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Authenticity: who said unicorns are legendary?

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oikos case competition

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Authenticity: who said unicorns are legendary?



Abstract

The case focuses on Authenticity, an online platform that curates and co-designs social impact experiences for people to travel, share, and learn together in unforgettable settings in the world's cities. Authenticity's ambition is to showcase the unique cultural heritage intrinsic of destinations in a responsible way that adds value to the community and travellers alike making tourism a true force for good. The case traces the history of Authenticity, a start-up that caught sight of a business opportunity in a current issue: over-tourism. From the choice to become a certified B Corp, to the implementation of the Social Impact Report, the case both explores the values and mission of the company, and focuses on the practices at the basis of its business strategy. In a moment when the validity of the Silicon Valley model and the truthfulness of the sharing economy are put into question, it examines its business model, leading students to gather its originality and its related strengths and weaknesses. The case finally leads to the analysis of the main challenges faced by the founders, and opens a discussion about the feasibility of growing and remaining loyal to their core value: authenticity.

Case

Introduction

It was January 2019, and Elena and her team – Helena, Toni, Cristina and Sandra – met in a café, in Barcelona, to discuss the results of 2018. They were amazed from the results of their start-up, *Authenticitys*, an online platform founded in 2014, which started operating in 2015, and consisting of curating and co-designing, with local partners, authentic social impact experiences for travellers, businesses and universities. Elena, CEO and founder of the company, was proud of the fact that, last year, they had been able to reach their revenue targets, engaging more than 15k travellers worldwide and being present in 40 cities worldwide with over +100 experiences in cities like Buenos Aires, Madrid and Brasov. Premises for growing were real, but how was the market out there? *Social impact experiences*, a term coined by Authenticitys and now used by other companies like Airbnb, was taking roots, and the tourism context was moving in that direction:

- Booking.com: invested Eur +4 million in sustainable travel start-ups (2016-2019)¹;
- Airbnb: launched experiences and some with a form of social impact²;
- G-Adventures: introduced an incentive structure to push their agents toward impact travel called Changemakers³;
- Urban Adventures: call 100% of their experiences responsible and it is a B Corp certified company⁴.

Thus, the question was: are we getting on board or falling behind? Authenticitys was currently providing 2-3 hours experiences that create transformational interactions for local and global causes in cities, but Sandra, COO and experience curator, believed they could reach 100 or more new cities in 2019, providing more than 200 new experiences, and let at least 50 new partners join the group. However, all of them were aware they had reached a deadlock, where a solution to catch the market wave had to be found. ‘What will the travel industry look like in ten years?’ asked Elena. With this question in mind, they went through their business pillars and tried to come up with the best strategies to scale up. As Cristina pointed out, awareness is growing, but it also means companies are moving in this direction and, consequently, it means possible competition. A more profound knowledge of the consumer and what he looks for when choosing a touristic experience, is fundamental. How can Authenticitys compete with giants such as Airbnb? As a social enterprise, Authenticitys made a conscious choice to grow organically, instead of using the standard “exponential” models where the commoditisation of

¹<https://globalnews.booking.com/bookingcom-announces-the-10-startups-that-will-join-its-2018-accelerator-programme-in-sustainable-tourism/>

²<https://press.airbnb.com/airbnb-doubles-down-on-experiences-expanding-to-1000-destinations-and-adding-new-categories-in-2018/>

³ <https://www.adventuretravelnews.com/g-adventures-launches-its-largest-purpose-led-incentive-program-yet>.

⁴ <https://www.urbanadventures.com/about-us>

experiences becomes the norm. Instead, Authenticity has chosen the path less travelled and by being consistent with its mission of creating social value it has opted for other strategies. The company will continue to grow, but its authenticity and social mission will remain at its core. And Elena had already something in mind. In fact, she considered her job to be extremely creative since "strategising for impact and growth requires paths not learnt in business schools".

