



# WP.T1\_CONTEXT ANALYSIS

## A.T1.1\_RESEARCH ACTIVITIES

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D.T1.1.4 Regional Report\_Trentino Region  
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## 1. INTRODUCTION

The general objective of this Regional Report is to assess the current stage of development in terms of managerial models and ICT tools used by Social Cooperatives<sup>1</sup> to support operational processes in Trentino region. Specific objectives are:

- To understand the current stage of development in terms of managerial models and digital skills embedded into organizations;
- To understand ICT tools used in different functions;
- To understand the main area of activities where SCs operates and how they are linked with specific managerial models and ICT tools;
- To assess the markets where SCs operates and try to understand future opportunities in new markets;
- To determine the main shortcomings in term of managerial culture, processes and use of digital technology and suggest actions and provide some interesting food for thought to help orientate further discussion and local policies.

The dissertation is structured as follows:

- Methodology: description of the methods and research activities that helped shaping this document;
- Formal legal basis: a presentation of the legal, social and political framework of Trentino region, peculiarities of SCs in the region and market dynamics in which they operate;
- Presentation of survey results: graphical presentation and interpretation of the survey results, with peculiar attention to some themes as a starting point for further discussion;
- Presentation of the stakeholders meeting: a look in depth into the themes emerged from group discussion, integrated with interviews with SCs representatives and some reflections and suggestions to contribute to further discussion;
- Synthesis of the results and Concluding remarks;
- List of reference;

This Regional Report is part of a bigger puzzle. We really hope that our contribution can be useful to all stakeholders to contribute for further development and innovation in the sector.

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<sup>1</sup> From now on SCs



## 2. METHODOLOGY

The methodology used during the research was discussed among the main local partner; the Autonomous Province of Trento, the Trentino Federation of Cooperatives and Con.Solida, a consortium of social cooperatives which groups both types A and B together, with the support of Community Building Solutions CBS, the research agency which is in charge for this preliminary research.

The first step was to identify the target group and the social cooperatives which would be part of the research. Since the WISEs in Trentino are just 27, we decided to use the whole group as the sample of the research.

We then adapted the draft of the questionnaire for our survey and prepared a digital version of it on the online form builder platform [jotform.com](https://form.jotformeu.com/80252629159359). The questionnaire was available at the following link <https://form.jotformeu.com/80252629159359> and it was sent to all the B type cooperatives together with an explanatory text.

In order to have a better result, the invitation for the filling of the questionnaire was sent by the two consortiums - Trentino Federation of Cooperatives and Con.Solida - to their associates.

The questionnaire was sent at the beginning of February 2018 and, after a couple of reminders, we received 11 filled questionnaires, around 40% of the sample.

After that, we worked on the received questionnaires and we prepared a presentation of the results for the workshop which would be held on March. 5th.

The workshop was organised by the Autonomous Province of Trento and all the manager of the social cooperatives were invited, together with some representatives of the consortiums of cooperatives - Trentino Federation of Cooperatives and Con.Solida - and other representatives of public offices, such as social policies and social planning office.

The structure of the workshop was defined as follows:

- Presentation of the INNO-WISEs project
- Presentation of the questionnaire results
- First focus group, based on the assessment table (cfr. Chapter 5)
- Coffee break
- Second focus group, which should follow the questionnaire guidelines
- Lunch break
- Conclusions

Unfortunately, just one Social Cooperative showed up and consequently we had to change a little bit our program, joining together the two focus groups, since the representatives of public offices and consortiums were participating and giving us a lot of useful information.

For this reason, together with the Con.Solida consortium representative, we decided to try one more time to call the cooperatives for hearing their opinion about the result of the focus group. Con.Solida then sent an email setting up a meeting for the following day and three cooperatives showed up.

The interview with these three cooperatives was very fruitful, giving us many insights that allowed us to integrate the cues given by the workshop participants.



### 3. FORMAL LEGAL BASIS

#### The Italian Non-Profit Sector

Italy has always been characterized by a strong entrepreneurial and cooperative spirit, which resulted both in a varied fabric of small, innovative family businesses and a rich ecosystem of civil society organizations. This ecosystem has created different types of social enterprises and other non-profit organisations spread throughout the territory and strongly connected with their local communities.

Italian non-profit sector is characterised by a great variety of organizational types and operates in a quiet complex legal and institutional framework, that nonetheless has managed to adapt to and support the evolution and the growth of the NPO sector in Italy. Important laws that is worth recall are the one<sup>2</sup> that favoured the implementation of the subsidiarity principle (both horizontal and vertical)<sup>3</sup> and supported the qualification of social enterprises and civil society organizations; the discipline of Social Cooperatives<sup>4</sup> and the discipline of Social Enterprises<sup>5</sup>. We will go deeper in the last two over the next paragraph.

Legal framework where NPOs operate has been recently redefined and integrated in to the Third Sector Code<sup>6</sup>.

The code was issued in Italy in 2017 and redefines Third Sector Entities (TSE), making order in a fragmented and varied population of different organizational types, each disciplined by a different set of law and regulations. They include:

- Associations (recognized and unrecognized);
- Social Promotion Associations;
- Mutual Aid Associations;
- Charitable and Philanthropic Organizations;
- Social Enterprises;
- Social Cooperatives;
- Voluntary Organisations;
- Foundations;
- Other non-profit entities, aside from Enterprises, that pursue social value in different ways.

With the new code, these organizations must be recognized as TSE to benefit from tax incentive treatment, relations with public bodies and to have access to specific calls and funding. To be recognized as TSE they must match the following requirements:

- Legal form ex art. 4
- Pursue activities of general interest as identified by art. 5
- Pursue exclusively civic, solidarity and social utility
- Sign up on a specific register of TSE

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<sup>2</sup> [Law n. 328/2000](#) “Framework law for the implementation of an integrated system of social interventions and services”

<sup>3</sup> 2001 Constitutional Reform ([C. Law n.3 /2001](#)) which reviewed State bodies and public authorities competences and powers under the principle of vertical subsidiarity (the closer public body has the greatest authority) and of horizontal subsidiarity (civil society organisations play a role in programming and managing local services).

<sup>4</sup> [Law n. 381/1991](#) “Discipline of Social Cooperatives”

<sup>5</sup> [Legislative Decree n. 155/2016](#) “Discipline of Social Enterprises”

<sup>6</sup> [Legislative Decree n. 112/2017](#)



Taxation has changed from a criterion based on the organizational form to the nature of the activity carried out, allowing commercial activities of general interest up to 49% of total revenues.

The new code also admits return to investors and disciplines the use of new funding mechanisms such as equity crowdfunding. The reform also reinforced the principles of horizontal subsidiarity, social value and equality.

According to a research conducted by ISTAT<sup>7</sup>, at the end of 2015 active non-profit organisations in Italy amounted to 336.275, with a growth of 11,6% since 2011. 85,3% of them are associations, 3,7% Social Cooperatives, 1,9% Foundations and 8% fall into other legal forms.

In general, they are mostly active in areas like Culture, sport and recreation (65%), Social Assistance and Civil Protection (9,2%), Union and representation (6,1%), Religion (4,3%) and Health (3,4%), but if we cross the data by legal form we can see that Social Cooperatives are mostly active in Economic and Social Development (86,1%), Social Assistance (20,9%) and Health (9,4%).

Their contribution in terms of social mobilization and employment is remarkable: 5,5 million volunteers (+16% since 2011), 788.126 employees (+15,8% since 2011). The non-profit sector represents a slightly 7% of the active economic units and 3,4% of employees. As for different activities.

#### Social Cooperatives and Social Enterprises in Italy

Social Cooperatives were the first experience of social entrepreneurship in Italy, emerged during the 60s and the 70s within social movements of young people and local churches, to face the shrinking of public spending on social services, the closure of asylums and orphanages and the deep cultural and social changes that were transforming Italian families. They developed during the 90s where they were finally recognised by law and grew in number.

Nowadays, the Italian NP sector has developed a strong entrepreneurial character and has significantly grown in terms of employment capacity and plurality of models. Nonetheless, “social enterprise” is a very vague concept in Italy, as it is continuously evolving within and beside the boundaries of a legal form. It is important though, to distinguish between organizations with simple delivery function, and those who fully operate in the market.

The rapid development of the sector has brought to the emanation of Legislative Decree n. 155/2006 on social entrepreneurship: the law does not introduce a new legal form but it more like a certification that can be acquired by a number of entities that are normally part of the NP sector. Not everyone decided to adopt this qualification, as it imposes, among others, some strict rules on profit splitting.

Nonetheless is interesting to notice that, in Italy, the variety of social enterprises is still very significant: beyond the definitions given by law there are around 88.000 enterprises<sup>8</sup> (for profit and mutualistic) that pursue social activities. Among the aspects that have determined the success of the Italian experience of social entrepreneurship, the following can be considered the most important:

Stakeholders participation: represents a fundamental structural element since it brings important elements of economic democracy and fosters innovation;

The centrality of work: people that work in SE often find value in the social component of their work. This brings new dimension to industrial relations;

Research and knowledge transfer: these two pillars have contributed to the development of the phenomenon and its evolution. Hopefully, they will continue to do so, bringing its boundaries always further;

Specialised Finance: dedicated financial tools based on long term sustainability and positive social impact, together with new actors such as ethical investors and bankers, have strongly contributed to the growth of the phenomenon by bringing capital to help foster growth and innovation;

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<sup>7</sup> Italian Statistical Institute, 2017, [“Permanent census of non-profit organizations in Italy”](#)

<sup>8</sup> 2015, data from [IRIS Network](#)



Impact measurement and accountability: thanks to a strong theoretical framework it has been possible to develop practical tools to measure social impact and communicate this value to all stakeholders. The debate is still heated by different positions and this particular field is still under development, but it has made possible the creation of “social balance sheets” or dedicated credit instruments linked with specific social impact indicators.

