoP¹⁵ (Anderson, 2020). The 21st century society is characterized by more economic and social disadvantages than any other, there is a development gap between poor and wealthy people, that is visible comparing prosperous and deprivation areas (Sen, 2001). The situation is furtherly worsened by the global coronavirus pandemic and the consequent issues generated, that exacerbated the differences and inequalities among people¹⁶.

In literature, the concept of social exclusion is contested, and nonetheless many attempts, it lacks an agreed definition (Farrington, 2011). Among them, the one used by Levitas et al. (2007) has emerged, they defined social exclusion as *a complex and multi-dimensional process, that involves the lack or denial of resources, rights, goods and services, and the inability to participate in the normal relationships and activities, available to the majority of people in a society, whether in economic, social, cultural or political arenas*. Inequalities are a set of elements related to behaviour and relations that consider differently people, privileging some while constraining the opportunities of others (Greig et al., 2007). Also, the term integration is strictly correlated with the concept of inclusivity, social science defines it as the whole of social and cultural processes that make the individual a member of the community.

¹⁵ Bottom of Pyramid

¹⁶ <https://www.schroders.com/it/it/investitori-privati/approfondimenti/mercati/il-covid-19-ha-accentuato-le-disuguaglianze-sociali/>

The origin of the term social exclusion come from the French socialist government of the 1980s (Jordan, 1997), here it was used to refer to those who were socially excluded, administratively excluded by the state, and without access to the system of social insurance (Duffy, 1995).

The inequalities are expressed in different forms, these can be about economic terms, with differences in incomes distribution, political, like the lack of democratic voice, political participation and representation in institutional authorities, or social, employment, educational opportunities and social security (Murawski, 2013). Inequalities contributed to people exclusion from the community life, mainly vulnerable and marginalized groups. The main effect is a difficult in accessing to economic processes, while the more privileged people accumulate wealth. Reducing the differences represents a shared goals by institutions and a solution could be addressing their generation at the roots (Murawski, 2013). Worldwide, the richest one percent of population owns almost as the rest of the world combined¹⁷, this is because the economic models used in the past years have contributed to improving the wellbeing of a part of the population while neglecting the needs of more (Oxfam America, 2017). Improving the welfare situation of high incomes consumers, but not that of the more marginalized groups, or improving the productivity of formal but not informal producers, or focusing on economic development rather than social needs, represent activities that generate inequalities (Heeks et al., 2013).

¹⁷ According to the Credit Suisse Global Wealth Report 2019
<https://www.forbes.com/sites/camilomaldonado/2019/10/23/credit-suisse-top-1-own-nearly-50-of-global-wealth-and-chinas-wealthy-now-outnumber-americas/?sh=58373ba52ede>

There are multiple factors that generate social exclusion, researchers have found different barriers that deny many people to access to products and services, and for this reason are considered very critical:

- *Disability, unemployment, single parenthood, education level and ethnicity* (Percy-Smith, 2000). In particular, young people who experience disabilities have few, and often inadequate and inequitable opportunities (Spencer-Cavaliere et al., 2017).
- *Inaccessibility*, due to financial costs (World Health Organization, 2011), that could be not affordable or considered not fair, or to the lack of transportation (Green, 2020), or overlapping time that does not enable to physically access the activities in a specific timeframe.
- *Neighbourhood safety and weather conditions* contribute to inaccessibility (Kelly et al., 2019) because people perceived dangerous be around some areas.
- *Lack of infrastructures and facilities* (ISTAT¹⁸), making difficult and time requiring the consumption of the service

Other authors concluded that the main factor generating exclusionary process is poverty, which is furtherly exacerbated by conditions related to class, gender, nationality, disability, culture, and so on (Collins and Kay, 2003). Poverty is the situation where a person's individual economic condition is lower than general life standards, that leads to become socially excluded in different areas like education, work and health. For this reason, the concept of poverty, inequality and social exclusion are strictly interrelated (Dierckx and Ghys, 2013, Van Haarlem and

¹⁸ Istituto Nazionale di Statistica, Italian public research body that deals with general censuses of the population, services and industry, and agriculture, sample surveys on families and general economic surveys at national level.

Raeymaeckers, 2013). The individual economic situation represents a constraint for individuals, limiting the opportunities of access to sport and leisure activities (Collins and Kay, 2014).

The existence of inequalities generates negative effects related to the social and economic lives of individuals. It can bring to violent and criminal behaviours especially in more affluent neighbourhoods and making easy the exposition to extreme political ideology (Zahra and Wright, 2016).

The emerging field of inclusive economy can represent a solution to the social issues related to the inequalities and social exclusion processes.

2.2.1 Role of sport

Sport sector is often commended for its ability to integrate people and make the community more inclusive. In literature, many researchers have highlighted its potential to alleviate, through their activities and projects, the exclusionary processes that are experienced in different areas of life and promoting a sense of belonging (Collins and Kay, 2014; Haudenhuyse and Theeboom, 2015). Participation in sport and physical activities are drivers of active social inclusion (Council of the European Union, 2010), enabling more opportunities for marginalized groups.

Sport and physical activity play an important role from the healthy point of view, because reduce the risk of obesity, cardiovascular diseases, cancer, diabetes and mortality (World Health Organization¹⁹). Then, sport can generate social capital, it has

¹⁹ <https://www.who.int/>

many benefits that struggle to reduce exclusionary processes, enhancing self-esteem of individuals, building community spirit, increasing social interaction, creating employment and giving young people a purposeful activity, reducing temptations of incurring into anti-social behaviour (The Scottish Office, 2004²⁰). Sport is considered a social activity where participants can learn a lot and develop their own qualities, in particular, for youths represents an opportunity to create friendships and also develop a leadership attitude (Ozdemir and Stattin, 2012). Despite these positive characteristics, studies report that groups with the greatest needs, like children and young people with disabilities, tend to be excluded from sport participation (Smith and Thomas, 2006), this is due to a substantially lower number of opportunities offered them compared to individuals without disabilities of the same age (Vickerman et al., 2003).

Thus, through sport and physical activity people can achieve a series of benefits related to personal, social, economic, national and environmental levels (Collins and Kay, 2014). The utility of sport lies in its element of integration and social recovery, as demonstrated by activities done in place of disease like prisons or deprived areas, it can avoid criminal and anti-social behaviours of people.

To enable the sport access to every person, especially for less represented groups and minorities, the providers should adapt to the peculiarities and the specific situation of each group. Of great importance is the presence of qualified and specialized staff able to support the integration and inclusion process. A strategy that is often used by companies for the participation of more people is offering financial incentives to high-risk population, providing free or subsidized classes, in this way they facilitate the

²⁰ <https://www.legislation.gov.uk/asp/2004/8/contents>

engagement into physical activities among socioeconomically deprived populations (Garner-Purkis et al., 2020).

The sport importance in overcoming exclusionary process and its beneficial role for people, is furtherly recognised by its consideration in international policies and research (Spaaij et al., 2014).

2.2.2 Inclusive economy

Today, there are new typologies of business models emerging, following the megatrends of the world, like sustainability and social responsibility, among them there is one very relevant to this thesis research, and goes under the name of *inclusive economy*.

Before entering in the topic, it is interesting to know the origins of the word economy that has an equality-oriented nature inside the definition itself. It derives from the Greek word *oikonomos* used in the 15th century, it emphasizes a fair distribution of resources, optimal productivity and restrained accumulation of wealth (Daly and Cobb, 1990).

The principal definition of inclusive economy come from Rockefeller Foundation (2016)²¹, that defined it as *an economy in which there is expanded opportunity for more broadly shared prosperity, especially for those facing the greatest barriers to advancing their wellbeing*, thus, in brief it is based on creating more opportunities for more people. The

²¹ <https://www.rockefellerfoundation.org/blog/five-characteristics-inclusive-economy-getting-beyond-equity-growth-dichotomy/>

Foundation, furthermore, used five interrelated characteristics to better describe the concept:

- *Participatory*, possibility to have access and participate to the market as workers, consumers and business owners. The aim is enabling people to take part in economic life and have a voice over their future.
- *Equitable*, guaranteeing to all members of the society, mainly for marginalized groups, upward mobility opportunities. The goal is providing equal access to public goods, services and infrastructures.
- *Growth*, there is an increment situation for the marginalized groups, through the provision of more employment and access opportunities, in order to improve their well-being condition.
- *Stable*, economic systems resilient to changes, able to not affect the situation of vulnerable communities. In this way, people can be confident regarding their future and take more conscious decisions.
- *Sustainable*, the decision-making process has the objective to be sustainable for the economic and social wealth point of view for the long-term maintaining intergenerational well-being.

A list of sub-categories and indicators related to these characteristics have been identified, their utility is in measuring phase, giving practical information about the use of data typically available (Benner and Pastor, 2016).

As said above, the process of inclusion of individuals follows a participatory logic and can take place in different position of the value chain. This can take place in production or in consumption side, adopting different roles, like producers, consumers, entrepreneurs, employees, or customers (UNDP 2008).

The central objective upon which the inclusive companies are funded is the improvement of the welfare of more marginalized society's groups. Arresting the inequalities process generation and preventing the social exclusion process, that due to the recent global crisis has furtherly created differences for the population and worsened the situation (Shipton et al., 2021). Inclusive economy is not only about the distribution of wealth to all society's members, but it also creates a more sustainable and inclusive society aimed to enable the participation of everyone in the growth process itself (Murawski, 2013). Moreover, inclusive businesses play a role in the prevention of global economic crises through a regulation of capital flows and reforming the financial system. The effectiveness in making the global economy more inclusive depends on the ability of identifying and address with dedicated actions the structural causes of the exclusionary issues (Murawski, 2013).

To foster the inclusive economy, it is necessary the collaboration of State, market and society for the innovation process. State plays a crucial role through the creation of the market, private actors support activities through investments and donations, NGOs, which are independents from governments, act as agents of policy implementation to increase inclusion (OECD, 2018). Usually, the inclusive economy concept is used in relation with the BoP theory, which is a notion introduced by the researchers Prahalad and Hart, in 1999. It refers to those individuals with a very low purchase power, in particular BoP is composed by those with less than 1500 dollars per year, or 8 dollars per day. The total number of people

in this situation is estimated around 4 billion (Prahalad and Hart, 2002) (Figure 4), this represents the high level of inequalities about wellbeing distribution in today's society. Despite the low individual level, if considered as a whole the total purchasing power is estimated around 5 trillion dollars (Hammond et al., 2007) and thus, it could represent a potential market. The theory suggests that organizations are moving from

traditional to BoP markets, changing the paradigm from high margins and low volumes to low margins and high volumes (Shin, 2020).

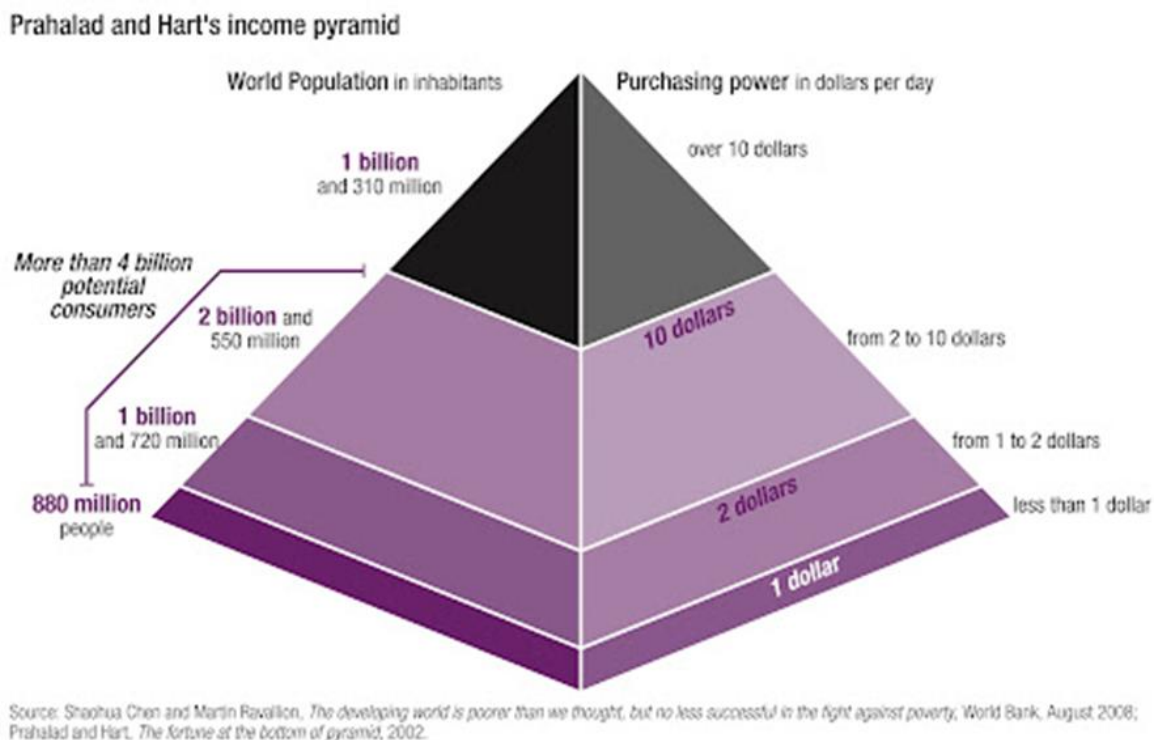


Figure 4, The world Pyramid

The organizations that are part of inclusive economy are called *inclusive businesses*. This typology of companies represents an economically viable solution that benefits low-income communities through their inclusion along the value chain (UNDP, 2008), leveraging on competences to deliver both social and commercial values. They are considered responsible forms of business and are compliant with ESG (environmental, social and governmental) standards.

2.2.3 Policies

In last decades, the social inclusion concept spreads worldwide as a desirable policy objective (World Bank, 2013). Governments are called upon to play a crucial role for the community (United Nations, 2020): put into practice policies aimed to generate employment opportunities, reduce poverty, redistribute fairly the incomes, support social justice and environmental mindfulness. A possible target of political actions is the development of disadvantaged outskirts because of their lack of infrastructures related to sport and leisure activities, and for the corresponding low level of participation rates.

Policies regarding inclusionary processes are entrenched in European countries' governments and are increasingly widening in international agencies such as the International Labour Office (ILO), United Nations, Unesco and the World Bank (Haudenhuyse and Theeboom, 2015).

In the past years, the Millennium Development Goals (MDGs) of 2000-2015 and the following Sustainable Development Goals (SDGs) of 2015-2030 have represented the main policies adopted by United Nations. This highlights the importance of social inclusion for global economies. In particular, the SDGs are the objectives of the so-called Agenda 2030, it is a call to action for every actor, government, not for profits, general public, and traditional companies. In total, it is composed by 17 primary goals (Figure 5)²² and 169 targets, these are different, but also interrelated because reach one has direct effects on the achievement of others. Among them, some address social inclusion objectives: the 1st is elimination of poverty, the 4th is offering a quality

²² Source is <https://sdgs.un.org/goals>

education to everyone, the 5th is the gender equality, and the 10th is reducing every kind of inequality (ethnicity, religion, cultural, political and so on).

Meanwhile the Agenda 2030 is about the countries of United Nations, there are also policies adopted specifically at European level, the main example is the programme Europe 2020, which was focused on the themes of poverty and social exclusion reduction. In this agenda, social inclusion has constituted one of the eleven priorities belonging to the social cohesion policies from the time period 2014-2020 (European Commission). Today, in Europe, there are different programmes adopted, among them the 2021-2030 for the rights of persons with disabilities. European Union wants to reduce of 20 million the number of people living in a poverty situation, the target is composed by disables, workers, immigrants, and ethnic minorities (European Commission).



Figure 5, SDGs of Agenda 2030

The goals of such policies are the enhancement of people's wellbeing, creating more employment opportunities and providing access to resources, rights, goods and services (Haudenhuyse and Theeboom, 2015). These programmes address both the sources of exclusion, through a form of prevention, and help in overcoming the barriers to participation (Levitas et al., 2007). The sport sector has received an increasing level of attention regarding international policy and research because of its positive role played in promoting social inclusion of more marginalized groups (Spaaij et al., 2014).

Considering the multiple and different factors that influence sport participation, intersectoral actions represent a way to increase the number of attendees coming from the more socially vulnerable groups (Rutten et al., 2000). Collaboration and partnerships are important because can lead to shared resources and referral pathways and create more opportunities for having access to fundings (Kelly, 2013).