All of the members of the team were concerned about the tensions between scaling their company versus protecting and building on their reputation as an entity driven by a social mission. This is a familiar paradox: 'Scaling requires simplification and standardisation. And because it is easier to simplify, market and mobilise around a concrete impact, the interventions that generate this degree of impact are far likelier to be scaled. Yet knowing that they're more likely to be penalised for any adverse side effects, and realising that the experimentation that drives innovation can make these side effects more likely, proponents of highly scalable interventions are also likely to be less experimental in their approach, and thus more risk-averse. So, in pushing for scale, many sacrifice innovation'⁵.

The time had come for Authenticity to determine its key business model success factors and to use them to guide a strategy that would best position the company for continued growth of both revenues and impact. And, in this trade-off, it is essential to remember that social enterprise, in the end, should be designed to ensure that they create positive externalities and are able to create interventions in complex systems that affect entire communities and ecosystems. And this is where the trade-off can really become a dilemma. To what degree is a social enterprise responsible for bringing forth systemic change?

About Authenticity

Established by Elena Rodríguez Blanco, Authenticity is a platform that curates and co-designs social impact experiences for people to travel, share, and learn together in unforgettable settings in the world's cities. Her ambition was to showcase the unique cultural heritage intrinsic to destinations in a responsible way that adds value to the community and travellers alike making tourism a real force for good. She devised a simple process of transforming travel through authentic experiences in cities. According to her:

When I speak about transformation I am talking about experiences that empower people to make meaningful, lasting changes in their life. That is an internal change which happens through an intrinsic process. So, while you can design and guide the

⁵https://nextbillion.net/social-innovation-paradox/?utm_source=NextBillion&utm_campaign=693f29b73d-EMAIL_CAMPAIGN_2019_04_03_01_46_COPY_01&utm_medium=email&utm_term=0_df0852a996-693f29b73d-172647757&fbclid=IwAR3Soj3c674JPKDKZmJNokEZflu2dM8mOYO_1ruO9uua5CsRiTDNFR4y-gg

conditions for transformations in a way you have to “allow” it to happen. And this is how an experience can become the difference between something you simply see and something that becomes a part of who you are.

Elena is passionate about social innovation, education and travelling. And Authenticity is her third social start-up. Grown up in Central America, Costa Rica and El Salvador, she started her career by working in the corporate world, and then moved over to her true calling of designing new ways to solve social problems. A real-world citizen, she has lived in over 20 cities, yet her childhood experiences in a war-torn developing country and her exposure to many life stories and experiences through travel have decidedly shaped her world perspective. As she travelled the world, Elena noticed a thread: she recognised that people who travelled to developing countries, and being exposed to other realities, would be motivated to get involved in volunteering projects that would help. However, most of that energy goes into small scale projects that are not connected to the complex realities of the local population and that require far more than a crowdfunding campaign to solve. How could all this positive energy for building bridges and support between people be channelled in a more effective way? Being driven by the question ‘how can we be each day more authentic in the city?’ she founded Authenticity, thinking about something people could do *here and now*, rather than *over there*. In fact, when Elena travelled through Europe, she was missing the possibility to interact and travel with social impact experiences. The need for sustainable travel to move from only developing countries to capital megacities caught her attention, and everything started when she partnered with several NGOs to begin co-creating experiences in Barcelona.

Authenticity is now in an expansion phase. Starting with the support of The Impact Hub Network (Scaling Programme) and the Investment Ready program in Vienna, Elena immediately realised that the existing investment vehicles and tools needed to be adapted for social enterprises having multiple impacts. The traditional legal contracts and agreements shared certain assumptions of how things are done that did not fit the processes and relationships that a social enterprise builds. There were long processes and conversations to modify existing agreements to fit the needs of investors, of Authenticity’s founders, employees and vision. One of their biggest challenge in the first two years was growing with limited capital. But, in October 2016 she fundraised a seed round of investment and was also granted a EUR 50.000 government loan for start-ups which she used to launch to consolidate her experiences in Europe and launch the first ten experiences in Latin America, to consolidate the European customer base and to continue scaling in 2017. This was when Cristina and Helena joined the team.