### 3.1. A focus on Social Cooperatives, the Italian WISEs

Social cooperatives are economic organisations of a small-medium size which are strongly integrated into their territory. They collaborate very closely with local public authorities and the communities where they operate by offering social, health-care and educational services as well as work integration opportunities for disadvantaged people. In fact, Italian WISEs are most of the time B type Social Cooperatives, who embeds work integration as their core mission. But sometimes they can be A type or mixed.

Indeed, according to Law n. 381/1991, SCs are divided into type A and B:

A type SCs deliver socio-sanitary and educational services and are characterized by a business-like structure and a broad social basis of volunteers, workers/partners and users/partners. Even though they are organized as enterprises, according to law they often have privileged relationships with local municipalities, which account for most of their revenues. About 70% of SCs are A type;

B type SCs are organizations with the specific mission to integrate disadvantaged people into the labour market. Their users can be people with mental and physical disabilities, drug addicts, alcoholics, people under non-custodial measures as alternative to custody, underage at risk of felony, NEETs, migrants and refugees. At least 30% of workers inside a B type SC must fall into one of these categories.

During the last twenty years, the growing importance and role of social cooperation in Italy (between 2001 and 2013 the number of social cooperatives has grown by 98% reaching 13.041 units in 2013 while the number of employees has grown by 115% reaching more than 365.000 employees and 42.000 associates volunteers), has widened and legitimised the cultural, scientific and political debate around social cooperation itself and has promoted new ideas and visions.

### 3.2. A focus on Trentino Region

As the Italian social cooperation experience represents a unique model from a historical point of view, Trentino experience is even more peculiar: in fact, there is a deep rooted cooperative mindset and a strong connection with the territory and the community. For example, there have been documented experiences of forest management in the form of Commons since the Middle Age, to respond effectively to the lack resources that the Alp region could offer at the time. As always, innovations and best practices emerge from crisis or to adapt to specific problems.

In fact, as we saw earlier, SCs were born to face the lack of public assistance to people in vulnerable conditions in the 60s and 70s, and here in Trentino region they saw their greatest development, thanks to a deep rooted cooperative movement and a strong attention and support from local communities and subsequently from governments. Not to mention the abundance of resources that the region could offer due to its fiscal and legislative autonomy.

They faced their golden age during the 90s and the 2000s, where they grew in dimension, in number, in terms of revenues, employees and social impact.

Unfortunately, the comfort zone created by abundance of resources, privileged relationships with local authorities and absence of competition from outside, has curbed the need for innovation. This is dangerous for the long term, as the current crisis has made work integration activities for disadvantaged people even more difficult than before. At the same time, it has created new social vulnerabilities and therefore new



employment needs. Moreover, SCs in Trentino must face a shortage of public resources, open competition in public tendering and the subsequently run for the low on prices.

In this context, work integration should therefore be seen as a multidimensional and crucial aspect to be tackled from different point of views starting from social cooperatives but including also a number of entities that share the same competences and objectives. Collaborations with multiple stakeholders in this context seems crucial and it represents a true management challenge, but has proved to have very positive impacts for local communities and for the development of the sector.



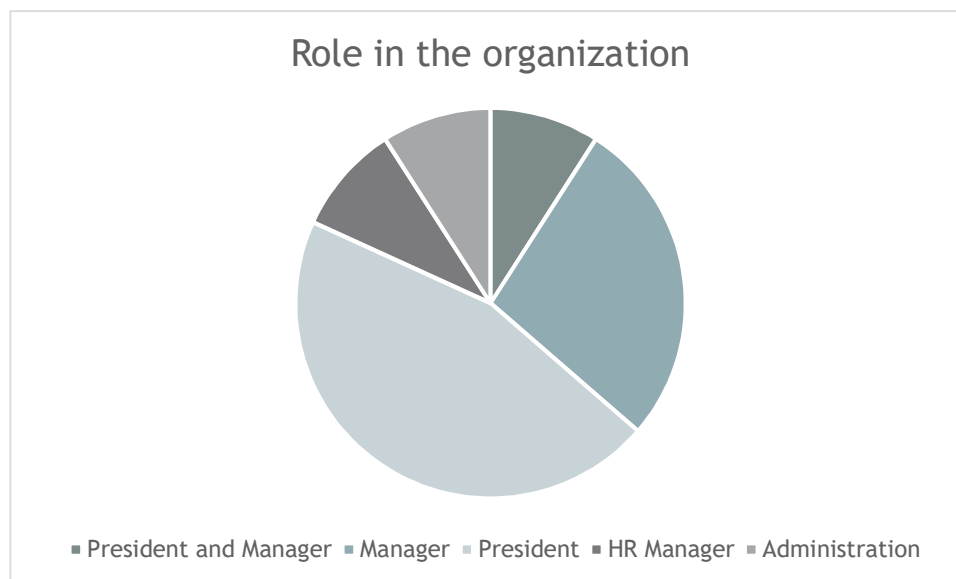
## 4. SURVEY RESULT

Presentation of the survey results

The survey was composed of seven items and provided interesting food for thoughts for further discussion. In the following section each item will be analyzed alone and then some results will be crossed.

### General information

#### Q1) Your role in the company/organisation



The survey was answered for most part by Executive figures.

#### Q2) Legal form of the company /organisation

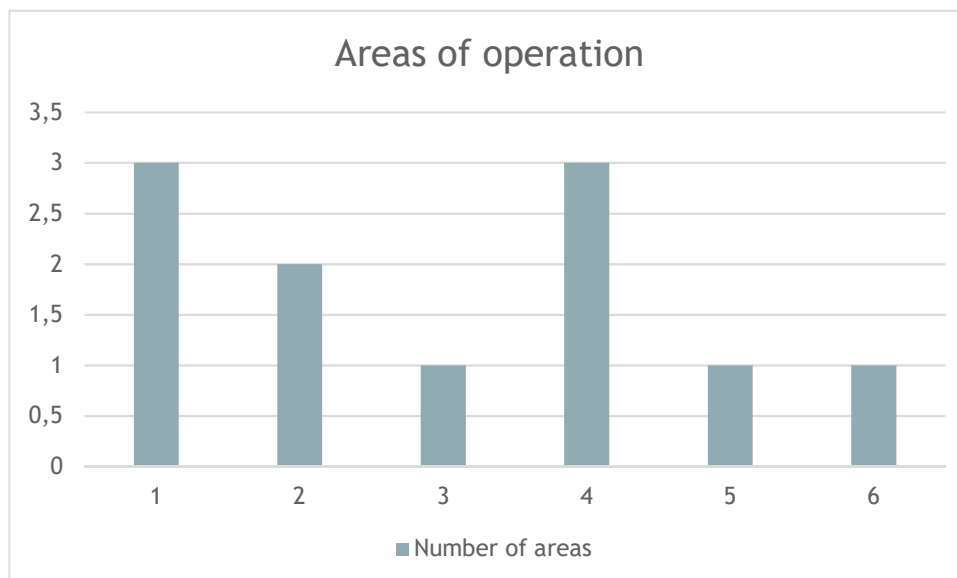
100% are B type Social Cooperatives

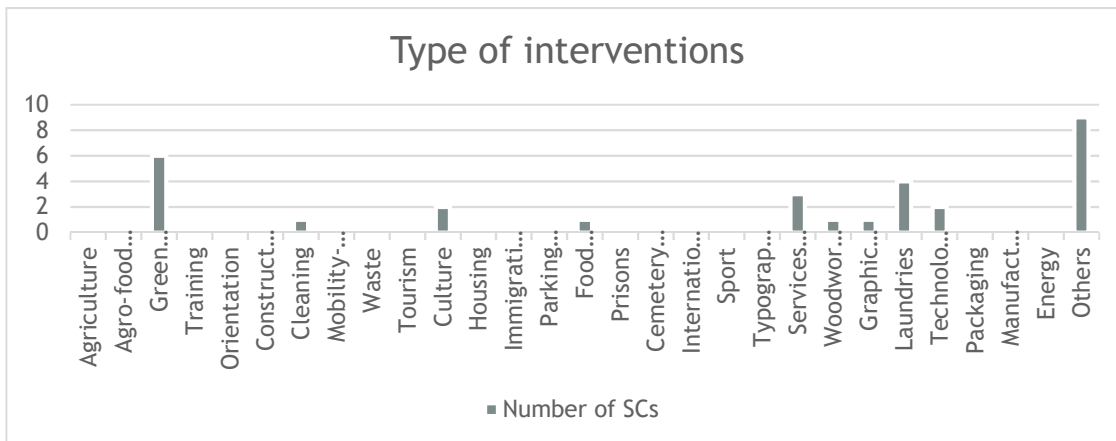
#### Q4) Areas of operation (more than one answer is possible)

Areas of operation	Start year
Agriculture	
Agro-food production	
Green Area Services	
Training	
Orientation	
Construction	
Cleaning	
Mobility-Transport	
Waste	
Tourism	
Culture	
Housing	