At the end, the increasing interest and participation of the governments about the social and environmental areas is resulted in a common effort in creating a more inclusive world, but, at the same time, this has enhanced the third sector dependency on the state (Carmel and Harlock, 2008).

3 Research Design

In this chapter, two different parts of the research are provided: the first, named objectives (3.1), where the goals and expectations of the study are explained, the second, methodology (3.2), in which is resumed step-by-step the methodological process followed for the preparation of the whole work.

3.1 Objectives

This is the first main paragraph of the chapter, it is aimed to explain the objectives to reach through the thesis research, highlighting missions and expectations. Starting from the gap identified, the scope and research questions are defined.

3.1.1 The problem

The publications regarding hybrid organizations are grown considerably in the last years (Battilana and Lee, 2014). For sport sector, the most relevant author is Vanessa Ratten, who is considered a sort of referment point for sport entrepreneurship's literature (Cardella et al., 2021) with many documents published.

As said above, the identification of the issue came from the revision of documents produced. This action has been finalized to the creation of a basic level of knowledge

and to provide hints about what can be studied in depth or new possible exploration areas. Reading the papers concerning hybrid sport entrepreneurship, it appears clear that some aspects have been exploited, while others have not already been treated in detail, presenting possibilities for further analysis. Among the early, the most diffused subjects are those regarding the organization characteristics, highlighting the social role played and the economic impact in more sectors, and the relationship with government, like the opportunities to solve community issues that the traditional welfare system is not able, and the willingness to be independent in providing activities.

The main gap identified is the lack of publications regarding classification models for sport, only one has been found (Raw et al., 2020), but it considers only the differentiation and integration among the functions done²³. There are some authors that have developed different typologies of frameworks regarding hybrid organizations in general, for examples Santos (2015), Dohrmann (2015) and Hockerts (2015). Thus, this thesis work tries to fill this gap, trying to identify possible typologies of business models that hybrid sport organizations with inclusion objectives can implement.

3.1.2 Scope

The gap to fill is represented by the provision of a new typology of classification mechanism, presenting a different set of possible business model typologies. The final aim of the paper is to propose and experience an innovative methodology, supported

²³ If the social activities are aligned with entrepreneurial ones

by samplings, qualitative and quantitative analysis. The innovative part stands in using a point of view different from that used in literature by other scholars, in order to bring to light some original features. The analysis of existing publications is crucial to know what has been already done, and to enable the development of personal considerations.

3.1.3 Research questions

In order to structure better the research and give a direction to the analysis, now are proposed the research questions identified. Through the study the goal is to provide answers to them. The questions are the following:

- **RQ1:** *What are the hybrid organizational models, at international level, that utilize sport as a mean of social inclusion?*
- **RQ2:** *How hybrid sport organizations manage their social and commercial identities, and what are the tensions created?*

The first question regards the definition of specific business models that hybrid sport organizations can adopt, the answer consists of the establishment of an innovative framework, composed by alternative positioning, each one characterized by distinguishing characteristics. The definition of that is based on the identification of archetypes coming from recurrent peculiarities of the practical cases of hybrid sport organizations operating in the market and from the distinctive dimensions that affect the business structure.

RQ2 is about the central challenge that hybrid businesses in general have to cope with: the coexistence of social and entrepreneurial logics. In order to have a more integrated work, the answer provided is done in relation to the possible business model

belonging to the framework introduced for the previous reply. The intention consists in describe each possible business situation according to the relevance gained by social and entrepreneurial side in decision making process, the conflicts that are generated, and the risk of mission drift attributed to their pressure.

3.2 Methodology

This chapter is about the overall process that has been followed for the realization of the thesis. The description mode used for the methodology consists of an initial definition of the macro-phases, then these are explained individually through a step-by-step approach.

The whole work is divided into four main phases (Figure 6):

- 1) *Literature review*, through the research of publications produced in last years, regarding the thematic of sport hybrid organizations, and their analysis in order to generate a knowledge basis for the successive study.
- 2) *Research of practical cases*, the situation of existing market and the different typologies of organizations operating, which are then grouped into a dataset, in order to highlight the main characteristics and make easier the identification of possible archetypes.
- 3) *Realization of the classification model*, an innovative framework is generated through the definition of specific dimensions, which represent companies' distinguishing factors.
- 4) *Model application*, it is the use of the classification model developed before through the business cases identified

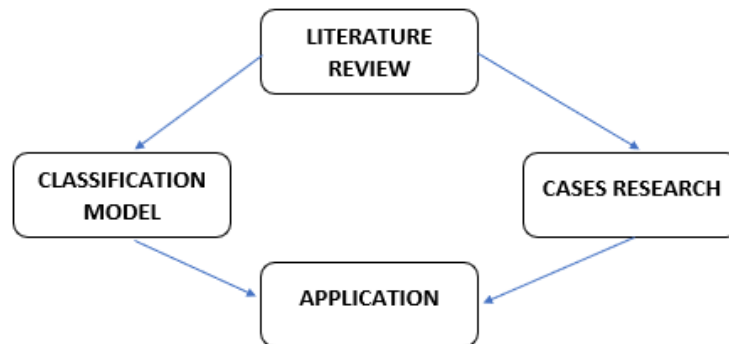


Figure 6, Main phases of the whole process

The sequence adopted for the analysis starts with the *literature review*, followed by *classification model generation* and by *practical cases research*, these two activities are done at the same time because of their correlated characteristics, studying the typologies of organizations in the market is possible to understand which dimensions are important for a classification model. Finally, after having found business cases and developed the model, this last is applied.

3.2.1 Literature review process

The first phase done for the realization of the study is a review of the already existing literature, that means identifying publications, articles or papers about the topic of hybrid sport entrepreneurship with inclusionary aims. Investigation has allowed to know what has already been done and what are the possible gaps in literature that can be filled through this research.

The first thing is to find a large set of documents representing the literature of the topic, two databases have been used: Scopus and Google Scholar, the former represents the main source, while the second is used in a complementary manner.

To generate the results, it is necessary enter digits into the research bar as inputs, forming a list key words²⁴. To have outcomes strictly correlated to the topic, it is important to be careful in using the proper combination of terms, avoiding being too generic. For that part, it is used an initial constraint regarding the year of publication, thus documents realized before 2012 are not considered. This decision has been taken to not have in the list papers too old and, moreover, because the more important notions are taken back by successive articles. Then, the studies regarding hybrid sector are quite recent, thus literature has experienced an exploit in the last decade and documentation is continuously increasing year after year (Battilana and Lee, 2014; Ratten, 2010).

Through this first level of selection over results, 84 documents are identified as potentially correlated to the topic, but this number does not represent the final one, it should be then filtered, because of the following reasons:

- *Impossibility to access*, because not all the databases share freely all the documents, the possibility of consulting is subordinated to the presence of a different academic permission or to a subscription payment.
- *Language*, papers written differently from English or Italian are excluded from the analysis because the reading is unfeasible.
- *Not meaningful documents*, abstract is a synthesis of short length explaining the content of the paper, thus sometimes reading the rest of the work appears that the analysis goes in a different direction compared to that expected. Those unrelated to the topic or too general are not considered.

²⁴ Appendix A

- *Errors in the previous research*, these can be caused by replication of the same document in the results or inclusion of work realized in year not belong to the range selected.

After screening the number of documents came down to 54, these are the selected papers regarding the existing literature of the topic²⁵.

In the graph below (Figure 8), the distribution of articles selected is represented, there is a growing trend, with a peak reached in 2020 with the realization of 15 articles, but also 2021 is aligned with 4 documents in the first quarter. Among the researchers, the most prolific is Christos Anagnostopoulos with 5 papers in the list as main author or co-author, then behind him the other with high attendance are V. Ratten, E. Sherry, N. Schulenkorf, S. Feiler and C. Breuer.

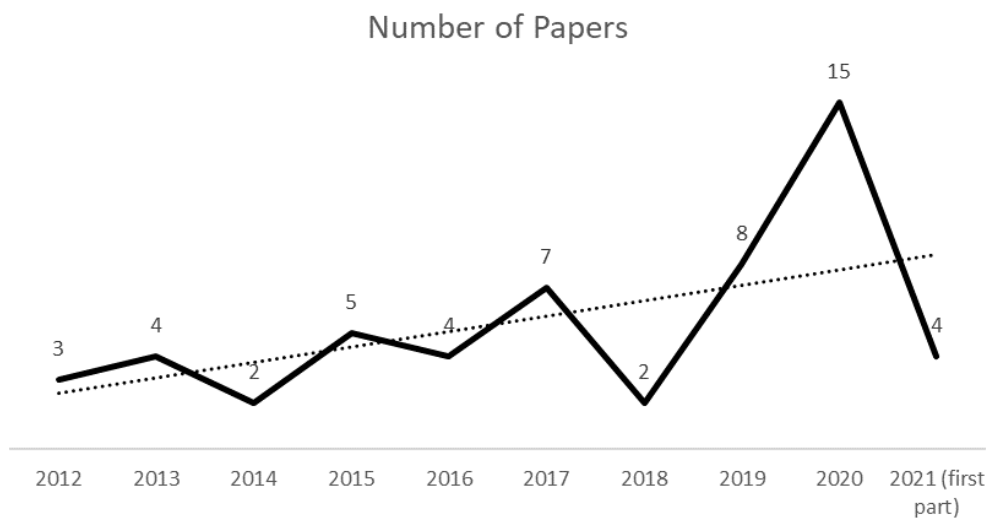


Figure 7, Number of publications per year

²⁵ Appendix B

For each document selected is done a reading in order to extract meaningful information about the argument and to constitute a knowledge basis. The outcome of this part is Literature Review, which is reported in chapter 2, representing the starting point of the work.

3.2.2 Research of practical cases

The second phase is the research of practical examples of hybrid organizations in the sport sector with inclusion goals. This process of selection is necessary to identify the existence of groups of companies sharing common characteristics, like specific business model adoption or recurrences about operations. These groups represent a sort of archetypes of possible typologies of business.

The only search engine used is Google, through the use of specific key words²⁶ as input. Not all the organizations found through the research are considered suitable, some due to the specific characteristics that make them too far from the hybridity idea, others for lacks regarding the information accessible on internet. A set of admission criteria is developed for the selection of representative examples:

- *Core business related to sport sector*, to be compliant with the research questions and to not lose the focus. For simplicity, organizations in nearby areas, like sportswear manufacturers or sport consultancy, are considered as possible candidates.

²⁶ Appendix C

- *Hybridity nature*, at least one activity generating economic values and the presence of a group of beneficiaries that gain social advantages regarding the inclusion through the activities.
- *Stable organization*, clear and structured form with future prospects of activity, the various short-term projects are not considered because of their limited opportunities after few months.
- *No geographical limitations*, worldwide businesses are considered in this analysis in order to have a broader picture, taking in considerations more typologies of legal forms.
- *Presence of an organization's website page with accessible information*, because not every company, mainly those with a more philanthropic aims, provide an official website, but use social network pages, like Instagram, Facebook and LinkedIn, for their brand. The presence of a webpage is considered crucial because enable to find in an easier way the information regarding the activities and the mission orientation.
- *Inclusivity*, considered not only on the consumption side, like customers, but, also, the production side, like employees.

Submitting all the results to admission criteria, the research produced 100 practical examples of hybrid sport entrepreneurships that satisfy results. These selected companies constitute the representative sample²⁷ of the market situation.

²⁷ Appendix D

3.2.3 Definition of a classification model

This is the third phase of the research and is done concurrently to practical cases' research. It is about the realization of an innovative classification model, which is based on the peculiarities of sport sector. The process follows different steps, starting from a review of the literature about hybrid classification framework, to the generation of an innovative one.

The first step consists in a careful reading of few selected papers²⁸ about the studies done for the establishment of framework used to classify hybrid business models. This part is of great importance for two main reasons, one is the knowledge because let to be aware of what has already done and the peculiarities of each model, the other is about the method, because give tools about the identification of important dimensions and on their combination.

The second step is the definition of the dimensions, which are the distinctive features for organizations. For the establishment of them is necessary both the basis provided by the existing documents and the knowledge of the current typologies of companies operating in the market, in order to have a practical check of what can be used. Then for each dimension, the possible positioning and criteria used for that are defined. Finally, it is provided a description of the peculiarities coming from the positions that can be adopted by the companies.

After having identified the different dimensions and their positioning, in order to build the classification model is necessary an integration of the possible combinations that can be obtained. Initially, all the positionings are mixed together obtaining the

²⁸ Appendix E

maximum number of available business models, but this number does not represent the truth. Some combinations are not possible due to evident contradictions and others are too similar or few companies adopt that specific mix. Thus, the number of possible business models' combinations is derived from the maximum mix available corrected through the exclusion of those impossible to be achieved and merging the other with a lot of similarities.

After having integrated the dimensions together and "clean up" combinations, the final classification model and its typologies of business forms that can be adopted are defined. For each one is provided a description of its peculiarities with a specific focus on the social-commercial conflict, together with the use of a representative example coming from the sample, in order to show in a more practical way how it is characterized. The output of this work is explained in detail in the following chapters dedicated to the argument (Chapter 4).

3.2.4 Application

This is the last phase of the whole process and takes place after having completed the research of practical cases and defined the innovative classification models. It consists in apply the use of the framework developed to the business cases found, identifying their belonging group. This part is formed by two steps: the positioning regarding every single dimension and their combination.

According to each dimension identified, organizations are positioned following the evaluation criteria established. In this way, every business of the sample is associated to three specific positionings, one per each dimension.

Then, through the combinations of the specific dimensions, a particular business model category in the framework is obtained, this represents its belonging group. According to that, the specific characteristics are defined, highlighting the various tensions and risks associated to the twofold mission. The output of the process is the chapter regarding the results of the analysis (Chapter 5), where graphs and tables about the distribution of the organizations according to the different typologies and dimensions are represented.

4 Framework

This chapter is dedicated to the realization of an innovative framework for the classification of hybrid sport organizations with inclusionary processes. The goal of this phase is to identify the possible business models that can be adopted, and highlight the existing tensions, internal and external, and the potential risks associated, which result from the coexistence of commercial and social identities inside the same company.

4.1 Classification in literature

The first thing to do, before the creation of the classification model, is recover the literature's papers and articles regarding existing frameworks that have been used for hybrids' categorization. For the study, the number of documents analysed is significantly lower compared to those consulted for the realization of the Literature Review (Chapter 2), but their analysis has been deeper and careful, in order to extrapolate concepts and methods of application. For this step, there is no constraints about the time of publication, but the "oldest" document is anyway in the range of 10

years that was used before, this witnesses the fact that the research about the topic of hybrid organization has acquired more attention recently.

It is important to note, that these kinds of publications are quite general: there is not a specific focus on the sport entrepreneurship and social inclusion because no studies have been carried out in this sense. These models are adaptable, but quite vague to apply in sport sector, which, as explained in the previous chapters, presents some peculiarities, thus, the realization of a new model is necessary.

Through “framework review”, it was possible, not only acquire a certain knowledge about the existing classification models and their distinguishing characteristics, but also about the methodological part, in order to select the proper dimensions and integrate them.

Before entering in detail, could be useful a briefly premise to explain the meaning of the concept *business model*. A business model is defined as the *lynch pin between strategy and operational activities* (Rauter et al., 2017), and choose the right one has direct effects on the ability to achieve the financial sustainability and to generate social impact, at the same time (Dohrmann et al., 2015). It is about how value is created, how value is delivered and how value is captured (Zott et al., 2011).

Among the papers selected, the study conducted by Anderson (2020) is of fundamental importance. She proposed a research based on different authors that have defined possible classification models for hybrid companies, constituting the knowledge at the moment of realization, and mixed them together for a new classification model constituted by 17 possible typologies (Figure 12). Moreover, she briefly summarized the research of the previous works, making easy the recovery of the references, displaying which dimensions have been considered and how these were mixed together. In particular, the work done consists in a review of 92 international papers

on the hybridity, which has evidenced 12 different attempts to establish social enterprise typologies²⁹. Each endeavour is aimed to describe and explain how social and profit objectives are reached simultaneously. She mapped the 12 typologies against each other, then grouped them under four standard business model categories: product, solutions, matchmaker and multisided model (Business Model Zoo, 2019).