In 2017 Authenticity opened new client markets B2B markets, specifically focused on growing its sales to businesses that were looking to have an impact through their corporate social responsibility programs and more specifically employee volunteerism and team training activities that give back to the local cities and non-profits. Finding this fit between companies

looking to express their corporate values through the activities they realise allowed for the possibility of delving deeper into experience design and creation for specific purposes. It was interesting to see that for companies in a wide range of sectors, from robotics and technology to banking and supermarket chains, employees found Authenticitys experiences transformational and reported an increase of motivation and engagement.

In Table 1 the yearly growth of Authenticitys is detailed in terms of number of experiences, partners, clients, and revenues.

	2015	2016	2017	2018	2019 (projected)
Experiences	4	23	48	100	200
Partners	3	17	23	48	100
Clients (via Authenticitys)	324	1.258	3.631	5.720	10.250
Clients (via Partners)	1.839	5.827	8.273	26.398	60.000
# of B2B clients	2	5	26	41	73
Revenues	11.340,00 €	44.030,00 €	127.085,00 €	200.200,00 €	358.750,00 €
Experiences currently in the pipeline: 738.					

Table 1: Authenticitys' growth⁶.

Starting in 2015 with only four experiences, Authenticitys is now offering over +100 experiences and projects to reach the number of 200, already having more than 700 experiences in the pipeline. While the number of partners and clients is, today, in comparison with 2015, respectively 16 and 15 times higher, the revenue has increased especially between 2016 and 2017. In 2019, it is expected to more than double the amount of 2018, reaching an amount of 358.750,00 Euro.

From the beginning, Authenticitys was different from Elena's previous social start-ups. Elena literally designed its model, starting to offer, basically, experiences in Barcelona. However, she afterwards transformed her initial business idea to a platform that could integrate other experiences from other countries – a brilliant move, according to one of her advisors. As Elena stated in 2014:

In Barcelona tourism is booming and there are a lot of social experiences, and opportunities to get involved with. But they are hidden, and nobody knows where they

⁶ Data have been provided by Authenticitys.

are. So that's what we are putting together now, in our platform, all the social impact experiences where people can participate when they are travelling.

The platform system allows providers to promote and carry out their experiences, and travellers to buy them in an easy and intuitive way.

Market overview

Tourism is the economic cornerstone of many cities and it's booming rapidly. During 2017, the UN's International Year of Sustainable Tourism for Development, international tourist arrivals grew by 7% to reach a total of 1.326 billion⁷, a total that exceeds the United Nations World Tourism Organization's 2010-2020 long-term projections of 3.8% growth per year⁸. Moreover, UNWTO provides rough estimates that apart from 1.3 billion international trips, there are another 5-6 billion domestic trips⁹. And tourism is not going to stop. What factors are responsible for that? As Elena said:

As there is an increasing middle class with a disposable income making travel possible, coupled with the low-cost fares, it appears clear that the industry has tremendous potential for growth. This raises some urgent issue for the industry. Indeed, if the trend continues in this vein, travelling will not be sustainable and, in the long-term, it will have to stop due to its adverse impacts¹⁰.

Thus, in less than two years, the concept of overtourism has come to prominence as one of the most discussed issues with regards to tourism. Overtourism has been defined as *tourism that has moved beyond the limits of acceptable change in destination due to the number of visitors, resulting in degradation of the environment and infrastructure, diminished travel experience, wear and tear on built heritage, and/or negative impacts on residents*¹¹. In antithesis, Responsible Tourism is about using tourism to make better places for people to live in, first; and second, better places for people to visit¹².



Figure 1: tourism phobia in Barceloneta.

⁷ Center for Responsible Travel (CREST). (2018). The Case for Responsible Travel: Trends & Statistics 2018. Available online: https://www.responsibletravel.org/docs/The_Case_for_Responsible_Travel_2018_FINAL_FOR_WEB.pdf.

⁸ World Tourism Organization (UNWTO). (August 2018). Tourism Highlights: 2018 Edition. Available online: <https://www.e-unwto.org/doi/book/10.18111/9789284419876>.

⁹ World Tourism Organization (UNWTO). (2016). UNWTO Tourism Highlights, 2016 Edition. Available online: <http://marketintelligence.unwto.org/publication/unwto-tourism-highlights-2016-edition>.