Immigration	
Parking lot Management	
Food Services	
Prisons	
Cemetery Services	
International Cooperation	
Sport	
Typography- Publishing	
Services for Business	
Woodworking	
Graphic Design	
Laundries	
Technology Development	
Packaging	
Manufactured goods	
Energy	
Others (specify):	

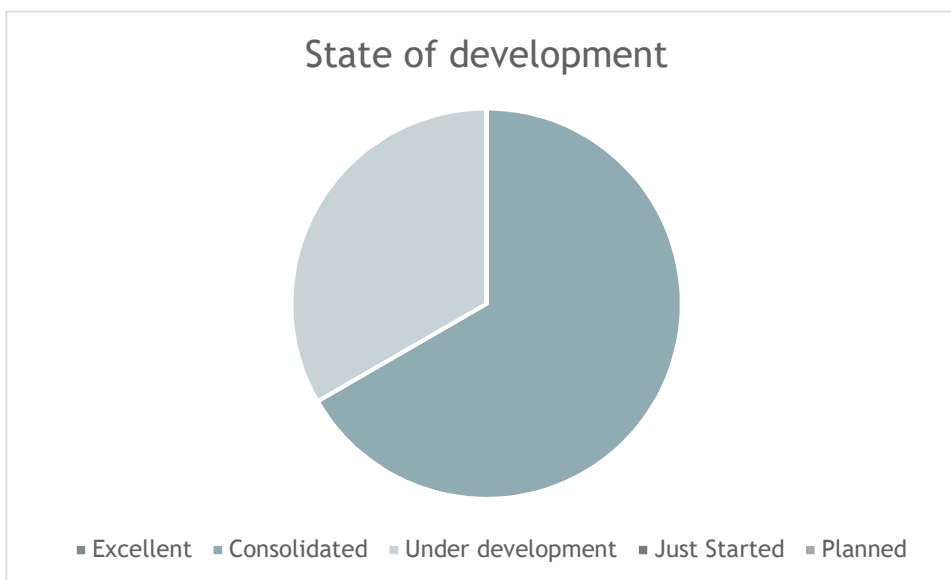




The cooperatives are working in the typical fields occupied by the enterprises focused on the work integration for disadvantages people, such as cleaning, green area services... It is interesting to observe how many “Others” responses we got.

#### Q5) To which level are the services/manufacturing developed

1. planned / to be started
2. just started
3. under development
4. consolidated
5. excellent



The fact that none has services just started, planned or under development may indicate that SCs are not innovating or expanding in new markets.

#### Q6) Did your organisation report profit or loss for 2016?

1. Profit
2. Loss



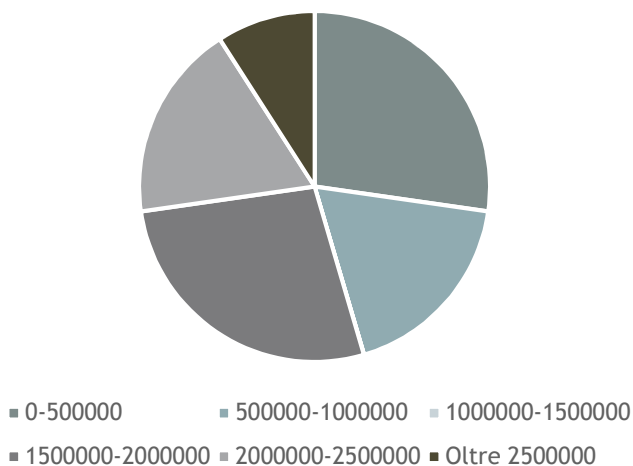
Profit & Loss 2016



The social cooperative sector seem to be quite grounded, since the majority of the sample reported a profit in 2016.

#### Q7) Your annual turnover in 2016

Annual turnover



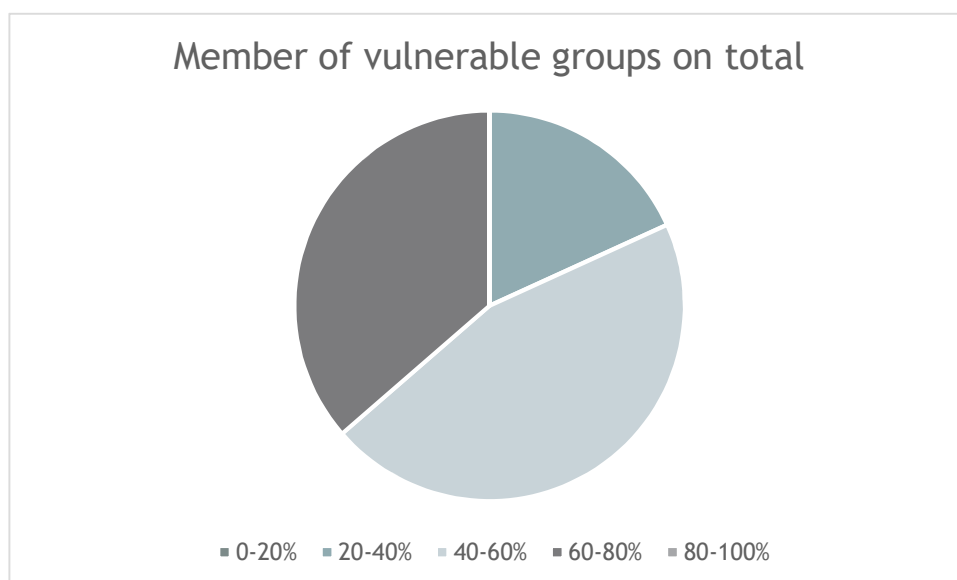
The average annual turnover in 2016 was 1.511.706€, with significant differences between the cooperatives that participated to the survey.

#### Employees, competences and managerial styles

Q8) Number of employees on 30<sup>th</sup> of September 2017 (include regular employees, contract workers, volunteers, trainees)

Total number of employees: \_\_\_\_\_

Member of vulnerable groups only: \_\_\_\_\_

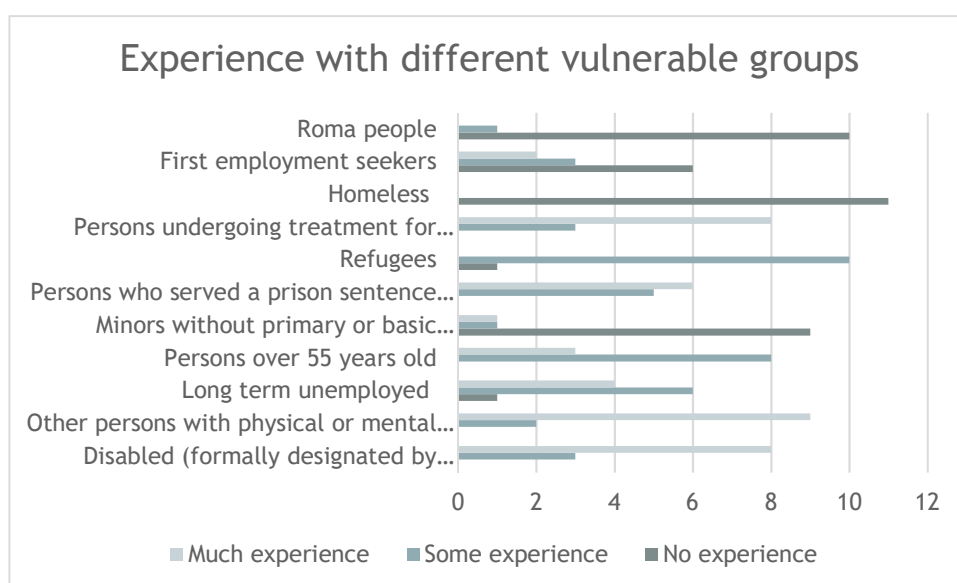


The average number of employees of the involved social cooperatives is 89, with an average number of member of vulnerable groups which stated 41 units. It could be said that almost 50% of the employees of the social cooperatives is formed by members of vulnerable groups (48% precisely).

**Q9) How much experiences do you have with the employment of the following vulnerable groups**

	1 = no experience; 2 = some experience; 3 = much experience		
Disabled (formally designated by competent bodies)	1	2	3
Other persons with physical or mental problems who are thus deprived on the labour market	1	2	3
Long term unemployed	1	2	3
Persons over 55 years old	1	2	3

Minors without primary or basic vocational education	1	2	3
Persons who served a prison sentence or are on probation	1	2	3
Refugees	1	2	3
Persons undergoing treatment for alcohol or drug addiction or have undergone treatment in the last two years;	1	2	3
Homeless	1	2	3
First employment seekers	1	2	3
Roma people	1	2	3

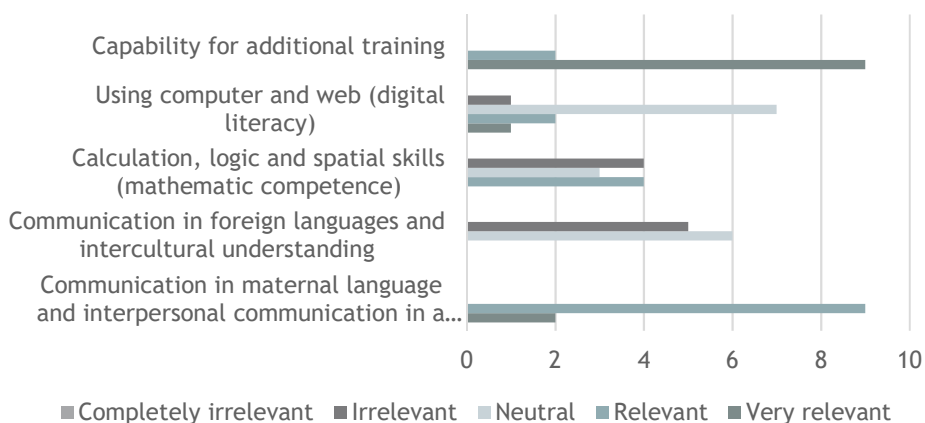


The cooperatives indicated physically and mentally disabled, persons with dependencies problem, persons who served prison sentences or long term unemployed as the vulnerable groups where they feel to be more experienced about.