The result is a new classification model for hybrid organizations, based on the studies that were already done. It is characterized by 17 possible business models, that go under the four major group categories.

Product social enterprise model	Solutions social enterprise models	Matchmaker social enterprise models	Multi-sided social enterprise models
Beneficiary as customer model	Beneficiary as business owner model	Market linking model	Cross-subsidy (customer) model
	Beneficiary as member or owner model	Market creating model	Cross-subsidy (parent company) model
		Service linking model	Cross-subsidy (donor) model
		Platform as intermediary model	Campaigned beneficiary model
		Ecosystem model	Multiple beneficiary model
			Beneficiary as contributor model
			Donation model
			Beneficiary as producer model
			Beneficiary as employee model

Figure 8, The 17 business model types determined by T. Anderson 2020

²⁹ Warrell, 2008; Grassl, 2012; Byerly, 2014; Weiss, 2015; Hockerts, 2015; Santos et. al., 2015; Dohrmann et. al., 2015; Wolfgang et. al., 2015; Fernando and Mario, 2017; Design Council, 2018; Stumbitz et. al., 2018; Hahn et. al., 2018

4.2 New model

Here, the innovative classification model developed for the hybrid organizations is presented. The process of realization is characterized by different steps: firstly, the key dimensions to use, which are distinguishing feature, are highlighted and described; secondly, these different dimensions are mixed together to establish different combinations forming groups with similar features; thirdly, the possible positionings are displayed, after a process of amalgamation and cleaning from impossible mix, and explained in detail with specific focus on the tensions between social and commercial part, considering the associated risk of mission drift. Then, limits for the utilization of the model are shown.

4.2.1 Dimensions

Dimensions are companies' distinguishing characteristics on which the classification of business model typologies is developed. For the framework development, three specific features are selected: hybrid spectrum, organizational structure and revenues stream. Each one will be described individually in the next paragraphs, with focus on the meaning of the concept, the possible alternative positioning and their associated peculiarities.

4.2.1.1 Hybrid spectrum

Hybrid organizations represent the grey area between the opposites of social impact orientation, like the charities or philanthropic companies, and profit maximization mission, like traditional corporate businesses, though situations in which there is no

social interest are exceptions (Venturi and Zandonai, 2014). In the middle there are hybrids, which for definitions are characterized by this duality in objectives, but there are different levels regarding how these two parts are balanced (Schmitz and Glanzel, 2016).

A company can have a little focus on the commercial part, limiting to a low level of revenues for conducting some social activities, another one can have a corporate social responsibility (CSR) in an area completely different from the main, and yet another can have a strong incomes stream from activities, but with a limitation on dividends that in part are used for investments into organization. These represent examples of businesses with different degree of balancing between the two identities, where one is greater than the other. The hybrid spectrum is about the degree of belonging to the specific sides, this is translated using the distinguishing factors of value creation and distribution.

For the hybrid spectrum, it is used a model based on the works of Alter (2006) and Margiono et al. (2018) (Figure 13). It differs the types of organizations into four groups, based on ability to generate incomes through activities and distribute dividends to shareholders. Both the extremes are excluded from the concept of hybrid organizations

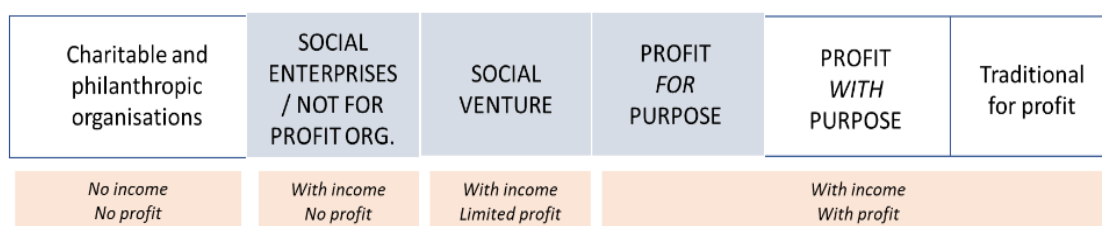


Figure 9, Hybrid spectrum

because lack of a part, but visually are important to understand how the other models are positioned according to that specific logic³⁰.

Hybrid organizations are positioned in the middle of these two, Margiono in his article has identified the following typologies of business:

- *Social enterprises/not for profit*, organizations that do not distribute profits in anyway, but generate incomes from commercial and entrepreneurial activities. Often, there is a dependency on both donations and commercial operations and the organizational structure is not organized in an entrepreneurial way. In this group are considered also those businesses that realize profits but choose to not distribute any dividend to shareholders, reinvesting money for the organization's activities.

A practical example of a company that represents this situation is Skateistan (5)³¹. It is a skateboarding organization located in Afghanistan, Cambodia and South Africa, it offers to young people educational paths, a safe and sport-skills development place. Its sporting services are provided freely to youths in difficulty, this is made possible through grants from government and other institutions, and entrepreneurial activities, that in this specific case is merchandise sales. The generation of further incomes source is done because thanks to a larger amount of money is possible have a greater impact for the community.

³⁰ The left extreme (charitable and philanthropic organizations) is the part completely social oriented, it has no source of income from activities, thus, it is fully dependent on donations and other forms of grants. The right extreme (traditional for profit) is the part completely commercial oriented, profits from commercial activities are distributed to shareholders and the objective is maximization of them, moreover there is no presence of social or environmental oriented activities

³¹ Number in Appendix D

- *Social venture*, organizations where the core business cannot be separated from the social purpose, these are linked and indistinguishable. There is a prioritization of impact generation, while profit distribution is subjected to certain limits, as legal obligation or voluntary commitment. The companies are subjected to different levels of public and private control from, and this can affect the degree of value capture. For example, legal regulations in several countries put limits to profit maximization (Defourny and Nyssens, 2010). Social ventures are characterized by a sort of entrepreneurial attitude, with activities oriented to generate economical value. For the indivisibility of social and economic mission, this specific typology is considered an ideal hybrid form (Dees et al., 2004).

The multinational sportswear company Luta (90) is an example, it is characterized by a limit on profit distribution, indeed the 50% of them is divided by shareholders and the remaining part reinvested into sport programmes for disadvantaged young people. In this case, the company chose voluntarily to adopt this policy, but there are other situations where the specific legal policy requires this kind of limitation, in order to have other types of benefits, like tax exemptions or subsidies by government. Enterprise Solidaire d'Utilité Sociale (ESUS) is a legal form adopted in France that formally put a limit on the distribution.

- *Profit for purpose*, these are companies where, as in the case of social ventures, the core business cannot be separated from the social purpose, there is a direct interdependence and indistinguishability between them. For them, there is no limit on the distribution of dividends, the goal is profit maximization. As said before, their main characteristic is the intention to create social impact through the business's activities.

A practical example is TYF (40), a UK-based company that adopts the legal form of B-Corp, it is focused on adventure sports like kayak and canoeing. Its goal is spread as much as possible the beauty of these type of activities, which enable to stay in direct contact with nature. For this reason, the social mission is the driving force and is strictly aligned with the business activities done by the company, creating a mutual-reinforcing effect. Moreover, due to the legal form adopted, there are no limits about profits distribution.

- *Profit with purpose*, corporations that address social challenges and develop socially oriented initiatives as part of their strategy, although the core business and impact are separate and distinguishable. These organizations prioritize the commercial side compared to social, which is unrelated to the main activities. Under profit with purpose are included the CSR (Corporate Social Responsibility) actions, these represent a conscious form of business, where the aim is be accountable to different stakeholders, addressing the triple bottom line³².

An example is Arsenal Foundation (67), it represents the no-profit part of Arsenal FC, the professional football team based in London, which is one of the most famous and winning club in England and Europe. The Foundation has no source of income because its operations are totally financed by the core business of the football team. The activities performed are various, both inside and outside the pitch, and dedicated to people facing great social disease, the geography of interventions is worldwide with specific focus on developing countries.

³² Economic, social, and environmental

A different characteristic between the group composed by not for profit, social ventures and profit for purpose, against profit with purpose is about the clear intentionality around a social purpose (Wilson and Post, 2013). Moreover, for the formers, profitability is an enabler for social impact, instead the other uses social impact as an enabler of profit (Anderson, 2020).

The distinction could be difficult in some situations due to the blurring boundaries, and it is not binding because of the dynamic environment: companies can change their strategy about income and profit distribution according to many reasons, for example, scaling and growing goals, or new regulations.

4.2.1.2 Peculiarities of the hybrid spectrum

Each of the models defined above has specific characteristics that distinguish from the others. For simplicity, in the analysis, it is considered only one dividing line between companies that give priority to social mission and those to entrepreneurship. In the first group there are the typologies on the left of the graph, thus *social enterprises/not for profit* and *social ventures*, in the second the remaining on the right, *profit for purpose* and *profit with purpose*.

Starting from the left part, giving overemphasis to social impact generation could lead to unsustainable budget deficit (Yunus et al., 2010) because not every kind of activities generate revenues to cover the costs, this is true especially with social and sport-oriented operations. For example, in the situations where the target has issues related to poverty that does not enable the payment of products or services. Moreover, be too focused on the use of social impact metrics, which usually are qualitative and not standardised, could lead to the same consequences: prioritization of programmes with limited financial liability (Anderson, 2020). This model is subjected to tensions

generated by commercial stakeholders, like suppliers, investors and some customers, about whether and when emphasizes on commercial outcomes (Anderson, 2020). Organizations belonging to this group do not consider each other as competitor because it is different from the market logic, in literature, the word *coopetition* describes that (Yunus et al., 2010), it is the merge of cooperation and competition. The social impact has a long-term perspective because changes does not happen day by day, but need years to show results, instead managerial reality is often related to next quarter's results (Van Bommel, 2018). Reaching financial sustainability is necessary to carry on the operations, thus for the company on the "left part" is needed to be able to manage multiple time horizons for maintaining social value creation and ensure economic stability (Laasch, 2018). Often, short-term goals led to tensions with long-term goals (Smith et al., 2013) because of the conflictual objectives. Moreover, companies with a social priority have a higher cost of supply because the number of partners is limited to them sharing the same culture and mission. Sourcing from these lead to higher costs that need to be offset by higher prices that may not be competitive (Short et al., 2009). This could make the products or services unaffordable for beneficiaries (Davies and Chambers, 2018) negatively impacting the social capital. Then, for maintaining a social culture inside the company, there are criteria to use during the selection phase of new employees for ensuring the chosen of people motivated (Battilana and Lee, 2014).

In contrast to that, giving priority to the entrepreneurial logic led to a different set of features. The goal of these businesses is maximization of the monetary return, and for doing that, search a supply chain with a good trade-off price-quality. Giving overemphasis on profitable and competitive market models could lead to reduced services for beneficiaries, who are the people most in need, but costly to serve (Zahra et al., 2009). Be too focused on commercial metrics, that are more immediate and quantitative in utilization rather than social, give a risk to abandon the programs hard

to be reached (Anderson, 2020). In this group, the tensions come from the social stakeholders, like donors or partners, about whether and when emphasizes social outcomes (Anderson, 2020).

Thus, hybrid companies are a typology of organizations that stay in the middle, achieving a social mission and having an economic sustainability. In literature are reported some examples of mission drift due to prioritization of a logic over the other. Exacerbating the financial performance could lead to dramatic consequences for the supposed beneficiaries (Polgreen and Bajaj, 2010), then the priority of social performance could result in a failure in reaching sustainability and thus eliminating impact created. An example of these challenges is the bankruptcy of Aspire, a British social enterprise (Tracey and Jarvis, 2006), happened in 2004 and caused by the establishment of a franchise strategy that does not reach social goals. Being able to manage the situation of trade-off is a source of important lessons for entrepreneurs (Santos et al., 2015).

Thus, in general the hybrid organizations face tensions and mission drift risk (Battilana and Dorado, 2010), due to the incompatible goals (Westley and Vredenburg, 1996) that are pursued by the different stakeholders, and the difficulties to achieve at the same time financial sustainability (Tracey and Jarvis, 2006).

In the table below (Table 1) are summarized the characteristics related to hybrid spectrum.

Not for profit	Social venture	Profit for purpose	Profit with purpose
<ul style="list-style-type: none"> • No profit distribution • Income from commercial and entrepreneurial activities • Rely on donations and commercial activities to gain economic sustainability (flexibility and autonomy issue) • Coopetition • Tensions come from commercial stakeholders • Multiple time horizons • Priority of programs with limited financial liability 	<ul style="list-style-type: none"> • Limit on profit distribution, either as a legal obligation or as a voluntary commitment • Core business is linked and indistinguishable from social mission • Tensions come from commercial stakeholders 	<ul style="list-style-type: none"> • Profit distribution • Core business is linked and indistinguishable from social mission • Tensions come from social stakeholders • Reduced services for beneficiaries, that are most in need, but costly to serve • Legitimacy issue 	<ul style="list-style-type: none"> • Businesses that address social challenges and develop socially oriented initiatives as part of their company strategy • Their core business is separate and distinguishable from the social business • Competition • Additional costs of social activities • Greenwashing issue

Table 1, Summary of peculiarities related to positioning into the hybrid spectrum

4.2.1.3 Organizational structure

The second dimension used for the framework is the organizational structure, it represents something that is constantly faced by hybrid companies for the design of the business model: the level of alignment of activities that generate profits with those that generate social impact (Anderson, 2020). Profit is the value captured by the organization for its owners, shareholders, partners or members, while impact is the value created for society, like environmental or social benefits (Santos et al., 2015). Commercial corporations are expected to give priority to value capture for their owners, social organizations for their beneficiaries, instead the hybrids have to do both without focusing on one dominant group (Santos et al., 2015).

The two logics have different objectives, thus can generate organizational tensions (Austin et al., 2006), the challenge for the companies is reaching and then, leveraging on the complementarity of them (Spieth et al., 2014). The main issue is the situation

where beneficiaries cannot afford products or services and focus too much on paying customers.

The alignment represents an optimal solution for companies because enable to avoid possible tensions, Spieth et al. (2018), in their study, explained the characteristics for an ideal hybrid business model: interdependence of their social and economic benefits through a reinforcement effect, social value integration into a firm's product and service offerings, and priority of social value.

Beneficiaries are those that have a great need of the social impact, but groups like excluded, disadvantaged or low-income populations are not always able to pay full price for the products and services. They face the following transaction obstacles (Santos et al., 2015):

- *Inability to pay*, a possible solution in this case is to re-design whole or a part of the production value chain with specific target of lowering the price for a product or service.
- *Difficulty to access*, here models of micro-franchisees, like networks of individuals or micro-stores as retailers, are suggested to reach potential customers in a more cost-efficient way.
- *Unwillingness to pay*, this situation is due to value perception mismatch, the value is not known or recognized by customers. Here a possible solution is bundling together products desired with others that are needed, in order to align customer choice with societal impact.

Of course, these strategies can lead to positive results, increasing the number of beneficiaries that are also customers. In particular, the overlapping between groups is an indicator of the efficiency that the company has in conducting their value proposition, but there is a limit that is not possible to overcome. A difference between

social enterprises and corporate businesses is that the latter can choose their market, changing their customers if these are not profitable, the former, instead, would be required to revisit their mission in order to change their target group (Santos et al., 2015).

Beneficiaries are, at the end, grouped into three categories (Santos et al., 2015): who pays (fully or partly the price) for the service, who receives the service paid by a third part, like government or the State, and who is employed as worker.

Based on the arguments explained above, the specific types of organizational structure for hybrid organization are the following:

- *Integrated hybrids*, where social and environmental impact is served through the same activities as economic value creation (Davies and Chambers, 2018). Thus, the operations that generate impact are able to bring a source of revenues. An example of this category is the company, based in Germany, named Ich will da rauf! (that is the German translation of “I want to go up!”), it is focused on climbing, their social goal is including people of every age and ability into group activities. The revenues come from the individual subscription to the club, thus the organization aligns social impact and profit with the same value proposition, in this way there is a mutual-reinforcing mechanism of both the parts (Davies and Chambers, 2018).
- *Differentiated hybrids*, where social value creation requires an additional set of organizational activities to achieve economic value creation (Santos et al. 2015). A practical case is Waves for change, CSR of the multinational company Red Bull. It operates in South Africa using surf lessons, for children and youths at risk of exclusion, as a mean for personal and educational development. These activities are free and financed through core business. Thus, the social

operations are different from economic ones and the situation is of misalignment.

