

# Stanford SOCIAL INNOVATION REVIEW

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*10<sup>th</sup> Anniversary Essays*  
**The Trouble with Winning**  
By Roger Martin

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a permanent and prominent role for Arab women in our schools, economies, and societies.

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# THE TROUBLE WITH WINNING

BY ROGER MARTIN

**M**uch has changed in the ten years since the launch of the *Stanford Social Innovation Review* (SSIR), shifts I've witnessed as a board member at the Skoll Foundation. The Skoll Foundation was founded a few years before SSIR, and in its early days, one of our main jobs was to convince the world that this strange new thing called "social entrepreneurship" was an important force for good on the planet. We not only funded social entrepreneurs, we explicitly celebrated them to the world and connected them with one another. The network was significant; it allowed social entrepreneurs to learn from each other and provided encouragement that they weren't all alone in the world. I suspect that SSIR felt a little like this ten years ago: it had to make the case for social innovation as an identifiable, meritorious thing and to show its audience that there were others out there like them.

It is fair to say that times have changed. Social innovation is now super-cool. Social enterprises are chronicled on television, in print, and at conferences. Net Impact chapters are now ubiquitous at business schools. The most prominent social entrepreneurs—people like Muhammad Yunus, Wendy Kopp, and Paul Farmer—have become rock stars in much the same way prominent CEOs—like Jack Welch, Bill Gates, and Larry Ellison—did in the 1990s.

Social innovation has gone from the fringes to center stage. In important ways, it has won. But winning isn't an unalloyed good. It brings challenges that must be recognized and overcome if the movement is to continue to prosper. There are challenges on many fronts, but I will focus on two: the two E's, expectations and entropy.

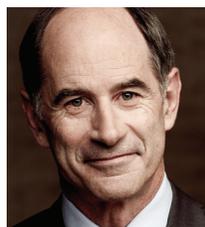
When anything exceeds forecasts, expectations skyrocket. This reaction is most obvious in companies' stock prices. When a company does exceedingly well, its stock price spikes up, raising expectations for the company to do better still in the future (think of the Facebook IPO). To meet surreal expectations, company leaders are often tempted to engage in risky, counter-productive initiatives, which damage or destroy the company over the long run.

Ten years ago, for the most part, the world didn't know what social entrepreneurs were or what they did. Low expectations were the problem. That battle has been fought and won. We should stop fighting that battle and turn to a new one: runaway expectations.

Increasing numbers of people believe that social entrepreneurs can solve the world's problems. No one can solve all the world's problems. Social innovators can work together with governments, businesses, and NGOs to tackle global problems and make progress in solving them. This should be the message of all those who support and celebrate social innovation. We must be clear and forthright about what social innovation can and cannot do.

Entropy is the second challenge. Winning draws resources to an enterprise. More resources are helpful and enable the enterprise to do more. But growth brings problems too. Again, the corporate world is illustrative. Winning corporations grow large. They accrue lots of resources and develop a mindset that sees winning as inevitable. Before long, they use their abundant resources to expand into domains far away from the core business that made them great—think of IBM in the 1980s. Its energy was diffused, averaged down, and dissipated. When this happens, a company's culture begins to shift.

At the outset, pre-success, a company tends to attract talent that is utterly committed to the vision and willing to fight hard to make it happen. When a company has become obviously success-



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ful, it attracts workers who want to work for a successful company. These people expect that the success will simply continue. Instead of seeing themselves as responsible for contributing to the future success of the company, they hold the company responsible for generating further success. To avoid entropy, we must be mindful of the way in which we deploy our new resources and of the shifts in our culture and corporate mindset.

Social innovation isn't everything and it can't do everything. It isn't for everyone either, nor should it be. In our winning phase, it is important to specify what we can accomplish, so we can shape and meet expectations. In addition, it is important for social innovators to study success models in particular domains or through particular means, so that social innovation can remain sufficiently focused to avoid the downside of entropy.

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