**Q10) Estimate how relevant are the competences listed below for the jobs performed by the vulnerable groups in your company/organisation**

	1 = completely irrelevant ... 5 = very relevant
Communication in maternal language and interpersonal communication in a proper linguistic form and mode	1 2 3 4 5
Communication in foreign languages and intercultural understanding	1 2 3 4 5
Calculation, logic and spatial skills (mathematic competence)	1 2 3 4 5
Using computer and web (digital literacy)	1 2 3 4 5
Capability for additional training	1 2 3 4 5

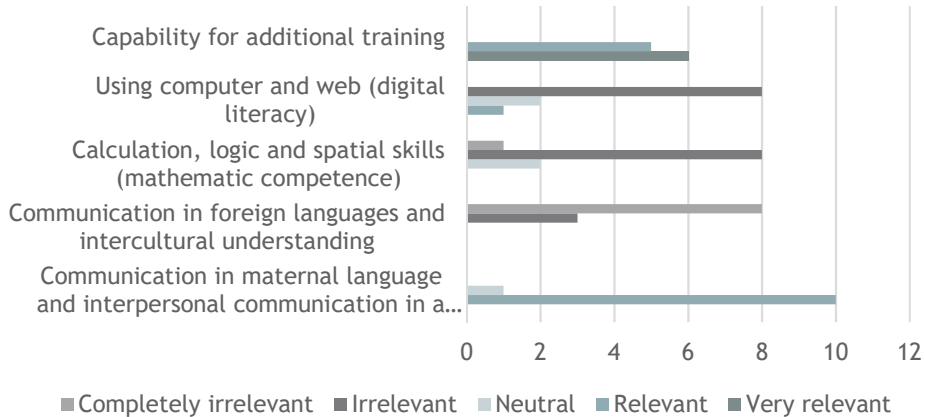
### Relevance of competences for vulnerable groups



**Q11) Estimate how much particular competence is developed among the vulnerable groups in your company/organisation**

	1 = not developed at all ... 5 = very much developed				
Communication in maternal language and interpersonal communication in a proper linguistic form and mode	1	2	3	4	5
Communication in foreign languages and intercultural understanding	1	2	3	4	5
Calculation, logic and spatial skills (mathematic competence)	1	2	3	4	5
Using computer and web (digital literacy)	1	2	3	4	5
Capability for additional training	1	2	3	4	5

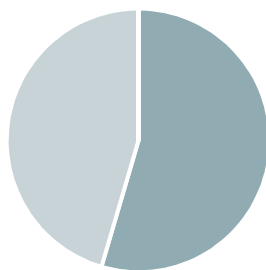
## Development of competences for vulnerable groups



**Q12) Which of the following beliefs prevail in your company/ organisation? The company is successful if... (select one answer only!)**

1. employees are analysed, evaluated and controlled
2. each part of the organisation contributes to common goals
3. organisation adapts to needs and dynamics in each concrete situation
4. people are mostly managed by themselves

## Prevailing beliefs within the organization



- employees are analysed, evaluated and controlled
- each part of the organisation contributes to common goals
- organisation adapts to needs and dynamics in each concrete situation
- people are mostly managed by themselves

It is interesting here to see how the answers are actually just of two types: “each part of the organisation contributes to common goals” and “organisation adapts to needs and dynamics in each concrete situation” and nobody feels that a strict evaluation routine can describe the philosophy of their organisation.

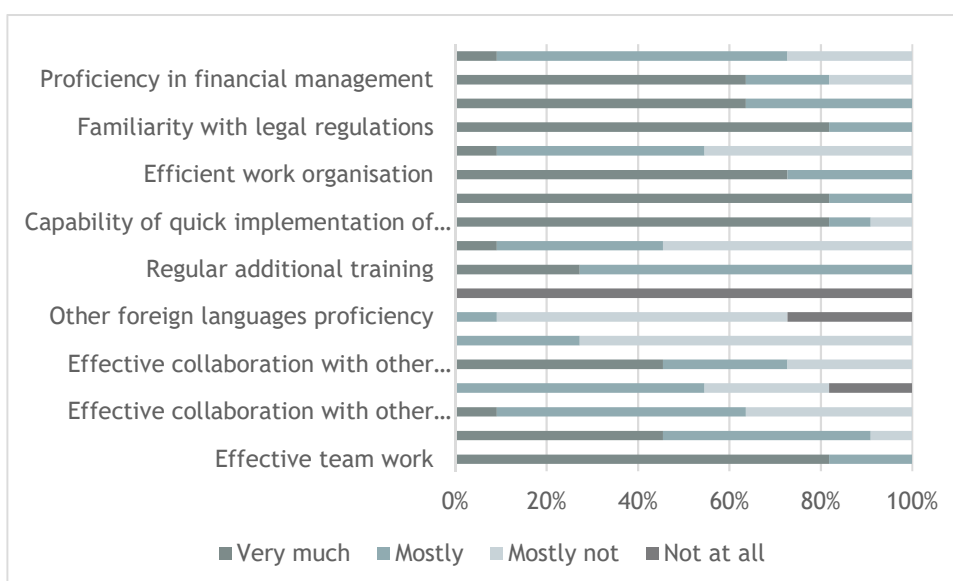




**Q13) Evaluate how much is your company/organisation characterized by:**

(not at all, mostly not, mostly, very much)

	1 = not at all; 2 = mostly not; 3 = mostly; 4 = very much			
effective team work	1	2	3	4
effective collaboration with other WISEs in the same sector	1	2	3	4
effective collaboration with other WISEs in other sectors	1	2	3	4
effective collaboration with research centres (ICT, social innovation, technology transfer)	1	2	3	4
effective collaboration with other organisations in terms of joint projects	1	2	3	4
English language proficiency	1	2	3	4
Other foreign languages proficiency	1	2	3	4
International cooperation	1	2	3	4
Regular additional training	1	2	3	4
Lifelong learning	1	2	3	4
Capability of quick implementation of changes	1	2	3	4
Efficient human resources management	1	2	3	4
Efficient work organisation	1	2	3	4
High level of self-initiative	1	2	3	4
Familiarity with legal regulations	1	2	3	4
Good administrative skills	1	2	3	4
Proficiency in financial management	1	2	3	4
Successful fundraising	1	2	3	4



## Technology and tools

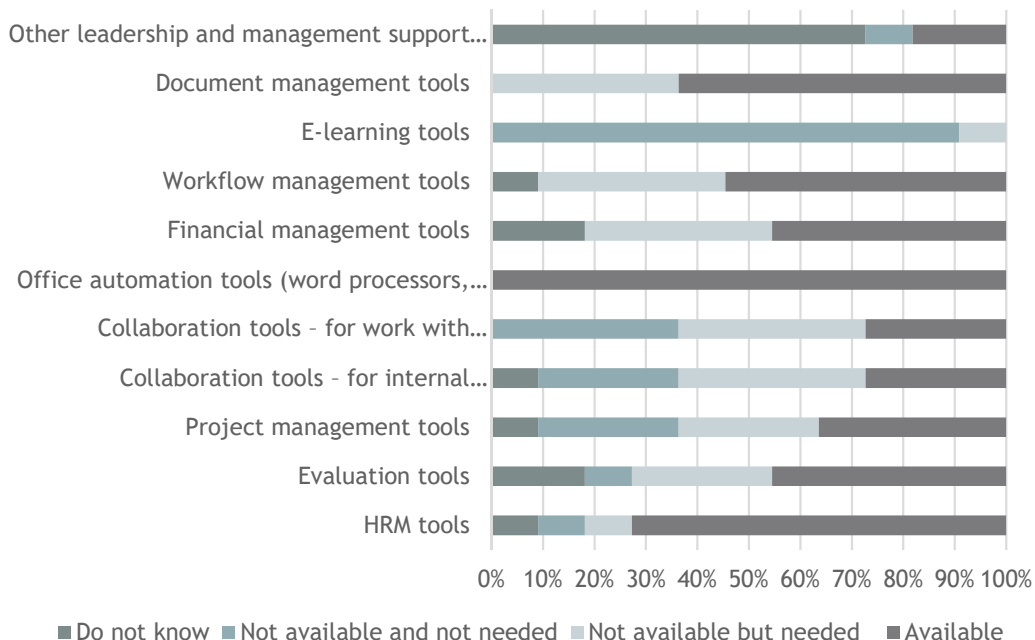
Q14) What leadership and managerial ICT support systems or tools are available to your organisation?