Note that this differentiation is prevalent when the social beneficiaries are different from the customers (Santos et al., 2015), because if the former are not able to pay it is necessary to develop activities for the other group, which represents a source of revenues.

4.2.1.4 Peculiarities of the organizational structure

A situation of commercial and social alignment is considered as optimal solution for hybrid businesses (Battilana et al., 2012). A high degree of overlapping is considered an efficiency indicator in overcoming transaction obstacles that limit the purchasing power of beneficiaries (Santos et al., 2015): a stronger alignment means simpler value chain, and more competitive and sustainable organization. Overlapping of value propositions is a mutually reinforcing mechanism, where impact and profit grow or decrease together, this characteristic is essential for avoiding trade-offs, and reducing tensions and mission drift risk (Davies and Chamber, 2018). Moreover, business models characterised by a relatively simple value chain, increase the likelihood of being sustainable (Porter and Kramer, 2011). For this type of organization is important to keep track and monitor metrics related to economic and social/environmental sector, in order to not exclude something from the evaluation (Santos et al., 2015).

The opposite situation is differentiated hybrid, where social and commercial activities are separated. It is characterized by serving needs of two groups, customers and beneficiaries, this leads to a greater complexity that is harder to manage and scale (Anderson, 2020). Moreover, it is associated with a higher risk of mission drift because companies can be tempted to focus on paying clients rather than on beneficiaries, who

are not able to pay (Santos et al., 2015). Further complexity features are the limited resources to use (Austin et al., 2006) and higher cost of procurement due to a more responsible supply chain (Hockerts, 2015) compared to traditional market. Operating multiple activities requires broader organizational skills and greater employee flexibility (Casadesus-Masanell and Tarzijan, 2012).

Some researchers suggest the use of parallel business models for managing efficiently the situation, avoiding conflicts between the different types of operations (Gebaur et al., 2017). This can be achieved through a structural separation, like splitting the organization into a charity and a trading company (Davies and Chambers, 2018). To be clearer in explanation could be useful providing a practical example: World Bicycle Relief (1) and Buffalo Bicycle (13) are two African-based entities belonging to the same company. These entities are structurally separated and independent, the former represents the no-profit identity, with activities aimed to include the greatest number of people, the second instead is for profit, it realizes and sells bicycle with specific characteristics, suited for bumpy roads and high temperature. This separation results in an easy management limiting the possible tensions among groups. As before, for this type of business is important the monitoring phase, using various metrics in order to not be too focused on one side rather than other and reducing the risk of mission drift (Santos et al., 2015). Santos (2015), then, suggests the participation of beneficiaries advocates at the board level.

Positioning companies among the integrated or differentiated group is quite difficult because it is not an aut-aut situation, but a certain number of activities are aligned and other differentiated. Usually, organizations are in the grey area, thus a good idea is to consider the percentage of revenues coming from social activities, if this value is greater than 50%, it is positioned among integrated, otherwise, among differentiated.

For what regards sport, it is something strictly related to social impact generation because enables a series of individual and community benefits already defined previously. Generally, integrated situations means to associate sport activities with a direct source of revenues, while differentiated is the use of alternative methods, like merchandise, restaurants and so on.

In the table (Table 2) below are summarized the characteristics exposed.

Integrated	Differentiated
<ul style="list-style-type: none"> • Social and environmental impact is served through the same activities as economic value creation • Leverage on the complementarity of the social and economic value • Overcome of transaction obstacles • Simpler value chain • Competitive and sustainable organization • Mutually reinforcing • Monitoring the quality of the social interventions 	<ul style="list-style-type: none"> • Social and environmental value creation requires additional organizational activities to the economic value creation • Organizational tensions • Complexity, harder to manage and scale • Tempted to serve buyer customer rather than beneficiaries • Use of resources that usually are limited • Ensure high performance indicators for both • The only way to serve some kind of beneficiaries

Table 2, Organizational structure peculiarities

4.2.1.5 Revenue stream

Historically, public companies are funded by government, while privates carry out sales activities to be sustainable (Perry and Rainey, 1988). Hybrid organizations are in the middle; thus, they can adopt alternative sources, combining in different ways the various resource typologies (Defourny and Nyssens, 2017). The companies can access to the following instruments:

- *Internal finance*, where the incomes come from the operating activities, like the sales of products and services to customers. This is the main source for private companies.

- *External finance*, where the incomes come from activities not related to the business, like donations, grants, subsidies or other types of financing from external business actors. This is the main source for public companies.

Financing decisions are very important for hybrid organizations because adopting the right business model is necessary to achieve financial sustainability and produce desirable social impact (Defourny and Nyssens, 2017). Then, for organizations that pursue scaling objectives, an increment in financial results does not guarantee an increase of impact, but an increase in social impact is not achievable without economic growth (Dohrmann et al., 2015). Finally, differently from the for profit sector, among the hybrid corporations the strategy is a consequence of the financing (Spiess-Knafl, 2014), thus, it is very important be aware of the opportunities deriving from the decision.

Having a highly differentiated financing structure is not always something of positive for companies, because dependency from more sources could lead to tensions or conflicts between the various stakeholders involved, especially when their goals are different. Thus, it is better concentrating the financing sources in financiers with the same mission and vision, favouring a collaborative behaviour aimed to reach shared goals.

Before entering in detail with the characteristics of companies that are more dependent on a specific source, an example is briefly proposed in order to show how internal and external financing are not exclusionary processes.

Accessible Tennis (28) is a Scottish Community Interest Company, it is about, as intuited from the name, the tennis discipline, it offers training courses for coaches and lessons for people with disabilities. The company is internally financed through revenues coming from equipment sales and classes, and at the same time receives

grants, which are considered external financing, to reach break-even point and be economically sustainable. Moreover, the company is working to reduce year by year the dependency from external funds and become economically independent, this demonstrates the dynamicity of the business environment and the possibility to change the strategy adopted.

4.2.1.6 Peculiarities of the revenues stream

Companies more dependent on internal financing, generate incomes through operating activities. These usually have a certain flexibility in making profits because there are no accumulation restrictions, and a high degree of freedom to arrange activities, acquire resources, develop channels, and utilization of technology (Margiono et al., 2018). Moreover, through revenues coming from sales to customers, it is possible to channel them towards an expansion in scale of the organization (Siebold, 2020). The flexibility and freedom are something of positive for scaling strategies or to apply changes in value propositions, but the downside is the great risk of mission drift from the social intention, focusing on target customers (Siebold, 2020). An example of organization that use the internal source of incomes is Sporting Assets (35), which is a UK-based consultancy company that work with sport businesses with social aims, helping to develop ideas. Its incomes come from their provided services and there are no limitations about the redistribution to shareholders. It is clear that there is a simultaneous presence of social and commercial goals, but these lasts have a priority for company managers.

The instruments of external financing are equity, debt, mezzanine, donations, and grants. The first three are tools used by many types of private organizations, the last two instead are more about hybrids and publics. Funding from these sources is aimed

for public purpose, thus, none should profit from this money (Siebold, 2020), the donors contributions can range from funds to equipment and materials (Dees, 2012). Some researchers have considered the dependency on donors as a weakness because required a compliancy in values and mission-oriented objectives (Dees, 1998), and for vulnerability, when donors obtain too much power over organizing processes, or the loss of financial support threatens the company's long-term survival (Chell, 2007). Thus, in that situation the risk is being too dependent on external support, without the autonomy for expansion activities and low exploitation of commercial opportunities. The use of social finance and crowdfunding are very important mainly in the initial phases of organizations to alleviate financial limitations (Lehner and Nicholls, 2014), however access to them is not always guaranteed and can be limited by some impediments: information asymmetries, not known sector, repayment and risk of mission drift, not well-defined exit mechanism, high failure risk, profit reinvestment into company, ethical supply-chain or legal structure (Davies et al., 2018).

An example of company that is mainly dependent on external finance is Metro Blind Sport (55), based in UK, offering a large variety of sport activities for blind people. The service is free for youths and has a very low cost for others, to provide them it needs the support of donations or grants, that enable to enlarge the number of participants and reduce furtherly subscription cost. In this situation, of course, the profit, whether present, is reinvested without redistribution, highlighting the priority of the social aim over the commercial one.

The main difference between the two financing methods is about the flexibility and autonomy in taking business decisions. Moreover, there is direct link between finance and hybrid spectrum because an external finance does not permit a redistribution of dividends among shareholders, and this is possible adopting a *social enterprise/not for profit* model.

Finally, as done for the previous dimensions, in the table (Table 3) are summarized the peculiarities that derive from the analysis conducted.

Internal financing	External financing
<ul style="list-style-type: none"> • Cash flow generated through the operating activities • Give freedom to arrange activities, acquire resources, develop channels, and use technologies to gain profit • Risk of drift away from the social core • Flexibility in making profit • Selected target of beneficiaries 	<ul style="list-style-type: none"> • Donations and grants • None should profit from these money • Great dependence and less flexibility • Threatens in case of loss for survival • General target of beneficiaries
<p>Highly diversified financing structure leads to conflicts. Increase in social impact may not be achievable without economic growth</p>	

Table 3, Summary of characteristics of Revenues stream dimension

For this measure, the difficult lies in understand which is the dominant financing method because usually both are used. If the financial statement is present into annual report, this is the best way to find a reliable set of data, otherwise is necessary to be careful in collecting information from specific company's website.

4.2.2 Integration

The constituting dimensions have been described through their specific characteristics in the previous pages, now to establish the classification model is necessary integrate them together. The total number of possible combinations is the typologies constituting the hybrids spectrum, multiplied for those of the organizational structure, and furtherly for those of revenues stream. Thus, the calculation done is the following:

*N. Hybrid Spectrum * N. Organizational Structure * N. Revenues Stream =*

$$= 4 * 2 * 2 = 16 \text{ possible business models}$$

This amount is quite high for the focus of the research, making complex their management, thus, it is needed a reduction, excluding the impossible combinations, due to contradictions existing for some specific dimensions' typologies, and through mergers of some models together, according to similar features that enable to consider them as only one group.

Through the combination, the business models resulting are described in order to provide information about these specific details:

- The management of tensions between social and commercial identities, considering the mission drift risk.
- Ability and logic adopted for incomes generation and dividends distribution to shareholders.
- The degree of alignment between social and commercial activities.
- Level of autonomy and flexibility in decision making.
- Possible strategies or opportunities for growth and scaling.

All of them will be considered, but the focus is on the duplicity of mission and commercial oriented objectives. Managing the paradox of unrelated goals is a crucial skill for the hybrid organizations, that produces effects on shareholder and on the community.

4.2.2.1 Impossible combinations

Among the different typologies of business models that come from the combinations, there are some that are not possible due to contradictions about definitions and characteristics. Firstly, the main use of *external* financing, like donations or grants, is a characteristic of hybrid organizations that reinvest their profits into the business activities, it is not applicable to situations in which there is a dividends distribution to shareholders. If something like this should happen, over than a very unethical behaviour, it would be considered a big damage for the company image. Thus, the mix *social venture*, *profit for purpose*, and *profit with purpose*, together with *external* financing is a no sense.

Then, another solution that does not exist is related to *profit with purpose* organizations. Their definition are, as explained before, businesses that address social challenges and develop socially oriented initiatives as part of their company strategy, although their core business and their impact are separate and distinguishable. From this concept, it is clear that the degree of value alignment of social and commercial activities is very low, and thus, there is no possibility for a coexistence with the *integrated* models

So, considering these “impossible” combinations and deducting them from the total amount, the number of possible business models is become nine that is good improvement, but not already satisfying.

4.2.2.2 Merging of business models

Considering the nine business models obtained through the elimination phase, there are similarities among the remaining, thus, merge together some in forming a larger group could be a good idea to make the positioning into the framework simpler and more immediate.

The first merge is *social venture/differentiated* with *profit for purpose/differentiated* (in both cases the type of financing is internal). This is done because both have a clear intention to prioritize the achievement of social goals over entrepreneurial objectives, and their activities are not aligned. The only difference is about redistribution policies, but this can be overshadowed because the evolution from one model to the other is something that usually happen for those companies. Moreover, these typologies should be not very diffused because usually the hybrid spectrum forms adopted here are related to a high degree of alignment between activities.

The second merge is between *not for profit/integrated/internal* financing and *social venture/integrated*. These are social oriented organizations with a sort of entrepreneurial structure to generate revenues and be economically sustainable. The activities done are overlapped, and in this way the social activities are reinforced from the incomes generation.

The third, and last, merge is related to *not for profit/differentiated* through the union of the type of financing. These do not generate revenues for shareholders and the commercial activities are unrelated to social impact. Both are based on same logic, use the commercial activities as a mean to reduce their dependency from external financing mechanisms (which are present in both two, but with different degree), be economically sustainable and carry on the operations in the short-term. So, these are

characterized by a primitive form of entrepreneurial logic that differ them from third sector companies.

4.2.3 Classification

Through the elimination and merging phases, the number of possible business models is become six (Figure 14). In this paragraph each of them is described in order to extrapolate characteristics, information for their management and opportunities specifically for the position.

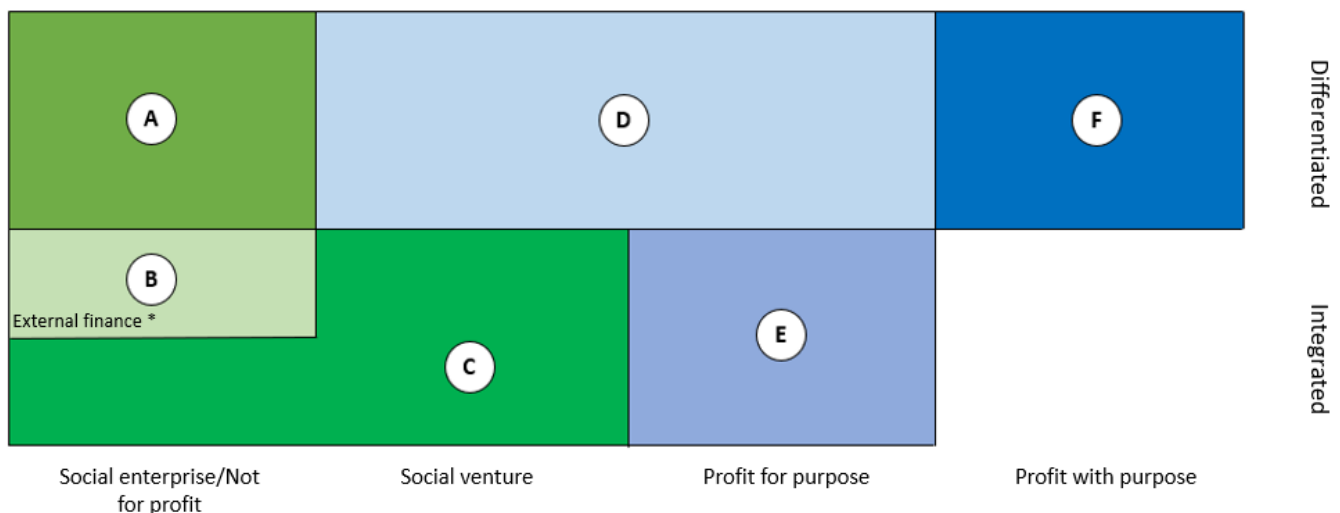


Figure 10, The 6 Business Models

A. Social enterprise (Not for profit) – Differentiated – Internal and external finance

These companies are characterized by a lack of dividends for shareholders, with profits that are used, if present, for investments into the company. Moreover, the social and commercial activities are differentiated, usually because the formers do not give

the possibility to gain enough to be economically sustainable. The financial sources considered are both internal and external.

They are characterized by a prioritization of social impact goals, with a clear intention to reaching these objectives, often there is lack of an entrepreneurial structure making them more similar to charities. This emphasis on social side brings tensions from commercial stakeholders to reach a break-even point and be sustainable in the time. Be too focused on the mission could lead to unsustainable budget deficit, because often these types of activities have a limited financial liability. For this reason, the help of financial investors and donators is fundamental to carry on the operations. The financing from an external part represents a trade-off between the possibility to be financially sustainable doing social oriented activities and the dependency in decision making, which can lead to a sort of mission drift from economic objectives. The differentiated organizational structure is due to a situation where beneficiaries are not able to pay for products and services, thus, business owners search a way to be not too vulnerable in case of a loss in economic support reducing their dependency. Manage a double value proposition, one for customers and the other for beneficiaries, could be a complex factor for companies, mainly for the limited resources owned. For them, scaling and growth strategies are very difficult to apply for the lack of autonomy and for the complexity in managing operations. Thus, the opportunities in this sense are few, but exist and are based on pushing the internal financing sources to become autonomous in the long-term.