¹⁰ Interview with Elena Rodríguez Blanco, carried out on 20 February 2019, Barcelona.

¹¹ Center for Responsible Travel (CREST). (2018). What is Overtourism? Available online: <https://www.worldtourismdayforum.com/about>.

¹² Goodwin, H. (2018). Managing Tourism in Barcelona. Responsible Tourism Partnership Working Paper 1 (2nd Edition). Available online: <https://haroldgoodwin.info/RTPWP/012ManagingTourisminBarcelona.pdf>.

City tourism perceptions have changed dramatically in the last years, since public transportation, infrastructure, roads, museums, attractions and other services primarily created for local use suffer under increasing tourists' numbers¹³. Calls from residents and local stakeholders to deal with tourism growth and protests have been observed in several destinations, and Barcelona and Venice are only two examples. Cities are thus struggling with



Figure 21 overtourism in Venice.

tourism-related social and environmental issues. Barcelona, the city where Elena first started to create her experiences, is not an exception. Here, the rebellion by local people has been even defined as “tourism phobia”. But if we look at the numbers, it is easy to understand why. Barcelona tourism grew by more than 54% in eight years¹⁴, with more

than 7 million travellers arrived in 2018, which generate an aggregate turnover which lies between 8 and 9.7 billion euros, generating around 14% of total employment in the city¹⁵.

However, every cloud has a silver lining. And Authenticitys knew it. The future is urban, and a revolution of travel in cities has already started. Consumers are becoming more and more aware and millennials are looking for authentic experiences with positive social impact. While there are more available travel options than ever before, the industry itself has chosen massive growth instead of choosing to create value for their customers. Since:

- repetitive “off-the-beaten-track” paths being sold or recommended massively end up not being unique at all;
- experiences offered by companies are often not designed for what people are looking for and wanting to feel as they travel, ignoring the *why* of travel;
- there are too many options, which make the task of sorting out what to choose difficult;

Authenticitys recognised a business opportunity in this market: it believed responsible travel should happen in cities. It wanted people to connect and build a community around it so that they can continue solving more and more problems on their own. As Elena said:

Sustainable travel is not just about eliminating plastic and flying less. It also calls into question the impact our travel has on the local cultures of the places we visit. Travel means moving, and that leaves an impact. However, that doesn't mean we can't continually try to do better and reduce that impact. Let's consider people, plants,

¹³ Koens, K., Postma, A., and Papp, B. (2018). Is Overtourism Overused? Understanding the Impact of Tourism in a City Context. Sustainability, 10,4384.

¹⁴ Goodwin, H. (2018). Managing Tourism in Barcelona. Responsible Tourism Partnership Working Paper 1 (2nd Edition). Available online: <https://haroldgoodwin.info/RTPWP/012ManagingTourisminBarcelona.pdf>.

¹⁵ Tourism Department, Ajuntament de Barcelona (2016) Barcelona Strategic Tourism Plan for 2020 Strategic Diagnosis: 43.

animals and earth on our trip instead of staying inside our travel bubble [...]. Find places, companies, restaurants, tours that'll help reduce your footprint and leave something positive wherever you go¹⁶.

Authenticitys' soul and its WIN-WIN-WIN strategy

Change the world... take a vacation

Shannon Stowell¹⁷

At the heart of Authenticitys is its manifesto, a verbal declaration that makes clear the view of how the team approaches its work and the world:



Figure 3: Authenticitys' manifesto.

Be authentic. This is what Elena and her team daily think about and believe in, when making decisions and developing new experiences. At the question 'what does authenticity mean for you and for the company?', this is how Elena answered:

I believe that companies or organisations, nowadays, should also serve the purpose to develop the people within it. So, I wanted to explore the concept of authenticity not only within the company, but also within my team and myself [...]. So, then, the company serves as a tool for giving directions and goals for achieving innovation, but, in the end, the people are the creative centres of innovation, and it's their limiting beliefs and patterns that we want to see and transcend. And when you want to grow

¹⁶ Interview with Elena Rodríguez Blanco, carried out on 20 February 2019, Barcelona.