HRM tools	1 Available 2 Not available but needed 3 Not available and not needed 4 Do not know
Evaluation tools	1 Available 2 Not available but needed 3 Not available and not needed 4 Do not know
Project management tools	1 Available 2 Not available but needed 3 Not available and not needed 4 Do not know
Collaboration tools - for internal collaboration	1 Available 2 Not available but needed 3 Not available and not needed 4 Do not know
Collaboration tools - for work with external partners	1 Available 2 Not available but needed 3 Not available and not needed 4 Do not know
Office automation tools (word processors, spreadsheets, e-mail, etc.)	1 Available 2 Not available but needed 3 Not available and not needed 4 Do not know



Financial management tools	1 Available 2 Not available but needed 3 Not available and not needed 4 Do not know
Workflow management tools	1 Available 2 Not available but needed 3 Not available and not needed 4 Do not know
E-learning tools	1 Available 2 Not available but needed 3 Not available and not needed 4 Do not know
Document management tools	1 Available 2 Not available but needed 3 Not available and not needed 4 Do not know
Other leadership and management support tools: _____	1 Available 2 Not available but needed 3 Not available and not needed 4 Do not know
Other leadership and management support tools: _____	1 Available 2 Not available but needed 3 Not available and not needed 4 Do not know

## ICT tools used to support leadership and management

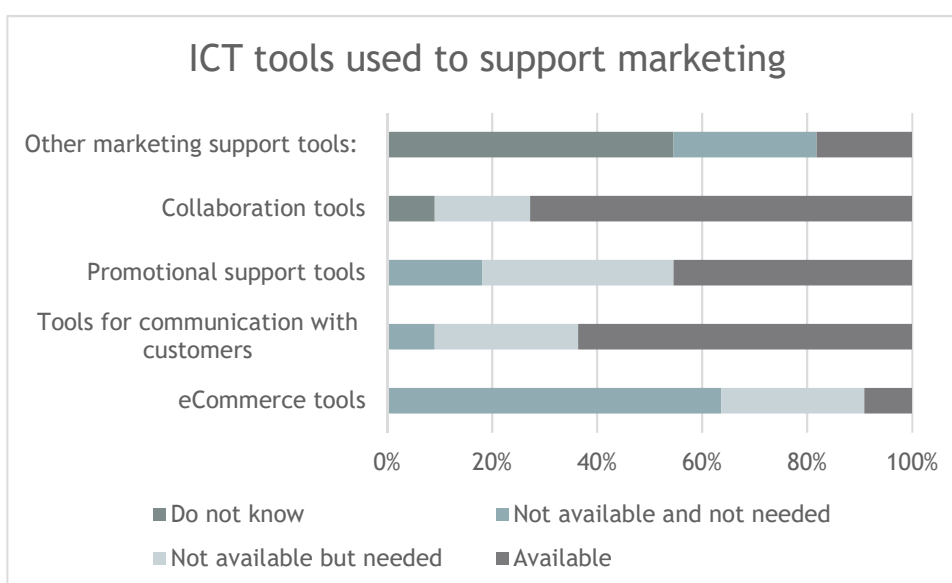


Talking about Leadership and Management, it should be said that many organisations don't really use many available tools. One of the most interesting tendencies here state that Human Resource Management tools are not known at all, while E-learning tools are not considered useful, while office automation tools such the office suite is available in all organisations.

### Q15) What marketing ICT support systems or tools are available to your organisation?

eCommerce tools	1 Available 2 Not available but needed 3 Not available and not needed 4 Do not know
Tools for communication with customers	1 Available 2 Not available but needed 3 Not available and not needed 4 Do not know
Promotional support tools	1 Available 2 Not available but needed 3 Not available and not needed 4 Do not know
Collaboration tools	1 Available 2 Not available but needed 3 Not available and not needed Do not know
Other marketing support tools: _____	1 Available

	2 Not available but needed 3 Not available and not needed 4 Do not know
Other marketing support tools: _____	1 Available 2 Not available but needed 3 Not available and not needed 4 Do not know

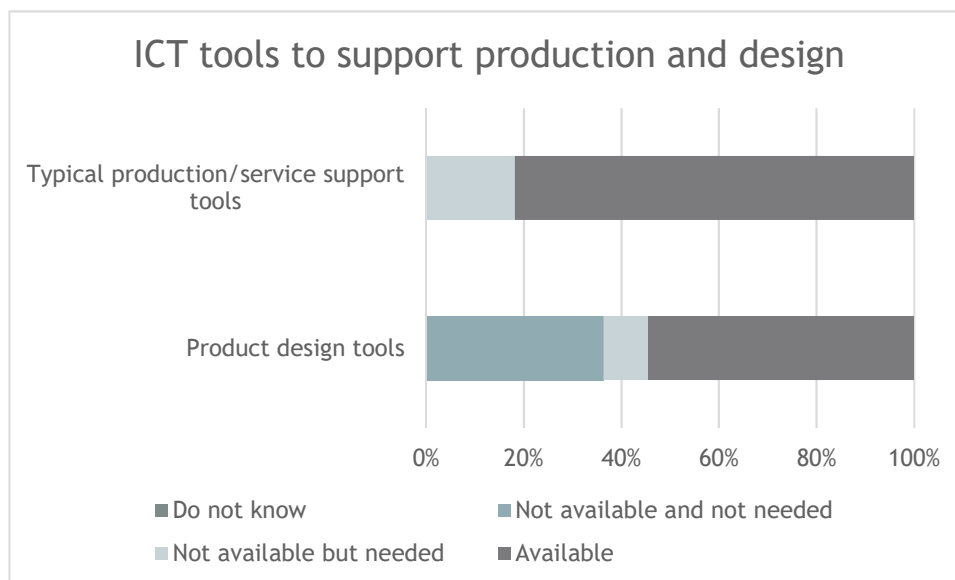


Marketing tools are not very well known. The main channel to communicate with their customer and their network remain the e-mail. E-commerce is completely underdeveloped.

**Q16) What product and service ICT support systems or tools are available to your organisation?**

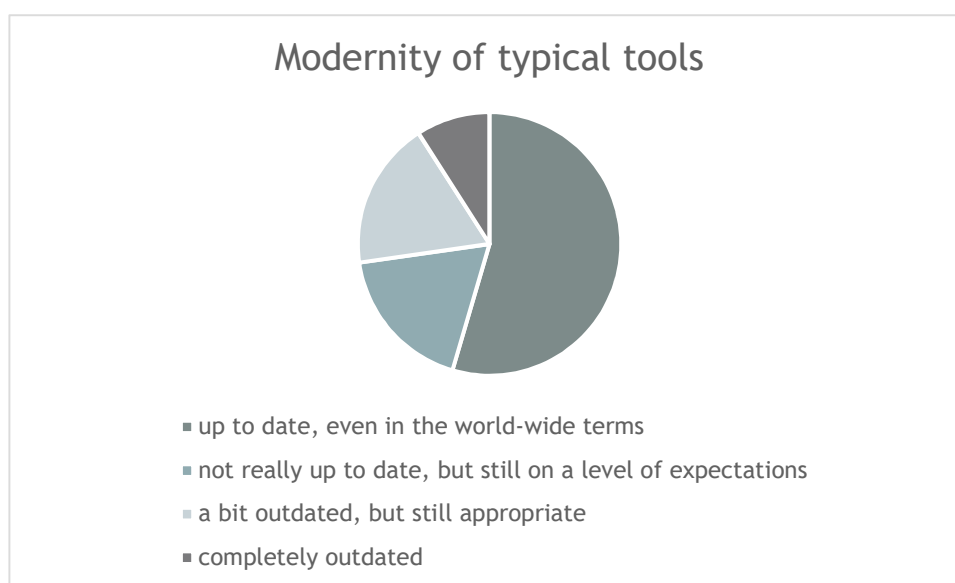
Product design tools	1 Available 2 Not available but needed 3 Not available and not needed 4 Do not know
Typical production/service support tools: _____	1 Available 2 Not available but needed 3 Not available and not needed 4 Do not know
Typical production/service support tools: _____	1 Available 2 Not available but needed 3 Not available and not needed 4 Do not know
Typical production/service support tools: _____	1 Available 2 Not available but needed

	3 Not available and not needed
	4 Do not know



**Q17) How modern is the typical tools and systems that your organisation uses for production/service. It is...**

1. up to date, even in the world-wide terms
2. not really up to date, but still on a level of expectations
3. a bit outdated, but still appropriate
4. completely outdated



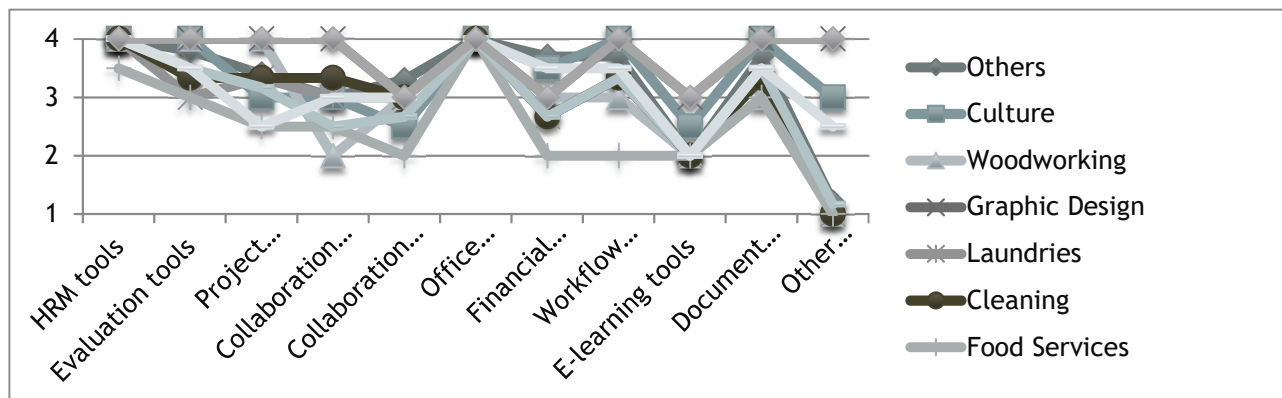
It is interesting here to point out how the self consciousness of the cooperatives about their tools seems to be quite overestimated. Indeed, more than 50% of the answers says that their tools are “up to date, even in the world-wide terms”.