A representative example of the group is Alive and Kicking (30), a ball manufacture company located in Africa, that sales its products in United States and UK. Its business consists in the production of football balls, while the social activities is employment of people that face a difficult personal situation, mainly for physical and economic issues, and make donations to African communities where there are children that are not able

to pay a ball. Now, the business is sustainable through the external support, but the goal is to become independent from them in next years and adopt an entrepreneurial structure. The incomes coming from each ball sold goes to fund balls supplied in Africa, for this reason a growth in sales could led to an improvement of social impact, but at the same time there is an associated risk of drifting and take an orientation more commercial oriented. This example shows some important aspects: the dynamicity of the sector, because change the model is feasible, and the social role both in the consumption (beneficiaries) and in the production side (employees).

B. Social enterprise (Not for profit) – Integrated – External finance

This is a group formed of companies that do not generate profits for shareholders, with activities that align the commercial and social objectives and that need donations and grants to be sustainable.

Usually, these companies have a very low level of incomes coming from activities, thus, they are dependent from external financing tools. They are vulnerable because a possible loss of support means bankruptcy, for this reason is important, mainly in the initial phase, find financiers interested in a long-term collaboration and with shared ideas. The integration of activities makes simpler the management and use of resources, enabling to be focused on both the values at the same time. Moreover, usually, there is no necessity of add commercial activities unrelated to social aim, because these companies have already a stream of money to reach break-even point and their low level of autonomy in decision making represents a barrier for changes. The companies in this group do not see each other as competitor, but as “coopetitors” (Yunus et al., 2010) because they are aimed to create a greater social impact, the economic goals have no importance. This is the group more similar to philanthropy and charity, because the economic incomes are very limited and the priority is given to social aim.

A representative example is A.S.D. Gabriella Givalda (63), it is an Italian not professional sport association. It is related to sport activities for disabled people, giving priority both to physical and social benefits that come from a regular sport activity. The services are almost free, because people pay an association fee of one-year duration that has a cost considerably lower than the benefits. The main source of revenues is that of donations from privates and crowdfunding events. This characteristic makes the company very similar to a charity, with the only difference of a little source of income through activities. To note, there is the direct relationship between value generation and impact, because increasing the first positively affect the second.

C. Social enterprise (Not for profit) and social venture – Integrated – Internal finance

Here, there are organizations that give priority to social aims rather than commercial goals, but in some situations, there is profits redistribution to shareholders, that is limited to a certain share. This is due to specific countries' regulations or to a specific policy adopted by the company. The social and entrepreneurial activities are aligned, thus, through them monetary value is generated, and represent the main financial source of incomes for long-term survival.

There are tensions generated from commercial stakeholders because they want a more profit-oriented organization, exploiting in a more effective manner the resources and targeting the clients with higher purchase power. This type of pressure is furtherly emphasized by the independence from external finance, that from one side enables to be more flexible and autonomous in taking decisions, but at the same time makes easy the mission drift to a more profitable market. An important peculiarity that reduces the risk is the integration of activities, because they are mutually reinforcing, so the impact and the revenues grow or decrease at the same time, making easy the achievement of both goals. Despite the social priority, this group, compared to the

previous two, starts to have a more structured type of entrepreneurship form. It considers two different time horizons simultaneously, short-term to balance objectives and be economically sustainable in doing daily operations, and long-term to monitor the impacts created for the community and for stakeholders. Considering the characteristics and the dimensions, this form, whether managed adequately, represents an optimal hybrid solution because enable a good trade-off between the dual mission, and maintains the priority in generating a social change for the world.

A practical example is Third Half Soccer (20), it is a benefit corporation that carries out sport activities for the development of poor communities in Africa and organizes paid travels for group of volunteers, mainly from Europe and America, to help in realizing an impact. The company is sustainable economically without the help of donators or funders, but only through travel organization for volunteers coming in poor areas from worldwide. The strong integration and alignment of activities significantly mitigates the risk of mission drift, maintaining the company faithful to the original mission.

D. Social venture and Profit for purpose – Differentiated – Internal finance

These organizations have an entrepreneurial structure that is used for bringing their social impact to the community and dividends for business owners. The issue to face is the inability to pay of some beneficiaries, thus, it is pursued a different value proposition addressed to customers in order to create monetary value. Of course, this decision is associated to the impossibility to receive an external finance and to the objective of value generation for shareholders.

This positioning is associated to a high risk of mission drift from the social aim to the commercial one. This is due to a managerial complexity for the dual value propositions in serving customers and beneficiaries, that needs to monitor performance in both the

activities and distribute in an effective way the resources owned by the company. The tensions from the two institutional logics and the risk of mission drift represent a concrete possibility for the group, thus a clever method for managing the trade-offs is suggested for carry on the business. The risk is to be tempted to move towards the more profitable clients losing the focus from the beneficiaries that are not able to pay for products and services. As said for the previous typologies, the independence and flexibility are correlated to the possible mission drift, in this sense, here the risk is greater because there is a generation of profits that in any cases are significant, thus, the pushing forces are very strong. It is important to note that a change of the market segment could be perceived very negatively by the customers with effects on the brand image. The ethical behaviours are seen like a positive characteristic of the companies, and clients are agreed to pay a premium price (Davies and Chambers, 2018) for that, instead changing this could be a betrayal of the original values. A possible strategy to eliminate tensions could be decoupling the company into compartmentalized subunits with a clear distinction (Battilana et al., 2012). This combination is quite rare because usually the companies that adopt a form where the priority is given to the mission and the aim is get the maximum profit, select a beneficiary's target that is economically profitable.

The reference example of the group is Port Edgar Water Sport (8), it is a CIC based in Scotland that use water sports as an opportunity to everyone to have a healthy lifestyle. The majority of activities are normally paid by people that practice them, but there are some that are destined to homeless people in a completely free manner and are aimed as a social support for their inclusion into the society. The legal form adopted enables to distribute dividends in a limited way and use the remaining part to improve the social performances.

E. Profit for purpose – Integrated – Internal finance

These are organizations with a clear and defined entrepreneurial structure aimed to realize the highest profit and distribute it without limits to the owners. The strength of this group is the alignment of activities, the target of the social mission represents a profitable market segment that enable a great level of autonomy from external stakeholders.

The main characteristic is the mindset adopted, which like the classical corporations is entrepreneurially oriented, but the driving force of the company is the generation of an impact and make the difference for people, improving their life conditions. The difference with the previous group is in beneficiaries' selection, while the previous take decisions moved by social aim, these considered the possible economic results, so the target is a more specific group of people, able to pay and sustain on the long-term the company business. Here there are pressures coming from commercial stakeholders, to focus on customers segment with a greater market power and increase the surplus through sales, and from the social partners to provide benefits to a larger number of people. The ability of managers lies in aligning properly the activities in order to avoid the generation of bad feeling and enable a mutual generation of advantages for both the sides. Companies that address the same market segments consider each other as competitors, but there is a certain degree of collaboration, sharing some practices that can bring a positive environmental or social value, this is the case of brands like Patagonia that share with other sportswear business the operations adopted (O' Rourke and Strand, 2017).

This group is more near to the commercial logic, but otherwise it is of great importance for the social and environmental sector, because represents a good and responsible way of doing business. They create value without the generation of inequalities or pollution, but preserving, or in some situations improving, the world for the next

generations. In this sense they are an inspirational model to follow (O' Rourke and Strand, 2017).

A practical example of this kind of company is eAscot (98), it is a mobile application dedicated to blind people or with impairment view issues. The aim is to enable the practice of running competitions, like marathons, to these people in an autonomous way without the risk of getting lost. Their operation is feasible thanks to the use of sensors able to locate the position in real time and inform about the possible routing options if there is not a predefined one. The income depends on the number of downloads and premium contents access, thus, if a greater number of people use it the social and economic benefits are higher.

F. Profit with purpose – Differentiated – Internal finance

In this group are considered the corporate companies with a CSR through social oriented activities unrelated to the main business. There is a structural separation between activities, which often are done by an external entity, like for example a foundation, that goes under the same brand. For this reason, there is a high degree of differentiation and misalignment between the operations done. Of course, the type of funding is internal, otherwise it would be a countersense.

These companies are at borderline for the definition of hybrids because they have all the characteristics of the traditional for profit corporations, the only distinguishing factor is about the presence of social or environmental activities. These add a complexity factor to companies because needs more resources to be managed in order to offer the activities, and, moreover, it is about a not typical target so market research to take information are important. Do CSR often represent a cost for businesses' balances, with low or zero incomes deriving from them.

Usually be focused on social goals is positively perceived by customers, and this brings benefits both for the image and the financial statement, but sometimes happens the so-called *Greenwashing*. In brief, it is a communication strategy used for showing as a green company, but in reality, use it only as a mask for gain benefits from public opinion and media. This could give very tremendous negative effects to the organization, for example in recent years, the case of Volkswagen and the falsified data about emissions have received great attention and produced a recession for sales in the period of publications of the notice on the journals³³ (Colvin, 2020).

A representative example of the group is Vodafone Foundation (25), it is the CSR of the telecommunication group. Through the finances coming from the main business, it invested around 7 million of Euros in social inclusion projects in Italy. The main focus is people with physical and mental disability, and of great importance are the collaboration with sport institutions for the provision of equipment and use of infrastructures. For transparency, Vodafone each year provides a report on which are presented how the Foundation has used the money and the results obtained.

4.2.4 Social and commercial forces

Now that all the business model typologies have been displayed and described, it is clear the fact that some of them are more near to organizations like charities or philanthropic associations, while others to traditional corporate businesses. Thus, the

³³ <https://fortune.com/2020/10/06/volkswagen-vw-emissions-scandal-damages/>

difference is about the balance of social and commercial goals, which, to be considered hybrids, are present simultaneously, and the priority level associated. In figure 15, it is represented how the business models are positioned between the social and commercial priority that they give through their activities and missions. Be placed in one side means having the pressure to change its model into an extreme situation through a mission drift, but, at the same time, there is the opposite side that push to gain a more relevant role. So, each model has tensions coming from the social and commercial constituting identities, the difference is according to the level of intensity to which they are subjected.



Figure 11, Positioning of business models according to commercial and social sides

The typologies closer to the extremes are B and A for the social side, and group F for the commercial one, in these situations there is one identity that is significantly stronger compared to the counterpart. In the middle, there are the typologies C, E and D, where the balance is more equilibrated. There is not a predefined process of evolution, the companies could move bi-directionally or stand still, the future decisions are due to strategy and management of tensions involved into the evolutionary process. Then, as said in the previous chapters, there are companies that born in a way and then decide to become hybrid, thus it is possible that an organization of the group A, B or F, is the result of an inclusion of a social or commercial activity into the processes. This is due to change of the today economy, for the left part, the funding support is reducing is decreasing and companies are searching way to be

sustainable, for the right is the willingness to lead a more responsible business (Parks, 2008).

4.2.5 Limits of the model

The classification model presented has some limitations that could impact their use, first of all is the management of the “grey zones”. For each dimension is difficult to establish how to position the business because there are situations that are in the middle between two typologies, thus it is necessary the use of criteria for taking decisions. Of course, the issue lies in positioning in the same group companies that have a different degree and describe them with the same features, but actually this is not truth every time. The choice to enlarge the borders and include more business under the same typologies has done to simplify and have few representative models, in further researches this study could be widened adding possible positioning. The aggregation phase has been done for the same aim: simplify. It is based on the similarity, but, as said before, this put together businesses that are not equal in each characteristic and that could be considered separately. It is important to note that the choices regard which dimensions can be aggregated are due to the aim of the research, that in this specific case is to highlight the existing contrasts between the social and commercial logics.

4.2.6 Business model recap

Thus, in this chapter have been identified the typologies of business models that result from the combination of the three different dimensions and constitute the framework of hybrid organizations that use sport as a mean for inclusion. For each one, the

characteristics have been explained with a specific focus on the tensions generated by the dual missions and the forces that push in a direction rather the other.

Then, the classification will be used for the application of a number of practical cases constituting the sample.

In order to have a more immediate and visual way, the information previously exposed, are summarized in the following tables (Table 4, 5), where are highlighted the peculiarities associated to a particular model.

<p style="text-align: center;">A</p> <p>Reinvestment of profits in social mission</p> <p style="text-align: center;">Not aligned activities</p> <p>Both internal and external sources of revenues</p> <p style="text-align: center;">Lack of entrepreneurial structure</p> <p style="text-align: center;">Risk of unsustainable budget deficit</p> <p>Tensions from commercial stakeholders</p> <p>Dependency and very low autonomy in decision making</p> <p style="text-align: center;">Difficult scaling and growth strategies</p> <p style="text-align: center;">Example: Alive and Kicking (30)</p>	<p style="text-align: center;">B</p> <p style="text-align: center;">No profit generation</p> <p style="text-align: center;">Aligned activities</p> <p style="text-align: center;">No entrepreneurial structure</p> <p>Dependent from donations and grants</p> <p style="text-align: center;">Very similar to philanthropism</p> <p style="text-align: center;">Vulnerability</p> <p style="text-align: center;">Cooperation</p> <p style="text-align: center;">Example: ASD Gabriella Givalda (63)</p>
<p style="text-align: center;">C</p> <p style="text-align: center;">Possible value generation</p> <p>Social activities enable economic survival</p> <p style="text-align: center;">Flexible and autonomy in decision making</p> <p style="text-align: center;">Mutual-reinforcing activities</p> <p style="text-align: center;">Entrepreneurial form in managing operations</p> <p style="text-align: center;">Pressure to enlarge customer basis</p> <p style="text-align: center;">Good trade-off between social and commercial characteristics</p> <p style="text-align: center;">Example: Third Half Soccer (20)</p>	<p style="text-align: center;">D</p> <p style="text-align: center;">Defined entrepreneurial structure</p> <p style="text-align: center;">Inability to pay of beneficiaries</p> <p style="text-align: center;">High risk of moving towards commercial side</p> <p style="text-align: center;">Complex management of activities</p> <p style="text-align: center;">Temptation of focusing on more profitable clients</p> <p style="text-align: center;">Example: Port Edgar water sports (8)</p>

Table 4, Summary of business models, first part

<p>E</p> <p>Profit maximization goal</p> <p>Profitable beneficiaries' market</p> <p>Entrepreneurial mindset</p> <p>Social driving force</p> <p>Coopetition</p> <p>Mutual reinforcing activities</p> <p>Example: eAscot (98)</p>	<p>F</p> <p>Social activities unrelated to the main business</p> <p>Structural separation</p> <p>CSR</p> <p>Complexity and additional cost in managing the social activities</p> <p>Very low income from CSR</p> <p>Greenwashing risk</p> <p>Example: Vodafone Foundation (25)</p>
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Table 5, Summary of business models, second part

5 Findings

In this chapter, findings and results, obtained through the work of research, are presented. Thus, firstly, the practical examples selected through research are a little bit described, focusing on some of their characteristics, like the geographical area, beneficiaries addressed and sport specialization, just to show the approach used for the selection. Then, results coming from the application phase of the classification model and evaluation criteria are presented, and to provide a more comprehensive set of data, different perspectives are used.

5.1 Cases characteristics

The research phase, through the selection of practical examples about organizations operating in sport sector with hybrid nature and inclusive goals, has produced an amount of 100 business cases. For the exploration, a diversified set of characteristics have been considered in order to not have all companies with the same features and, thus, representing better the variety in the existing framework (Table 6). These characteristics are related to the geographic locations, typologies of sport provided, and segments of beneficiaries targeted, then, of course, also the specific legal model adopted is analyzed.

GEOGRAPHY	AUSTRALIA	USA	FRANCE	SPAIN	CANADA
	UK	ITALY	DEVELOPING COUNTRIES	IRELAND	TURKEY
SPORT	SOCCER	TENNIS	FITNESS	SKATEBOARDING	CANOEING
	BASKET	VOLLEY	DANCE	MULTISPORT	BOX
BENEFICIARIES	ELDERLY	MIGRANTS	PRISONERS	CHILDREN	
	BLIND	DISABLED	LGBT	INJURED	COMMUNITY
LEGAL MODEL	CIC	B-CORP	GGMBH	ASD	SOCIAL COOPERATIVES
		L3P	CSR	FOUNDATION	CHARITY

Table 6, Characteristics of businesses selected

From a geographical point of view, the organizations are quite dispersed, mainly among European, American, and African continents. There are 12 companies located in developing countries³⁴, while the remaining 88 are based in those that are considered more developed. Taking into consideration the last, the large majority is in Europe, mainly in Italy, 26, and UK, 30, and in America, with 20 businesses distributed between USA and Canada. This situation reflects a recurrent issue of the today's society: the inequalities. It is not only a problem presents in poor or third-world countries, but something that happens everywhere, also in those generally considered rich and developed (UN, 2020). There are people that live in a condition of

³⁴ With developing countries are intended those nations with a low level of industrialization, in this research are considered in this group, companies based in poor areas of Africa, Asia and South America

exclusion and marginalization, and due to social and economic problems cannot access to community life. The outlying areas situated near the big cities are often places characterized by a high level of criminality and disease, causing dangerous situations for individuals. For that reason, hybrid organizations' operations take place in those countries and represent a solution to the problem that government alone cannot solve (Haigh, 2015).

Regarding the possible beneficiaries' categories addressed by the businesses' actions, different typologies have been identified: minorities groups like disables, blinds, elderlies, migrants, prisoners or ex-prisoners, low incomes population, people suffering significant physical injury, discriminated based on genre, sexual orientation, or culture. The identified actions taken by organizations are of two typologies, those oriented to the prevention, targeting people in a risk situation, or treating the diseases directly addressing the excluded people. These measures are not alternatives and can be part of the same business strategy.

The inclusion practices for beneficiaries can results in different possibilities taking place along the whole supply chain, in particular the distinction done is between the consumption and the production sides (Defourny and Nyssens, 2010). The first means that the inclusion's actions are aimed to treat the beneficiary as a user, enabling the consumption of products or services. While inclusion in the production side means that the beneficiary adopts the role of producer or provider, this is the situation done by employees or suppliers.

For what concern the typology of products or services offered by companies, these are, of course, all related to the sport sector, and can range from equipment to lessons, subscription fee and so on. The difference is that while some organizations are focused on the provision of a single typology or category of sport (for example TYF (40) offers a range of activities related to canoeing, kayak and coasteering, despite the differences,

these are correlated to the category of adventure sports taking place close with nature), others pursue a more general strategy adopting a multisport offer with a wide range of possibilities. Entering in detail, the number of organizations selected that belong to the first typology are 59, while the remaining 41 present a broader activities portfolio for beneficiaries. The adoption of a specific approach affects the management of companies creating pros and cons. Be focused on a single typology of service enable to optimize the resources usage, reducing the equipment or infrastructures needed, and guaranteeing a good level of quality, exploiting in this way the benefits deriving from specialization. While offer a more diversified set of sports, from one side enables to satisfy a diversified set of requests coming from users, producing in this way a greater impact for the community, but from the other, it makes more complex the resource management.

This paragraph has shown that the hybrid organizations operating in the sport sector belong to a wide and heterogeneous world, which is becoming more complex and articulated day by day. The research analysis cannot analyze the sector as whole, thus the sample is not to be considered as a reflection of the actual situation due to quantitative limit.

5.2 Classification model application

Once defined the sample, it is time to use the innovative classification model developed previously and analyse the results coming from it. The practical examples of sport businesses represent the input data, while their belonging group and the features associated are the output of the research (Figure 17). The process consists in

defining the companies' specific positions according to each of the three dimensions identified and their integration.

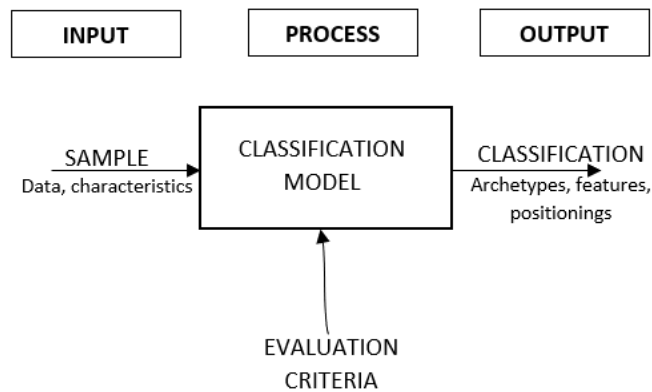


Figure 12, Classification procedure

Following are described the sources of data regarding the examples found, the evaluation methods used for each dimension, considering mainly the blurring situations where position is in a grey area, and the specific dimensions obtained.

5.2.1 Data Sources

The collection of data and information represents a crucial part of the classification procedure, it is necessary to establish dimension positioning. The main sources used regarding the companies are their official websites, here sometimes are published the annual reports, which give the opportunity to analyse the exact values regarding operations done in a specific time frame. Usually on the website is reported the main mission that they want to achieve through the business, providing in this way their priority. Then, it is exposed the set of products and services provided with relative price, that represents value proposition. Moreover, the country of origin and the legal model adopted are very often defined directly at the bottom of the webpage.

Generally, businesses are legally expected to provide and make public the annual report, on them can be recovered a lot of information, like the sources of revenues, the generation of a surplus or not, and dependency from third parties through support in providing liquidity or infrastructure.

For what regards the language of business cases, the key words used as input for the research have produced almost all results in English or Italian. Thus, although there are no limitations for the selection of practical cases, the language has affected the outcomes obtained. Thus, the large part of the organizations is established in UK, USA, and Italy, while those operating in Asia are few.

This is another reason to not consider the work as representative of the whole sector distribution, but only as a tool to understand partially how the framework is composed and generate theoretical observations.

5.2.2 Evaluation methods

In order to classify the business model of the companies, positioning them according to the three dimensions, hybrid spectrum, organizational structure, and revenue streams, as discussed in the previous chapter, is necessary. Often it is difficult to categorize in one part rather than other because the situation is not clear, but in the middle, thus, specific evaluation criteria are introduced in order to take clear decisions about these grey areas.

- *Hybrid spectrum*

Regarding the first dimension, the focus is on the value generation and distribution of profits. If the organization does not realize a surplus or what is created is fully reinvested, the position is *non profit*, while, if there is a redistribution through

dividends to shareholders, it is considered as *for profit*. Both the classification *profit for* and *profit with purpose* belong to this last group, their specific distinction is about the alignment of core business with social objectives. The blurred situation is that in which there is a partial redistribution, the issue here is about considering the company among *social venture* or *profit for purpose*, which is the threshold to consider? The approach adopted is the following:

- With a redistribution to shareholders ranging from 1% to 70% of the surplus, the organization is considered *social venture*
- From 71% to 100%, it is considered *for profit*.

This kind of information can be obtained through a direct or indirect method. The company could expressively declare it in the official website page or through the reports provided annually. In alternative, a reverse approach can be adopted, starting from the legal model used, it is possible to look to the country's specific legislation about distribution policies.

- *Organizational structure*

For the organizational structure, the positioning is based on the analysis of the alignment between social and commercial activities. Of course, it is very rare a situation where all the operations are aligned or not, it is quite common that a company pursue a certain number of social operations that bring an economic return and others that are offered freely to beneficiaries with the only aim of impact generation. For this reason, it is important to establish a border line dividing the classification *Differentiated*

from *Integrated*. In doing this, it is adopted a suggestion coming from Santos et al. (2015)³⁵, which considered the middle as a threshold:

- If the percentage of revenues coming from social activities are higher than the 50% of the total revenues, the company is considered *integrated*.
- If the value is lower than 50%, it is considered *differentiated*.

The information can be found through the analysis of the set of products and services offered and their associated price. There are situations in which something is offered freely or at a low price for including more people. Otherwise, to understand the percentage of money coming from the activities is necessary looking to the financial statement contained into annual report.

- *Revenue stream*

The last dimension is about the dominant source of revenues, distinguishing in *external* and *internal* financing methods. The for profit companies (also social ventures) due to their objective of value maximization cannot rely on external financing because enriching from money coming from donation, taxation, or institutional support is an unethical behaviour, but for the non-profits the situation is quite different. These kinds of companies usually use both the types of financing methods, the *external* enable to reach sustainability at the expense of autonomy, while *internal* makes the decision making more independent, but with a risk of mission drift. Here to establish how

³⁵ In that case, the threshold is used for the alignment between beneficiaries and customers. It is not the same but exists a strong correlation with the alignment of activities, because the presence of beneficiaries with a certain purchase power enables to deliver social activities that have a cost associated. Thus, the integration of individuals is linked to integration of activities, and the same for the differentiation.

evaluate the dimension, distinguishing *internal financing* from *external financing* there are two possibilities:

- 1) Consider the presence of an external source as discriminatory, or
- 2) Put a threshold and according to that classify the organization.

The first approach is similar to that used by Dohrmann et al. (2015) in their paper, but in that case the meaning of the dimension was not the same³⁶. The choice, in this case, has fallen on the second because there are organizations that, despite the profit maximization aim, use external sources reinvesting the whole amount coming from them for social oriented activities, and others that are in a transitory phase where the support is increasing or decreasing. Thus, considering the dominant source, it is possible be more flexible for the positioning. The threshold adopted is 50%, so the greatest source of incomes reflects the specific dimension.

Once that the evaluation approaches for each dimension are defined, the work with the practical cases can start, identifying the specific positioning.

5.2.3 Dimensions

In order to provide a more comprehensive outlook of the situation, below (Figure 18), the distribution of organizations considering the specific dimensions is reported,

³⁶ He considered only two situations, whether funds are present or not, so the presence of external finance is discriminatory, independently from the amount. For my specific topic this situation doesn't suit because there are situations in which the funds are used in limited way and only for increase the social impact.

enabling to quantify in a more immediate way the distinctive characteristics of the sample.

Looking at the results, it is clear that some characteristics are more recurrent compared to others. About the hybrid spectrum, the dominant typology is *not for profit*, 56%, followed by *profit for purpose*, 30%, note that these two together represent almost the total amount. For the organizational structure, the companies adopting a high degree of integration between social and commercial activities are the large majority and constitute the 72%. Despite the diffused presence of *not for profit* companies, the greatest part of the whole is characterized by entities that are based on *internal* sourcing mechanism, 70%.

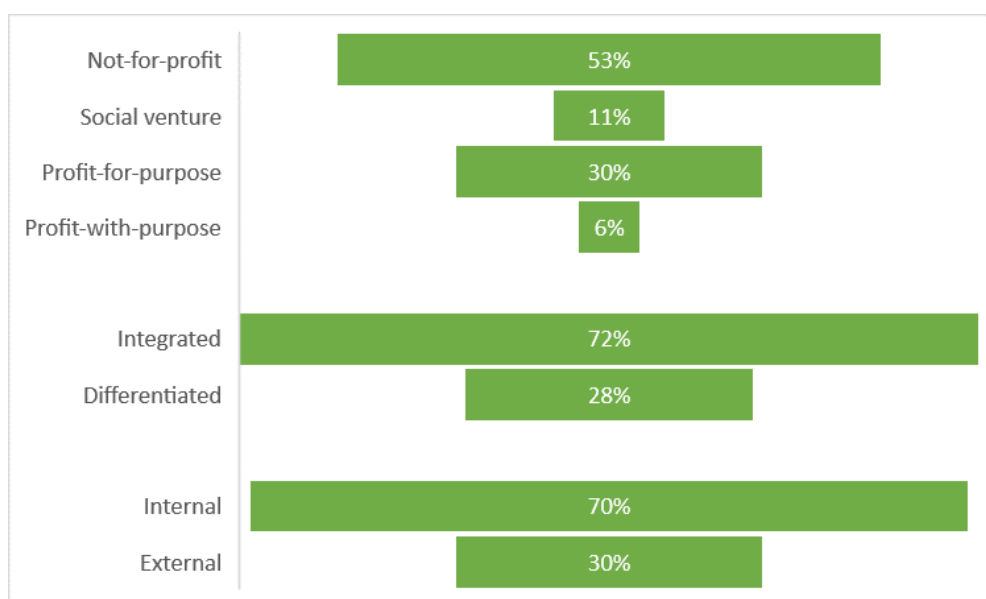


Figure 13, Results for each dimension

For what concerns the existing relationships among the different dimensions (Table 7), there are few combinations that are more recurrent than others, highlighting in this way a possible correlation.

Looking at the data from an external perspective, there are some anomalies:

- The *external financing* is prevalent only for *not for profit* companies.
- For the *not for profits*, the *external financing* is more probable with an *integrated* set of activities compared to a *differentiated* situation.
- The *profit with purpose* organizations are all associated with a *differentiated* structure.
- The great majority of *not for profits* and *profit for purpose*, mainly for the lasts, adopt an *integrated* model more frequently than the *differentiated*.

Not for profit	53	Integrated	40	Internal	16
				External	24
		Differentiated	13	Internal	7
				External	6
Social venture	11	Integrated	6	Internal	6
				External	
		Differentiated	5	Internal	5
				External	
Profit for purpose	30	Integrated	26	Internal	26
				External	
		Differentiated	4	Internal	4
				External	
Profit with purpose	6	Integrated	6	Internal	6
				External	
		Differentiated		Internal	
				External	

Table 7, Data regarding distribution

Adopting instead a more critical perspective, these kinds of anomalies are due to some reasons that have been illustrated during the previous chapters and now are briefly recovered. The *external financing* is an income source used by companies to be sustainable in the services provision, it is characterized by the support of entities, like donators or government, and not by value generation through activities. Thus, the use of this type of fundings, which are destined to businesses not to owners, and the simultaneous distribution of profits is something of unacceptable. Moreover, the *not*

for profits that use *external financing* have no economic necessity of adding exclusive commercial activities. This is something that could happen, but there is a trade-off to consider that is between the complexity in managing a dual proposition and the degree of autonomy, which decreases adopting an external source of capital. For what regard the *profit with purpose*, these are entities that pursue an economic objective with social activities not related to the core business, thus, their combination with an integrated structure is not achievable. About the *profit for purpose*, the situation is quite the opposite, because their main objective is the social impact generation, so the frequency of this combination is high, but does not represent the whole because there are situations where the main source of incomes is characterized by activities without the creation of benefits for the community.

5.3 Results

Through the integration of the specific positioning, the business models characterizing the classification framework are obtained. Considering the business cases of the sample, the results obtained are the following (Figure 21):

- 13 organizations for the group A (Not for profit + Differentiated + Internal or External)
- 24 organizations for the group B (Not for profit + Integrated + External)
- 22 organizations for the group C (Not for profit or Social Venture + Integrated + Internal)
- 9 organizations for the group D (Social Venture or Profit for Purpose + Differentiated + Internal)
- 26 organizations for the group E (Profit for purpose + Integrated + Internal)

- 6 organizations for the group F (Profit with purpose + Differentiated + Internal)

Of course, these values are not representative of the whole sector of hybrid sport organization because the dimension of the sample is too low compared to the market. These data represent indicators used to identify practical cases of businesses operating in sport sector.

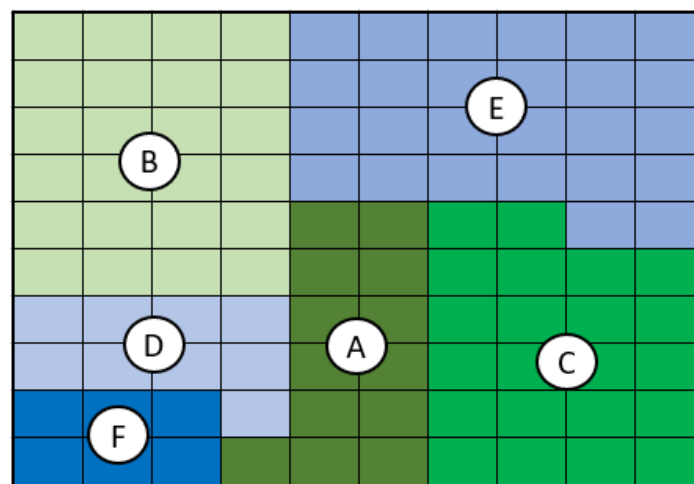


Figure 14, Business models visual distribution

According to the results, the most diffused combinations are those related to the groups E, followed by B and C, that together constitute more than the 70% of the situations identified. Noteworthy that, all these three typologies are characterized by an *integrated* organizational structure for the activities provided.