Digging deeper in the survey, we explored the correlation areas of activity and ICT tools used.

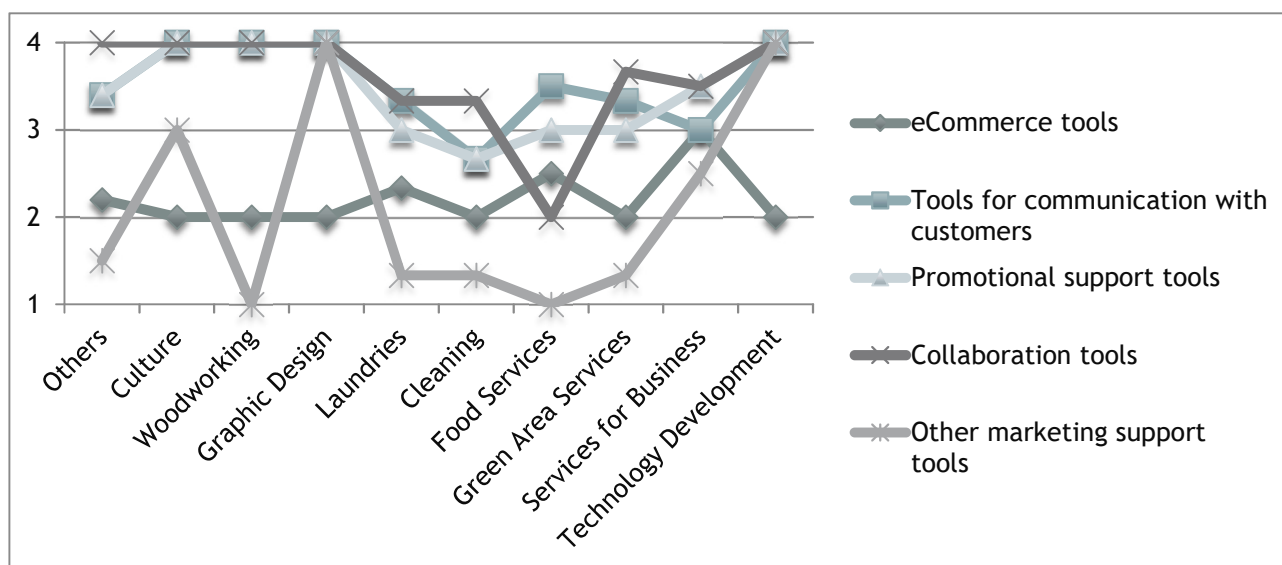
#### Cross Tabulation between Q4-Q14

1. Do not know
2. Not available and not needed
3. Not available but needed
4. Available



#### Cross Tabulation between Q4-Q15

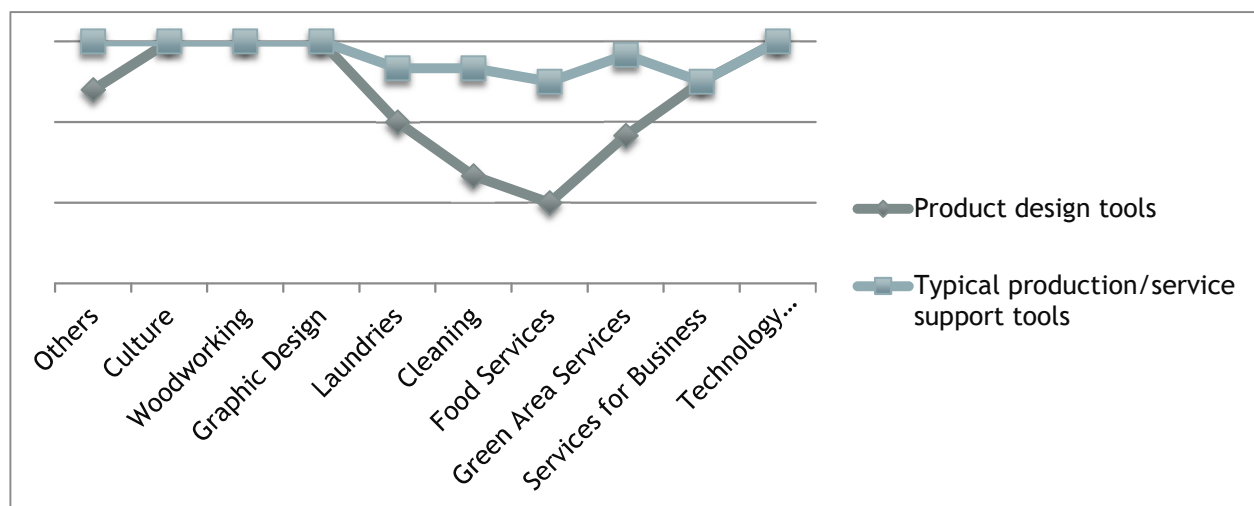
1. Do not know
2. Not available and not needed
3. Not available but needed
4. Available





## Cross Tabulation between Q4-Q16

1. Do not know
2. Not available and not needed
3. Not available but needed
4. Available





## 5. STAKEHOLDERS MEETINGS

As explained in the methodology part, a stakeholders meeting was organized after the submission of surveys to SCs. Before the meeting, SCs were invited to fill this table:

NEEDS	Tools used at the moment linked to the specific aim	Specific NEED	Specific NEED: detail on SKILLS and competences	Specific NEED: Detail on TOOL	TARGET
	<i>Which ICT tools are used in each function?</i>	<i>Which other needs might be fulfilled through ICT tools?</i>	<i>Which skills and competences are needed to fulfill these needs?</i>	<i>Which ICT tools might fulfill these needs?</i>	<i>Who will use these tools in the organizations?</i>
Management and Leadership					
HR Management					
Financial					
ICT					
Marketing					

Unfortunately, just one SC representative attended the meeting, so we decided to conduct follow up interviews with 2 other SCs managers to discuss the themes and integrate their perspective about their needs, their shortcomings and the current ICT tools and managerial models used in their organizations. Complete transcriptions of the meeting and the interviews can be found in the Appendix.

During this meeting, data from the surveys were presented and then all the group discussed about the insights that came out from this data. Many interesting topics came out from the discussion, that can be summarized as follows:

- There's a need for more data to empower every other area and shift the organizational cultures towards a performance management mindset;
- Cultural change may come only by innovating training processes and the way information are shared;
- Organizational structures have to be reconsidered in order to overcome verticalization and rigidity;
- How to overcome barriers to credit and capital through innovative financial instruments and financial education;
- Online presence and digital marketing can be an important driver of growth, by involving the whole community and helping create and manage broader networks of stakeholders;
- There's a need for new competences inside the organizations to enhance innovation.

These points will be explained in detail with examples and some insights that we hope might give a significant contribution to the broader discussion.



## 5.1. The importance of data gathering for managing performance and aligning stakeholders

During the group discussion many important suggestions were raised both about the use of ICT technologies, to support the management of daily operations and to align stakeholders at all levels around KPIs and opportunities, and about the need for more horizontal governance structures.

Both these needs (as well as others) can be fulfilled only if there's a coherent data architecture that collects sensitive data from each organization, independent from the software used. This could be a solid ground to develop a dashboard of useful indicators that can help single organizations, umbrella organizations and institutions to guide together the development of the sector, manage daily operations more effectively and, more importantly, develop throughout the whole ecosystem the culture of performance management (financial, social, operational). This could be the driver guiding the development of the sector, making it more competitive on the market, more effective for final users and more efficient in terms of costs and time management.

## 5.2. The importance of KPIs

KPIs stands for Key Performance Indicators, a set of indicators that can help measure the performance on a specific activity or process, such as a web marketing campaign or project's workflow. KPIs are strategical indicators that measure the success of a process or a specific activity and they have to be strictly correlated to the organization's strategical objectives. Once identified the objectives, KPIs must be identified before the activities start. They must be measurable and quantifiable, have a mid or a long-term perspective and be comparable over time. KPIs can also change over time according to the specific needs of the organization.

For example, *being more efficient* is not a good KPI, but keeping track of the time spent to align the team on the weekly objectives of the organization can be useful: by comparing the time spent on different ways to do that (emails, long meetings, phone calls or a group chat), the manager can find the solution that suits the team best. Of course, KPIs never stands alone but, compared together they can help decision makers knows exactly where they and where they are going, with respect to their objectives.

KPIs obviously have a precondition: things must be measured. In this process of measuring activities and outputs, simple, cheap ICT technologies based on digital platforms can help solve this problem without adding a burden to daily activities. For example, if a person would have to manually add in an excel table the time spent on sending e-mails, or working on a proposal, working would become a nightmare; luckily for all, nowadays there are online, free time trackers that work automatically and give back meaningful reports and insights on productivity.