This trend about results was quite predictable already before that the evaluation take place, that because of some peculiarities coming directly from the sport sector. Firstly, sport and physical activity are sectors characterized by a strong linkage to social mission. Inclusion, development of healthy lifestyle or an increased self-esteem are just few of the benefits that are accessible through sport practice. Thus, it is not complex

for a company, that provides this typology of services, to reach a high level of integration between social and commercial activities due to their relationship. Then, the majority of companies present a dominant *internal* source of financing, this is in part because of the characteristics of hybrid organizations themselves, but also due to the approach applied in the research phase. First of all, organizations to be considered hybrids need to provide activities able to create value through monetary incomes, bringing, in this way, a sort of entrepreneurial structure with economic objectives. While, for the methodology used, in order to not include many organizations similar to each other and those dependent on external support share common features, thus, the focus has been shifted to other typologies, where the sustainability is obtained in an autonomous way.

5.4 Insights

In order to provide a different point of view, the outcomes are analysed according to some characteristics of the businesses, in particular those used are the geographical location and the portfolio of sports offered. This step is done in order to understand if exists some typologies of correlation affecting the possible business model adopted.

First of all, the companies are considered according to a country position basis, dividing between those located in America (20) and in Europe (66), with a specific focus on United Kingdom (30) and Italy (26) because represent the largest part of their distribution. The data provided (Table 8) consider the percentage distribution for each

specific dimension and for the final business model, considering in addition the difference compared to the average³⁷.

	Total	Total (%)	Italia	Italia (%)	Delta	UK	UK (%)	Delta	EU	EU (%)	Delta	America	America (%)	Delta
Not for profit	53	53%	13	50%	3%	20	67%	14%	37	56%	3%	8	40%	13%
Social venture	11	11%	2	8%	3%	4	13%	2%	7	11%	0%	1	5%	6%
Profit for purpose	30	30%	10	38%	8%	5	17%	13%	20	30%	0%	9	45%	15%
Profit with purpose	6	6%	1	4%	2%	1	3%	3%	2	3%	3%	2	10%	4%
Integrated	72	72%	18	69%	3%	26	87%	15%	53	80%	8%	12	60%	12%
Differentiated	28	28%	8	31%	3%	4	13%	15%	13	20%	8%	8	40%	12%
Internal	70	70%	20	77%	7%	20	67%	3%	48	73%	3%	14	70%	0%
External	30	30%	6	23%	7%	10	33%	3%	18	27%	3%	6	30%	0%
A	13	13%	5	19%	6%	1	3%	10%	6	9%	4%	3	15%	2%
B	24	24%	5	19%	5%	10	33%	9%	17	26%	2%	4	20%	4%
C	22	22%	4	15%	7%	11	37%	15%	17	26%	4%	2	10%	12%
D	9	9%	2	8%	1%	2	7%	2%	5	8%	1%	3	15%	6%
E	26	26%	9	35%	9%	5	17%	9%	19	29%	3%	6	30%	4%
F	6	6%	1	4%	2%	1	3%	3%	2	3%	3%	2	10%	4%

Table 8, Distribution according to location

As already said, but it is something important to highlight again: these results, due to the limited dimension of the sample, cannot be considered as representatives of a trend, but only in a qualitative manner.

It is important be careful with the outcomes because with these low number only a shifting of 1 or 2 units is enough to affect the distribution in percentage terms, for example America's companies are 20, thus change of 1 unit means a shifting of the 5%. Looking at the numbers, it can be seen that, concerning the hybrid spectrum, the dominant typology, for both the European countries, is *not for profit* followed by *profit for purpose*, with percentage values at continent level very close to the total (delta of 3%

³⁷ In the table, this difference is represented by column Delta, which is equal to $|\text{Total}(\%) - \text{Country}(\%)|$. In order to make the table more readable, the variation is associated to a color, which enables to identify immediately the results that are too far from the average

for *not for profit*, and 0% for *profit for purpose*), while in America these roles are inverted with the presence of the 40% of *not for profit* and 45% of *profit for purpose*. This situation reflects an aspect that has received attentions from scholars: in USA, which comprises the largest part of organizations American organizations in the sample, the concept of hybridity is something of more oriented towards entrepreneurship, while in Europe the meaning assumed is more similar to philanthropy (Bromberger, 2011). For the other dimensions, the data are quite aligned, considering the number of cases, the exception is regarding the organizational structure in UK's countries (87% of *integrated*, 13% of *differentiated*), where the difference between the extremes is very large. This situation can be due to the legal forms diffused in UK, in particular a model that is widely adopted is CIC, which is characterized by the possibility to pursue activities more economically feasible.

Then, the same distinction is done according to sport portfolio (Table 9), dividing those that provide activities related to a single category of sport, 59, from the others with a more general offer, called multisport, 41. In this case, the results coming from the two characteristics are quite different. Organizations with a single sport offer are more near to the entrepreneurial form, as evidenced by data regarding *profit for purpose*, *differentiated* activities and *internal* source of financing, while the others with multisport services are more philanthropical and charitable. In particular, regarding these lasts, the number of *not for profit* organizations represents the 73%, significantly higher compared to the average (delta is 20%), and those with a dominant *internal financing* mechanism are less, despite of only one unit, than *external financing*, going in an opposite direction rather the trend. This last point is significant to understand the orientation characterizing multisport businesses, highlighting their dependence from external sources of fundings, that affects their dependency and flexibility in taking decisions.

	Total	Total (%)	Single	Single (%)	Delta	Multi	Multi (%)	Delta
Not for profit	53	53%	23	39%	14%	30	73%	20%
Social venture	11	11%	8	14%	3%	3	7%	4%
Profit for purpose	30	30%	24	41%	11%	6	15%	15%
Profit with purpose	6	6%	4	7%	1%	2	5%	1%
Integrated	72	72%	39	66%	6%	33	80%	8%
Differentiated	28	28%	20	34%	6%	8	20%	8%
Internal	70	70%	50	85%	15%	20	49%	21%
External	30	30%	9	15%	15%	21	51%	21%
A	13	13%	10	17%	4%	3	7%	6%
B	24	24%	6	10%	14%	18	44%	20%
C	22	22%	12	20%	2%	10	24%	2%
D	9	9%	6	10%	1%	3	7%	2%
E	26	26%	21	36%	10%	5	12%	14%
F	6	6%	4	7%	1%	2	5%	1%

Table 9, Distribution according to sport portfolio

Then, another kind of distinction that can be used is to consider the targets of social actions. In this sense, the goal is to analyze if the business model adopted is affected by the typologies of beneficiaries addressed. Unfortunately, this process presents issues like the difficult in differentiate the companies because of many targets simultaneously and others have as goal the community development. Thus, there are situations where is complex to decide if categorize under the same group the companies, for example under the target of disables can be considered also old people and those returning from injuries, or these are separated groups. This hurdle can be overcome through a clear definition of beneficiary segments, identifying the various typologies characterizing them. Being this work not central for the topic of the research, it is not furtherly developed, but it could be interesting a future investigation about that. It could be studied if exist a correlation between the social target and the business structure.

Finally, the insights emerged, in this last part of results, are that some general characteristics of the organizations affect the typology of business model that is then

adopted. Companies based in USA present characteristics with a more marked entrepreneurial attitude compared to those based in European countries, where the social part has a priority role. Then, the portfolio is discriminating because focusing on more sport categories simultaneously represents a strategy adopted by non-profit companies, while those on the opposite side are dedicated to a single category exploiting the benefits coming from the specialization. Thus, there are some characteristics that push in a certain direction, of course it is not a rule that a company based in Italy with a multisport offer is obliged to be near the philanthropic sector, but considering the sample identified in the research, the context leads to this.

6 Conclusion

This chapter represents the final part of the thesis research, where the work done during the analysis is summed up and conclusions are drawn. It is composed of two different sections: firstly (6.1), the whole analysis is briefly recovered providing answers to the research questions, which have been defined in the initial phases; secondly (6.2), the possible future developments, further evolutions, and new investigation's hypothesis are suggested to scholars that want to lead a study in that direction.

6.1 Discussion

The presented thesis is aimed to provide a further analysis regarding the area of hybrid organizations, focusing in particular on the sport sector with social inclusion objectives. In last ten years the number of organizations with a social and commercial role is increased considerably (Vaccaro, 2017), there is a growing interest around the topic that is underlined by the worldwide literature production. A preliminary analysis of the existing publications on the topic has revealed the existence of gaps in literature that can be filled through a new research work, like this thesis. The main

empty space identified is the lack of a classification framework developed specifically for sport hybrid companies. Thus, the mission is to provide this kind of model, highlighting the tensions deriving from the existing dichotomy between social and entrepreneurial objectives. The thesis analysis is not intended to confirm or deny an established hypothesis, but to learn more in depth about the topic of business models that can be used.

The work done during the research has already been explained, point by point, across the previous chapters and it has produced as a result a new classification tool, characterized of six possible business models that organizations can adopt, based on the integration of three dimensions. For each one, pros and cons have been analysed, emphasizing the mission duality with the related tensions generated and drifting risk.

Thanks to the analysis and validations performed, it is now possible to provide answers to the formulated research questions.

- **RQ1:** *What are the hybrid organizational models, at international level, that utilize sport as a mean of social inclusion?*

The answer to the question has been reached through a first phase of internet research of practical cases, then an analysis has carried to the identification of dimensions that are distinctive for organizations. Having identified the sources of differences, the companies are grouped together according to their common characteristics, in this way a first categorization of organization models emerged. In order to obtain a more structured set of adoptable business models, it was necessary a theoretical analysis of the dimensions and their integration, considering the possible combinations and evaluating if some can be merged or other have no sense. In this way, the dimensions

regarding the hybrid spectrum, the organizational structure and the dominant revenues stream have been introduced and combined together. At first, the results obtained are too wide, making difficult set a clear separation among them, thus a sort of merging phase has been done, mixing together those sharing similar features and eliminating others with conflictual specifics. According to the procedure, six hybrid organizational models have been obtained, and to understand in which way the existing companies adopt them, the framework is applied obtaining a distribution of results related to specific groups. Thus, the answer to the first research questions consists in the development of the six adoptable typologies identified through the classification framework.

- **RQ2:** *How hybrid sport organizations manage their social and commercial identities, and what are the tensions created?*

For every group identified, the characteristics, focusing mainly on contrasts arising from the rivalrous logics, have been illustrated. From one side, the objective is to create a wider impact for society, generating benefits for people facing a difficult situation, while from the other, it is the enhancement of owners' economic status, creating in this way an entrepreneurial structure to maximize the financial return. This difference in goals can produce tensions, especially, when the degree of alignment is low. During the analysis, a set of contrasts that are in some way related to the underlying dichotomy have been identified:

- Mission vs money
- Beneficiary vs customer
- Social metrics vs financial metrics

- Social stakeholder vs commercial stakeholder
- Collaboration vs competition
- Social culture vs entrepreneurial culture
- Long-term horizon vs short-term horizon
- Local market vs global market
- Ethical supply-chain vs low-cost supply-chain

These conflicts are not furtherly described because this has already been done during the Chapter 2. Thus, for each of the six groups identified, an analysis has been done considering these tensions and defining existing opportunities. Of course, the characteristics are the results of combination process of the distinctive dimensions considered during the study.

The innovative part regarding this thesis work is concerning the classification model developed. Despite the single dimensions are something already considered by other authors in literature, the hybrid spectrum has been introduced by Margiono et al. (2018), while organizational structure is an adaptation with some modifies of the work done by Santos et al (2015), their combination is something of new. The integration of these characteristics, that resulted in the generation of six typologies of business models, represents a novelty for the research produced until this moment.

6.2 Future suggestions

There are aspects of the topic that could be furtherly explored in future research. The conduction of a more quantitative study could be a possible area of analysis, through an enlargement of the sample of practical cases, the distribution of organizations

belonging to the different groups could be considered. In order to do that, it is necessary spend more time and be careful during the research and selection phase, utilizing a larger set of key words, even recurring to languages different from English. In this way, it would be possible to consider business cases in more geographical locations. It could be possible to obtain a sample of such dimensions that justify it as a representation of the sport hybrid market situation. Then, through the application of the classification model should be possible to understand how the organizations are distributed among groups, and if there is any typology that is more recurrent than the others.

Then, has already done partially in this research, it is possible to analyse the presence of existing correlation between the positioning and other particular characteristics. In this work, the features considered have been the geographic location and sport portfolio offered, while the new possibilities are those represented by the kind of beneficiaries targeted, already discussed, the inclusion modality, and the number of employees or the current franchisees. For the beneficiaries, a possible solution is to create groups, including those sharing similar characteristics. About the method used to reach inclusion, the distinction can be done in production and consumption side, identifying, in the first, the treatment of beneficiaries as consumers, while, for the second, as producers. In this way, it could be evaluated, according to results, if exists a sort of correlation with the business model adopted, for example if inclusive actions aimed to production side are recurrent in situations of *integrated* activities or *profit for purpose* form. Instead, considering the number of employees or franchisees, the focus of the research could shift towards the models associated to economies of scale and specialization.

The goal of this research thesis is that it could represent an additional step for enriching the literature and providing a starting point for further analysis, bringing to potential benefits.

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Appendix A

Key words Scopus
"social venture*" and "sport*"
"social business model*" and "sport*"
"business model*" and "sport*"
"social enterprise*" and "sport*"
"hybrid organization*" and "sport*"
"social organization*" and "sport*"
"benefit corporation*" and "sport*"
"b corp*" and "sport*"
"sport organization*" and "social impact*"
"sport organization*" and "inclusion*"
"sport organization*" and "social inclusion*"
"sport organization*" and "sustainability*"
"sport organization*" and "hybrid*"
"sport*" and "social business*"
"social entrepreneurship*" and "sport*"
"sport organization*" and "inclusivity*"
"sport organization*" and "commercial*" and "inclusion*"
"sport organization*" and "commercial*" and "social*"
"sport*" and "commercial*" and "social*"
"sport*" and "commercial*" and "hybrid*"
"sport organization*" and "benefit*"
"sustainable model*" and "sport*"
"sport organization*" and "responsibility*"
"sport social enterprise*"
"social model*" and "sport*"
"business model*" and "sport*" and "hybrid*"
"sport entrepreneurship*" and "inclusion*"

Key words Scholar
sport social enterprise
sport social venture
social business model sport
sport social entrepreneurship
hybrid sport organization
benefit corporation sport
b corp sport
social impact sport organization
sport cooperativa sociale
sport social cooperative
sport impresa sociale
l3c sport