As the problem of time efficiency of SCs was raised multiple times over the group discussion, it is important to focus on that and see how it can be solved by changing the way organizations think. A possible solution can be to shift their mindset from "doing things well, no matter the struggle" to "things can be done very well and with the less effort possible, it's just a matter of measuring things". Data architectures and KPIs can help solve the problem, but to make a cultural change within organizations, which is the most difficult part, training tools that can help foster this process.

As emerged from surveys and interviews, as well from the decades-long experience of institutional actors present at the table, SCs, especially in Trentino region - where they have been financially supported with no regards to managerial efficiency (but only on the basis of social performance, which by the way stands on very high standards) - have widespread and well documented issues of efficiency, especially in terms of time management of daily operations. This race against time for upcoming deadlines, daily operations and financial support "chokes" their ability to look forward, in a long-term perspective and to reflect and adapt in time, investing their own resources, to the paradigm shifts affecting market and state institutions, which are happening at a faster pace as never seen in human history.



For example, as emerged from the survey, most of the organizations ( 67%) perceived their ICT tools “up to date, even in the world-wide terms”<sup>9</sup>, but most of them didn’t had an online presence at all, or, as emerged from the interviews, use phone and mail to manage internal and external communications, don’t use workflow management tools and don’t use cloud storage for their data. If we compare these tools and standards with the state of the art of modern organizations (such as startups or digital companies), where there’s a large use of CRM platforms, cloud storage technology, or group chats that integrates different tools to manage tasks and deadlines (such as Slack, Basecamp, Trello and others), we can see that there’s a lack of knowledge about the possibilities offered by today’s technologies. Maybe the reason is the aforementioned: there’s no time to dig deep in these topics and “update” the organizational culture, because there’s always an emergency, a deadline to meet, some more urgent daily issues related to survival.

So, a question was raised: how to change the organizational culture in SCs, which don’t perceive these needs as important, or as a priority?

One possible way we thought of is through the gamification of trainings.

*“Gamification is the application of game-design elements and game principles in non-game contexts. Gamification commonly employs game design elements to improve user engagement, organizational productivity, flow, learning, crowdsourcing, employee recruitment and evaluation, ease of use, usefulness of systems, physical exercise, traffic violations, voter apathy, and more. A collection of research on gamification shows that a majority of studies on gamification find it has positive effects on individuals. However, individual and contextual differences exist. Gamification can also improve an individual's ability to comprehend digital content and understand a certain area of study such as music.”*

A possible, non tech-intensive way to implement gamification in these particular processes could be by organizing training workshops in the form of a game, such as business games, where two teams can roleplay daily activities (such as organizing a meeting, keeping track of a new customer, managing activities for a project, working on a funding proposal) with or without the use of simple digital tools (such as Slack, Google Drive, Trello, Asana, etc.), and then share their feedbacks on how things worked out, in terms of alignment, time consumption, number of calls/emails sent, etc.

Another way that can help spread best practices and enhance the skills of SCs operators might be peer formation and peer tutoring, both within the boundaries of a single organization and between different organizations. In this case, ICT technologies can help facilitating this process, the examples are already online and they work pretty well. The case of [skillshare.com](https://www.skillshare.com) is emblematic: Skillshare is an online platform where professionals can teach a specific skill (such as [video editing](#), or [how to use MailChimp for newsletters](#)) through video tutorials. Imagine a dedicated platform for WISEs, where those who have implemented successfully a new tool or process in their daily activities, can share a simple how-to video tutorial, thus sharing the skill to a potential audience of all their fellow colleagues around Europe with the same effort and time of teaching it to a single person.

### 5.3. The importance of sharing information

Peer formation, KPIs and training workshop based on gamification are just part of a broader concept, which we believe is crucial for the development and the long-term survival of WISEs in a context where public funds are dropping, market is every day more competitive and globalized and innovations are disrupting its structure at an incredibly fast pace: information sharing. It may sound trivial, but cheap, fast sharing of information, may them be skills, study cases or performance data can really make the difference and help define a new and broader concept of organizational culture. A culture which is more fluid, horizontal, without boundaries and shared throughout and outside the ecosystem of WISEs and NGOs in general. Innovation comes from contamination with different cultures and approaches, thus enhancing information sharing also means enhancing innovation. Of course, consortiums and networks already share knowledge

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<sup>9</sup> Q17 of the survey presented in WP T1, A T1.1. “Guidelines on methodology analysis”, Section 5.1



and collect data, but it is a matter of reaching the right audience with the right way of presenting the information, in order for it to be understood and processed organically. In this context, looking at data science and visual design its mandatory to innovate the way information is collected and shared throughout the ecosystem.

We stressed the importance of data and a need for change in the organizational culture of these organizations, because we agreed it is the basis for every other change that may come. Through confrontation with different stakeholders, this point came out very clear: even if some organizations, or people that work in the field already have these concepts in mind, they often stress out the lack of resources, time or a fertile ground (in terms of mindset) as a barrier to plant and grow these seeds of change. But we believe that by looking not only at other WISEs, but at the whole market, especially young digital companies, there will be plenty of tools to use and knowledge to harness for making this change possible.

## 5.4. Horizontal governance structures

Another need that emerged from the discussion, which is related to the previous topics, is the need for horizontal governance structures. Even though mutuality is a funding principle of cooperatives, SCs who have grown dimensionally over the years have often faced the need for more structure by building up rigid, vertical structures. This helped organize different functions and made decisions quicker, but at the same time didn't help harnessing bottom up innovations, thus adapting fast to changing situations. Moreover, strictly defined roles and task create a "comfort zone" where workers can fit in and stay, with no pressure to change, evolve their skills beside their function or know what's going outside the boundaries of their organization. This toughens up the organizational culture, crystallizing processes and practices and making very difficult to implement changes when needed. As a result, this rigidity also affects disadvantaged people who often remain within the organization even after their reintegration program is over. As a result of the current situation, between 2009 and 2014 only 8% of disadvantaged people found their place in the regular labour market after finishing their re-integration path<sup>10</sup>, while 77% remained employed inside the same SC, 11% was employed in another SC and 4% remained unemployed. This is partially due to a structural crisis of the labour market in Italy, but also to its change in needs. As new soft skills are needed, somehow teaching just a set of specific, task-related skills is no longer sufficient to help these people integrate in a competitive, fast changing labour market.

On the other hand, smaller organizations have more collective decision processes but blurrier roles and responsibilities, and often people inside these organizations stress out the difficulty to be aligned on the expectations around them, operating in constant state of emergency.

A way to come out of this *empasse* might be to come back to the principles of cooperative's movement, which have been adopted successfully in new ways by for profit companies, especially in the start up and digital ecosystem. One example that stands out is the [Holacracy](#) movement: a new concept of structure that wipes out every hierarchy in favor of a circular structure, where everyone has clearly defined ground rules and areas of responsibility, but it's free to implement changes, when needed, in the way things are done. This brings more flexibility to the structure, lets ideas and innovation spread freely and quickly and gives an active role and more responsibilities to every member of the organization. This process is facilitated thanks to a free web application, [Glassfrog](#), that thanks to design principles helps visualize the structure, manage projects, share the outputs of meetings, clarify expectations and does a lot more.

It's clear that such a structure is not fit for every kind of organization. For example, it fits well in software companies and other digital startups, because it requires a set of soft skills that every member must have.

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<sup>10</sup> According to a study conducted by [Euricse](#) among Con.Solida's SCss, "IL NOSTRO IMPATTO SOCIALE:

*Esiti del questionario co-prodotto con le cooperative sociali e valutazione dell'impatto economico e sociale delle cooperative sociali aderenti a Con.Solida*", S. Depedri, 2014



But in SCs, and WISEs in general, such a shift in structure may be possible if paired with a new training paradigm: on the job training on specific operative skills is no longer sufficient, it has come the time to start training both disadvantaged people and regular workers in soft skills such as creativity, entrepreneurship, empathy and resilience. Without creating a permanent comfort zone, people can be gradually get used to embrace constant change and a life-long learning mindset, thus really being able to integrate themselves in modern labour market.

#### **Financial education to overcome barriers to credit and enhance investments**

During group discussion another important topic emerged: access to loans and other form of credit to support investments. Institutions raised concerns about cultural and financial barriers that somehow limit investment capacity of SCs. Institutions in Trentino region have been trying to develop dedicated financial instruments to stimulate investment in machineries or technological development but in some cases, none has ever used them. This may be due to psychological barriers or to lack of information about financial opportunities. This lack of information may be solved through financial education for Executives, Accountants and Administration employees of SCs and through more transparent and efficient promotion of the available opportunities that the credit market offers. ICT tools can provide an efficient solution: newsletters, digital market places and online calculators of interests (such as for [mortgages](#)).

### **5.5. The importance of online presence and digital marketing, to expand the network and enter new markets**

One of the greatest shortcomings outlined by surveys, interviews and group discussion regards digital communication (both internal and external), marketing and online presence. Most organizations, even though they perceive their ICT tools as up to date in absolute terms, often are very difficult to find online. Either they don't have a website or have very old ones; they are not on social media and do not sell their products online. Even if they manage a broad portfolio of clients, they hardly use CRM<sup>11</sup> platforms and if they keep track of calls, meetings and proposals, they do that by manually updating an Excel table. Same goes for team work and work flow tools: mails, post its, telephone and Whatsapp groups are their main channels 99,9% of the time.

This gap affects a broad spectrum of areas that are crucial to economic growth and survival on the market:

- By not telling stories about what they do, they hardly manage to build brand awareness and reputation outside their territory and their network, thus not reaching potential new customers, volunteers, donors and other stakeholders. Community building starts with storytelling. Moreover, a strong community also means more institutional legitimation in local areas and more influence on policies;
- By not selling their products/services online, they lose many potential private customers. This is true both for B2B and B2C activities. A lot of SCs rely on few big customers that account for a big slice of total revenues. Reaching many smaller customers can mitigate the risk of losing the bigger ones, and helps explore new market opportunities;
- By not using CRM platforms they lose much time and have poorest performances in terms of alignment and efficiency, and they can't collect precious data that can help them see the big picture of what they are doing more clearly;
- By not using team communication tools, they lose a lot of time and effort to be aligned both within their team and with other partners. This make the creation and maintenance of networks as well as project management more time consuming and less efficient.

Nowadays, these problems can be easily overcome with a set of digital applications that are free for small teams and customizable for bigger ones.

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<sup>11</sup> Customer Relationship Management





We can provide a list of some of these online applications, that is not meant to be exhaustive, but it can be a good starting point to explore solutions:

Category	Name	Description
Team communication	<a href="#">Slack</a>	A versatile thematic chat for teams that can eliminate the need for emails and Whatsapp groups
Workflow management	<a href="#">Trello</a>	A dashboard for managing projects and activities in a workflow
Mail Marketing	<a href="#">MailChimp</a>	One of the best tools to manage mass mail marketing
Social Media Management	<a href="#">Hootsuite</a>	One of the best tools to monitor and manage multiple social media channels
Web analytics and Ads	<a href="#">Google for Non-profits</a>	A free program for going digital with all the premium Google services
CRM	<a href="#">CiviCRM</a>	An open source, free CRM platforms. One of the most complete, that is also sold by private developers in custom environments designed on the specific needs of small organizations.

Besides a general lack of knowledge around these tools, not only in the sector, there's a lack of competences and know how about their effective use. Some of these skills can be learned online and for free, but transferring these skills to every member of the organization is difficult and it's an investment in time that not everyone can afford. Peer tutoring can be an effective solution that can build over time general knowledge around these skills and their importance nowadays.

To really solve the problem there is need for new professional figures in the sector such as Digital Strategists, Copywriters, Graphic Designers, Growth Hackers, Social Media Managers, CRM Specialists and more. Of course, these professional figures are costly and maybe not even needed in small organizations, but some of their competences and know how must be internalized by introducing at least a figure dedicated full time to digital communication and marketing. This is a cost but also a mandatory investment for the future, as online presence will become more and more crucial to reach the right audience in an ocean of information, communicate the value proposition and build meaningful relationships.

This brings up the last topic discussed in the meeting, which is about new figures and competences are needed to foster change inside the ecosystem of WISEs.

## 5.6. The importance of digital skills and young professionals

There's need for new competences inside SCs, to change organizational culture and make a digital transformation that can really help enhance productivity. A recent study on digital skills<sup>12</sup> showed that the Skill Digital Rate (that measures how pervasive digital skills are in a certain profession<sup>13</sup>) for professions such as Sales Manager (10%), HR manager (17,5%), PR Manager (18,5%), Accountant (30%), Marketing Specialist (32%), Business and Organizational Analyst (36,5%).

Thus, to be competitive over time, SCs must align to these standards or they will find themselves behind their competitors in no time. They can do that both by implementing a life-long learning culture within their teams, encouraging e-learning formation, peer formation and experience-based workshops among their workers to keep them updated, or/and they can introduce younger professionals specialized in these digital skills. Indeed, according to a study<sup>14</sup> conducted in 2014 by [Euricse](#) among Con.Solida's SCs, employees under 30 yo accounts for almost 17%, while only 41% of the organizations accounts people under 30 yo among their associates. Moreover, young people can hardly be found in managing positions. This is coherent for a sector that values wisdom, solidity and experience over new competences, but it is a barrier to innovation if not compensated by constant formation on digital and soft skills for current employees.

Another issue emerged from discussion regards the maintenance of networks and relations with other WISEs, social enterprises, institutions, universities and research centers and umbrella organizations. Often, as emerged from interviews and group discussion, networking activities and most of the relations are in the hand of Executives. To really unlock peer formation and innovation's transfer among the network, these relations should be extended even to middle-management figures that can bridge and mediate top-down and bottom-up positions and ideas.

As an output of the discussion, we can summarize the main contents in the table presented at the beginning:

NEEDS	Tools used at the moment linked to the specific aim	Specific NEED	Specific NEED: detail on SKILLS and competences	Specific NEED: Detail on TOOL	TARGET
	<i>Which ICT tools are used in each function?</i>	<i>Which other needs might be fulfilled through ICT tools?</i>	<i>Which skills and competences are needed to fulfill these needs?</i>	<i>Which ICT tools might fulfill these needs?</i>	<i>Who will use these tools in the organizations?</i>
Management and Leadership	Office suite, Mail, Smartphones	KPIs measurement, Performance management, Data sharing, Team work efficiency	Performance culture, Flexibility, Life-long learning mindset	Time tracker, Team chat, Workflow manager, Task manager, PM software	Executives and middle managers to track progresses

<sup>12</sup> "Osservatorio delle competenze digitali 2017" conducted by Aica, Assinform, Assintel e Assinter Italia and promoted by MIUR e AGID

<sup>13</sup> According to ISCO certification and relative taxonomy, [ESCO](#)

<sup>14</sup> "IL NOSTRO IMPATTO SOCIALE: Esiti del questionario co-prodotto con le cooperative sociali e valutazione dell'impatto economico e sociale delle cooperative sociali aderenti a Con.Solida", S. Depedri, 2014



HR Management	Payroll Disbursement softwares: Zucchetti Stir,	Formation on digital and soft skills	Will to learn new things, Sharing culture, Soft Skills	Peer learning platform	HR manager, All
Financial	Accounting Softwares	Access to credit and new financial instruments	Financial education and usable information	Marketplace for dedicated financial services	Executives, Accountants, Administrative
ICT	Office suite	Collect more data, Enhance productivity	Digital competences, Automation	Big Data architecture, Cloud storage	Executives, All
Marketing	Web, Social, Newsletter	CRM, Network maintenance and Community building	Digital Marketing, Storytelling, Web analytics, Graphic Design	CRM platforms, SMM dashboards, E-Commerce websites	Marketing Specialists, Communication Manager, Sales manager





## 6. SYNTHESIS OF THE RESULTS

Knowledge of the regional context, paired with survey results, gave us some useful insights to better understand SCs, the way they operate and the markets they operate in.

- SCs in Trentino region are characterized by high quality outputs but seem to lack innovation capacity, as they have been sustained by public spending and privileged relationships for a longer time than the rest of Italy. This is partially demonstrated by the fact that none of those who answered the survey seem to be in the process of entering a new market or to start a new area of activity. Moreover, areas of activity are more or less the same that were in the 90s, during the expansion of SCs: green area services, cleaning, business services, laundry, food services.
- Now that the market dynamics and the policy framework is changing in the region, as they are facing for profit competitors in public competitive tendering, they must enter private markets, adapt to lower prices and leverage on efficiency if they want to survive in the long run.
- As emerged from surveys and interviews SCs have widespread and well documented issues of efficiency, especially in terms of time management of daily operations. This “chokes” their ability to look forward, in a long-term perspective thus adapting to upcoming changes in market dynamics.
- As resulted from the survey, SCs perceive themselves as up to date in terms of technology level in management and production of goods/services. Further exploration through interviews and group discussion showed that this is absolutely not true. This shows a serious lack of self-awareness and knowledge of the state of the art of digital tools to support leadership, management and marketing activities.



## 7. CONCLUDING REMARKS

To conclude, we can highlight some main shortcomings that we believe can be the starting points for further discussion, self-reflection and a fertile ground to implement innovation processes.

- The greatest shortcoming seems to be online presence and the lack of a marketing function in almost every organization surveyed/interviewed. To fill this gap new competences and professional must enter in the ecosystem.
- During group discussions members of FCT and Con.Solida, as well as members from local institutions, stressed the fact that there's need for more data gathering at the source, in order to help them see trends in performances and needs and shape together future policies. In some interviews this need was not shared by SCs, even though these data can be beneficial also for them in the mid and long term. This remarks their short-term vision, which is dictated by constant threats to their survivals (strong competition, lack of resources and knowledge, barriers to credit, lower productivity, higher labour costs). Another great shortcoming is surely the lack of self-awareness.
- Measuring performance and shaping the organizational culture of SCs around performance management seems to be a viable way for building self-awareness, enhance productivity and policies co-creation processes with all the stakeholders.
- Productivity and efficiency can be easily enhanced through the use of digital tools. The greatest barrier for this change to happen is a cultural organization rigid towards changes. To change this mind set it could be useful to create peer-learning communities, explore new ways to transfer knowledge and innovate the way umbrella organizations deliver formation to SCs professionals. Gamification if one of those ways.

Even though this report and following considerations seem to cast a shadow on SCs, in terms of productivity, managerial culture and technology level, this is not intended as a total critique. Simply, we decided to focus mostly on the shortcomings because they are opportunities to improve and innovate a sector that has a tremendous positive impact on society. We really believe in its potential and its usefulness, and we really hope that this project will be an opportunity to change for good and to go out of the comfort zone that was created more than 20 years ago. We would like to thank all the people who gave us their time to reflect, discuss, think and dream together.