Appendix B

Title	Authors	Year of publication
OSCAR Foundation: empowering lives through football	Varghese, E., Galliara, M., Srivastava, M.	2016
Moving forward: business model solutions for amateur sport clubs	Bradbury, T., Mitchell, R., Thorn, K.	2020
Structural business model based on cooperation between sports organizations and sponsors	Dilys, M., Gargasas, A.	2014
A fairytale narrative for community sport? Exploring the politics of sport social enterprise	Reid, G.	2017
Coronavirus disease (COVID-19) and sport entrepreneurship	Ratten, V.	2020
Sport entrepreneurship and public policy: future trends and research developments	Ratten, V.	2019
Sport entrepreneurship: Challenges and directions for future research	Ratten, V.	2012
BusinessModel adaptation in spanish sports clubs according to the perceived context: Impact on the social cause performance	Escamilla-Fajardo, P., Alguacil, M., García-Pascual, F.	2021
Hybrid goals: institutional complexity and 'legacy' in a global sporting mega-event	Gillett, A.G., Tennent, K.D.	2020
Urban skateboarding, social enterprise groups, and community capacity-building in the San Francisco Bay area	Atencio, M., Wright, E.M., Beal, B., McClain, Z.	2019
Balls for Africa: The lean startup in an African not-for-profit social enterprise	Ellarby, P.E.	2013
A community-based, sport-led programme to increase physical activity in an area of deprivation: A qualitative case study	Garner-Purkis, A., Alageel, S., Alageel, S., Burgess, C., Gulliford, M.	2020
Organizational hybridity: A conceptualization of how sport for development and peace organizations respond to divergent institutional demands	Svensson, P.G.	2017
Managing Sport for Development: An Investigation of Tensions and Paradox	Raw, K., Sherry, E., Schlenker, N.	2020
Managing sport for social change: The state of play	Sherry, E., Schlenker, N., Chalip, L.	2015
A kick in the right direction: Longitudinal outcomes of the Australian Community Street Soccer Program	Sherry, E., Strybosch, V.	2012
Variety in hybridity in sport organizations and their coping strategies	Lucassen, J.M.H., Bakker, S.D.	2016
The Future for Sport Entrepreneurship	Hayduk, T.	2020
Inclusion as a norm. Multi-scalar influences on the recognition of people with disabilities in French national sports organizations	Bouttet, F.	2016
Social inclusion in community sport: A case study of muslim women in Australia	Maxwell, H., Foley, C., Taylor, T., Burton, C.	2013
Community-driven sports events as a vehicle for cultural sustainability within the context of forced migration: Lessons from the amsterdam futsal tournament	Spaaij, R., Schaillee, H.	2020
Community sport and social inclusion: international perspectives	Schaillee, H., Haudenhuyse, R., Bradt, L.	2019
Introduction to the issue "Sport for social inclusion: Questioning policy, practice and research"	Haudenhuyse, R.	2017
Moments of social inclusion: asylum seekers, football and solidarity	McDonald, B., Spaaij, R., Dukic, D.	2019
Community sports clubs: are they only about playing sport, or do they have broader health promotion and social responsibilities?	Robertson, J., Eime, R., Westerbeek, H.	2019
Organisational factors for corporate social responsibility implementation in sport federations: a qualitative comparative analysis	Zeimers, G., Lefebvre, A., Winand, M., Anagnostopoulos, C., Zintz, T., Willem, A.	2021
Corporate social responsibility and governance in sport: "Oh, the things you can find, if you don't stay behind!"	Tim Breitbarth, Stefan Walzel, Christos Anagnostopoulos, Frank van Eekeren	2015
Organizational Mission and Revenue Diversification among Non-Profit Sports Clubs	Pamela Wicker, Svenja Feiler and Christoph Breuer	2013

Community sports clubs' responses to institutional and resource dependence pressures for government grants	Popi Sotiriadoua and Pamela Wickerb	2013
Sport business models:a stakeholder optimization approach	Thomas Pittz, Joshua S. Bendickson, Birton J. Cowden, Phillip E. Davis	2019
Social inclusion through sport-based programmes:A case study of StreetSoccer Scotland	Yeaseul Cho	2014
Financial Barriers to Sports Consumption: The Dynamics of the Income-Expenditure Relation	Erik Thibaut, Annick Willem, John Eakins, Jeroen Scheerder	2020
Get ready to innovate! Staff's disposition to implement service innovation in non-profit sport organizations	Mathieu Winand & Christos Anagnostopoulos	2017
Environmental Factors and Stakeholders Influence on Professional Sport Organisations Engagement in Sustainable Corporate Social Responsibility: A South African Perspective	Talent Moyo, Rodney Du ett, and Brendon Knott	2020
Toward a Working Model of Leadership in Nonprofit Sport Governance	Ian O'Boyle, David Shilbury Lesley Ferkins	2019
The effect of Porter's generic strategies on organisational problems of non-profit sports clubs	Wicker, P., Soebbing, B.P., Feiler, S., Breuer, C.	2015
Design and delivery of sport for all programmes: should it be market, non-profit, or state-run?	Hallmann, K., Feiler, S., Breuer, C.	2015
Delivering on social good - corporate social responsibility and professional sport: a systematic quantitative literature review	Carlini, J., Pavlidis, A., Thomson, A., Morrison, C.	2021
Organisational learning for corporate social responsibility in sport organisations	Zeimers, G., Anagnostopoulos, C., Zintz, T., Willem, A.	2019
Relationship between entrepreneurial orientation and social performance in Spanish sports clubs. The effect of the type of funding and the level of competition	Núñez-Pomar, J.M., Escamilla-Fajardo, P., Prado-Gascó, V.	2020
Social entrepreneurship in a sport policy context	Peterson, T., Schenker, K.	2018
A definition of sport and social entrepreneurship	Peterson, T., Schenker, K.	2018
Sport and social entrepreneurship: A review of a concept in progress	Bjärsholm, D.	2017
Returning the 'social' to social entrepreneurship: Future possibilities of critically exploring sport for development and peace and social entrepreneurship	McSweeney, M.J.	2020
The strategic marketing of small sports clubs: From fundraising to social entrepreneurship	Gallagher, D., Gilmore, A., Stolz, A.	2012
Corporate social responsibility through sport: a longitudinal study of the FTSE100 companies	Bason, T., Anagnostopoulos, C.	2015
The Provision of UK Sport Services via Social Enterprise: Managing Social and Financial Tensions in Leisure Trusts	Kehoe, Neill	2020
Managing sport-for-development: Reflections and outlook	Schulenkorf, N.	2017
Sustainable sport entrepreneurship and innovation: A bibliometric analysis of this emerging field of research	González-Serrano, M.H., Sanz, V.A., González-García, R.J.	2020
Entrepreneurial orientation in sports entrepreneurship - a mixed methods analysis of professional soccer clubs in the German-speaking countries	Hammerschmidt, J., Eggers, F., Kraus, S., Jones, P., Filser, M.	2020
A capability approach to understanding sport for social inclusion: Agency, structure and organisations	Suzuki, N.	2017
Sport entrepreneurship in Spanish sports clubs	Paloma Escamilla-Fajardo, Juan Manuel Núñez-Pomar, María Huertas González-Serrano	2020
Open Innovation in Nonprofit Sports Clubs	Wemmer, F., Koenigstorfer, J.	2016

Appendix C

Key words Google
Sport social enterprise
sport social enterprise example
sport social business
sport inclusion enterprise
sport social venture
B corp sport
sport social organisation
sport social inclusion
sport inclusion for profit
esempi sport inclusione sociale
sport benefit corporation
sport inclusion corporation
inclusive sport examples
inclusione sociale attraverso lo sport sostenibilità economica
sport community interest company
sport community interest company inclusion
sport inclusione cooperativa sociale
Sport cic
sport entrepreneurship inclusion
Sport venture inclusion
Sport sustainability inclusion
Sport social responsibility
Sport business csr
Sport l3c inclusion

Appendix D

	Name	Website
1	World Bicycle Relief	https://worldbicyclerelief.org/
2	Ggrande	https://www.ggrande.it/
3	L'eroica	https://eroica.cc/it
4	Kick 4 life	https://www.kick4life.org/about/about-k4l/
5	Skateistan	https://skateistan.org/
6	Monkey sports	https://monkeysports.in/
7	b-fit	https://en.b-fit.com.tr/pages/why-is-it-affordable
8	Port Edgar water sport	https://www.portedgarwatersports.com/about-us/
9	Ich will da rauf!	https://www.iwdr.de/
10	Palestra Ostia	http://www.palestraostia.it/
11	Senda	https://sendaathletics.com/pages/about-the-company
12	Waves for change	https://www.redbull.com/int-en/waves-for-change-surf-therapy
13	Buffalo bicycle	http://www.buffalobicycle.com/
14	Get cycling	https://www.getcycling.org.uk/
15	Danze paralimpiche	https://www.semplicementedanza.com/danze-paralimpiche.html
16	Inclusive sport SA	https://inclusivesportsa.com.au/sport/
17	Hawaiian paddle sports	https://hawaiianpaddlesports.com/b-corp/
18	Inter Campus	https://intercampus.inter.it/chi-siamo/
19	Cotopaxi	https://www.cotopaxi.com/
20	Third half soccer	https://www.thirdhalfsoccer.com/about
21	RampWorx	https://rampworx.com/charity/#about-the-charity
22	Play it again	https://www.playitagainsport.wales/
23	Adrenaline Valley	https://www.adrenalinealley.co.uk/our-charity/
24	Bikeworks	https://www.bikeworks.org.uk/who-we-are
25	Fondazione vodafone	https://www.vodafone.it/nw/vodafone-italia/fondazione-vodafone-italia/attivita/progetti/oso-ogni-sport-oltre.html
26	Eastbourne Borough FC	https://www.ebfc.co.uk/a/a-community-interest-company-18474.html
27	innov8 sports	http://www.innov8sportzcic.co.uk/about-innov8-sportz-cic/
28	Accessible tennis	https://aim2flourish.com/innovations/improving-social-inclusion-through-tennis
29	Sportivamente Biella	https://www.sportivamentebiella.org/
30	Alive and kicking	https://aliveandkicking.org/

31	SS Romulea	https://www.ssromulea.it/
32	Sport senza frontiere	https://www.sportsenzafrontiere.it/
33	Defiant sports	https://defiantsports.org.uk/
34	Inclusive sport academy	https://www.inclusivesportsacademy.org/
35	Sporting assets	https://www.sportingassets.co.uk/
36	Pulse social	https://pulsesocial.co.uk/home
37	Streetgames	https://network.streetgames.org/
38	Cycling UK	https://www.cyclinguk.org/
39	British Canoeing	https://www.britishcanoeing.org.uk/about/our-organisation
40	TYF	https://www.tyf.com/pages/about
41	One world play project	https://www.oneworldplayproject.com/buy/
42	Sport 4 all	https://playmore.it/sport4all/
43	Pick-roll	http://www.pick-roll.com/
44	Valley sport	https://valleysport.net.au/
45	Cara	https://caracentre.ie/
46	Athlete Ally	https://www.athleteally.org/about/
47	Camp group	http://camp-group.org/home/
48	My sport and go	https://www.mysportandgo.com/chi-siamo/
49	IncentFit	https://incentfit.com/
50	Sport Innovation Hub	https://www.sportinnovationhub.it/
51	Corporate Wellness	http://www.corporatewellness.it/
52	Experience momentum	https://www.experiencemomentum.com/about-us/mission-values
53	Kids in the game	https://www.kidsinthegame.com/about/
54	Playworks	https://www.playworks.org/about/
55	Metro Blind Sport	https://www.metroblindsport.org/
56	Blind Sports Ontario	https://blindsports.on.ca/about/
57	SportAid	https://www.sportaid.com/low-price-match-promise.html
58	KinBall	https://kinball.co.uk/
59	Sport NSW	https://www.sportnsw.com.au/about/about-us/
60	BrainPowers	https://www.brainpowers.org/index.php
61	Centro Ippico Ronco Diana	http://www.roncodidiana.it/429921144
62	La comune	https://www.la-comune.com/gruppo-la-comune/asd-lacomune/#intro
63	Associazione sportiva dilettantistica Gabriella Givalda	http://www.asgivalda.it/
64	Nike Purpose	https://purpose.nike.com/diversity-equity-inclusion
65	Tennis Club Sciola	https://tennisclubsciola.wordpress.com/
66	Golf Club Perugia	https://www.golfclubperugia.it/golfinsieme/

67	Arsenal foundation	https://www.arsenal.com/community
68	All Sport Association (ASA)	https://www.allsportassociation.ch/chi-siamo/
69	WeFit	https://www.we.fit/index/about
70	Strava	https://play.google.com/store/apps/details?id=com.strava&hl=it&gl=US
71	Corehab	https://www.corehab.it/it/
72	PickApp	https://www.pickappbasketball.com/
73	Search your team	https://www.searchyourteam.com/
74	Dick's sporting goods	https://www.dickssportinggoods.jobs/about-us/
75	Sporting KC	https://www.sportingkc.com/news/sporting-kc-and-variety-kc-partner-to-provide-part-time-jobs-to-individuals-with
76	Digital sport CSR	https://www.digitalsportcsr.com/about
77	Sportclubby	https://www.sportclubby.com/it-IT/chi-siamo/
78	Sintesi Gym	https://www.akuis.tech/sintesi-gym/
79	Padel Torino	http://padeltorino.it/
80	Sofab sports	https://sofabsports.org.uk/about-sofab-sports/
81	Chicago Run	http://www.chicagorun.org/what-we-do
82	The Core	https://www.skatehereford.co.uk/about
83	Better	https://www.better.org.uk/what-is-a-social-enterprise#
84	Heka	https://www.hekahappy.com/
85	Exi	https://exi.life/
86	Train as one	https://www.trainasone.com/
87	Uncharted city	https://www.uncharted.city/
88	Lovefutbol	https://www.lovefutbol.org/
89	1854 Cycling	https://1854cycling.com/learn/
90	Luta	https://www.theguardian.com/sustainable-business/gallery/2014/jul/14/a-fighting-chance-the-social-enterprise-leaving-a-legacy-of-hope-to-riros-youth
91	Welcoming Australia	https://welcoming.org.au/
92	Girls run the world	https://girlsruntheworld.co.uk/courses/
93	Remoove	https://www.re-moove.it/
94	Alinker	https://thealinker.it/
95	Bridge to sports	https://www.bridge2sports.org/
96	Stride	https://www.stride.org/
97	Paragolfer	https://www.ottobock.co.uk/keeping-active/product-overview/paragolfer/
98	eAscot	https://www.google.com/search?q=eascot+blind&client=firefox-b-d&ei=N_EkYc2AApDjkgWnyKrACA&oq=eascot+blind&gs_lcp=Cgdn3Mtd2l6EAMyBQghEKABOgoIABCxAxCwAxANOGcIABCwAxANOG0ILhDHARCvARCwAxANOhAILhDHARCvARDIAxCwAxANOG0ILhDHARCvARANEJMCogQIABANOG0ILhDHARCvARANOGQIABATOG0ILhDHARCvARAT5gUIOBIBMUoECEEYAVDgSFjhWWC7W2gBcAB4ALAB-gKIAbAJkgEHMC42LjAuMZgBAKABAcgBD8ABAQ&scient=gsw-wiz&ved=0ahUKEwiN-JeN38nyAhWQsaQKHSekCogQ4dUDCA4&uact=5
99	Sport4Fitness	https://www.northamptonshiresport.org/find-a-club/sport4fitness-cic
100	Access sport	https://www.accesssport.org.uk/Pages/Category/finances

Appendix E

Title	Authors	Publication
Business model innovation in social purpose organizations Conceptualizing dual social-economic value creation	Jay Weerawardena, Sandeep Salunke, Nardia Haigh, Gillian Sullivan Mortd	2021
Business as unusual: A business model for social innovation	Marta Gasparina, William Greena, Simon Lilleya, Martin Quinna, Mike Sarena, Christophe Schinckusb	2021
Putting your money where your mission is Toolkit for social enterprise models that combine profit and impact	Tara Anderson	2020
Can profit and sustainability goals co-exist? New business models for hybrid firms	Fernando G. Alberti and Mario A. Varon Garrido	2017
A typology of social venture business model configurations	Ari Margiono, Roxanne Zolin, Artemis Chang	2016
Modelling the social business venture – an ontology-based approach	Samiksha Todaria, Carlos Azevedo, João José Pinto Ferreira	2020
Business Models & Social innovation: Missiondriven versus Profit-driven Organisations	Tamami Komatsu Cipriani, Alessandro Deserti, Maria Kleverbeck, Francesca Rizzo & Judith Terstriep	2020
Making Hybrids Work: ALIGNING BUSINESS MODELS AND ORGANIZATIONAL DESIGN FOR SOCIAL ENTERPRISES	Filipe Santos Anne-Claire Pache Christoph Birkholz	2015
Business Model Innovation for Sustainability: Towards a Unified Perspective for Creation of Sustainable Business Models	Steve Evans, Doroteya Vladimirova, Maria Holgado, Kirsten Van Fossen, Miying Yang, Elisabete A. Silva and Claire Y. Barlow	2017
Balancing a Hybrid Business Model: The Search for Equilibrium at Cafédirect	Iain A. Davies, Bob Doherty	2018
Business Models for Sustainability: Choices and Consequences	Sabrina Schneider and Thomas Clauß	2019
Business Models of Social Enterprise: A Design Approach to Hybridity*	Wolfgang Grassl	2012
Reference points for business model innovation in social purpose organizations: A stakeholder perspective	Nicole Siebold	2020
Value drivers of social businesses: A business model perspective	Patrick Spietha, Sabrina Schneidera, Thomas Clauß, Daniel Eichenberga	2019
Monetizing Social Value Creation – A Business Model Approach	Dohrmann, S. Raith, M. and Siebold N.	2015
How hybrid organizations turn antagonistic assets into complementarities	Hockerts, K.	2015
Business model design in sustainable entrepreneurship: illuminating the commercial logic of hybrid business models	Hahn, R., Spieth, P. and Ince, I.	2018