¹⁷ https://www.youtube.com/watch?v=0Lud6xAWN_c.

a culture, when you want to change people, you look for transformation and personal growth will sit at the centre of your company culture...¹⁸.

Authenticity is driven by an inner personal change. It is visible in the company's relationship with customers, with partners, with suppliers, with competitors and with investors; in the practices they adopt, from the selection of curating experiences to the relationship with those that have invested in the company, from the marketing channels to the co-creation of the Social Impact Report with their customers etc. Re-calling a definition of authenticity by Seth Godin, which Elena deeply felt aligned with:

Instead, I define it as, "consistent emotional labour." We call a brand or a person authentic when they're consistent, when they act the same way whether or not someone is looking. Someone is authentic when their actions are in alignment with what they promise. Keeping promises. Even when you don't feel like it. Especially when you don't¹⁹.

Authenticity is the dressing sauce which keeps all the ingredients together, as expressed by Elena:

Intention is important but then you have to think about how you manage your company. Because, I mean, maybe I have a really noble intention, but for example if following industry standards in travel of squeezing margins for our partners, we will not build the right relationships, we will not build growth for all of us. There is not much coherence in saying one thing and doing another. This is why it is crucial to have systems and processes that are looking out for keeping your company values and purpose aligned with your performance. So, there is not a disconnection. What makes Authenticity's unique is that the main driver of the company is solving a real issue. They are there in the market to solve something that is a social or environmental challenge. And I think that there are some other companies that are, let's say, doing well, and they have nice CSR projects, but the main driver is not solving a problem, is just money...

People are travelling more than ever. However, it comes at a cost and tourism money is not always supporting the local economy and the initiatives that are solving social and environmental challenges in their cities. Keeping that in mind, in addition to the fact that a rise of conscious consumers is looking for authentic experiences, Authenticity's mission is to create meaningful employment opportunities for the local communities through authentic city experiences, while providing experiential education to travellers and increasing environmental awareness.

With a commitment to transform the way people travel by providing a way to connect with and support local initiatives, Authenticity's vision is to help creating a world where responsible travel generates meaningful and sustainable improvement in the life of local societies. To realise it, Authenticity adopted a specific strategy, and created, step by step, a business model

¹⁸ Interview with Elena Rodríguez Blanco, carried out on 28 March 2019, Barcelona.

¹⁹ <https://seths.blog/2017/10/defining-authenticity/>.

able to implement the underlying mission. It became the first online platform that connects organisations that are already achieving social impacts in their cities with conscious travellers as well as locals, who want to participate through a booking platform with an online community. It is an example that social change can indeed happen from bottom-up citizen-led initiatives.

From the beginning, Elena was focused on her WIN-WIN-WIN strategy considering not only the needs of the company itself, but also of the other stakeholders involved. Her vision was a business model that allows the team to work in a diverse, multidisciplinary context, where everybody can live their passion and create their own learning path to unleash their maximum potential, the traveller to begin their journey as one person and finish it as a different one, and the society to become, step by step, a better world.

What does Impact mean for Authenticity?

Elena and her team recognised that the need for thinking about cities in a different way was more than urgent: the emergence of a new paradigm²⁰ is necessary for changing the way people think about tourism. To understand what the tourist wants from its experience is not an easy task, as Elena confirmed:

Travellers all are seeking different things when it comes to making an impact on the city they discover. However, a common thread that drives many of them is curiosity, or the pursuit of knowledge as well as unique experiences. [...] Another variable is based on the age of the traveller. If both older and younger travellers are equally likely to be driven by social impact, young travellers are more seeking for unique hands-on 'extreme' experiences, while older travellers seek for more educational journeys. These are vital factors to keep in mind when designing experiences intended for conscious travellers²¹.

They believe tourism could become a catalyst for good and in the power of experiences with a social and environmental impact. Moreover, Elena recognized they are leading the way in having a real impact on the society and, especially, in the ability to measuring it. It is one of their greatest assets and one that keeps evolving:

²⁰ Sanford, C. (2017). *Regenerative business*. Nicholas Breely Publishing, Boston, USA.

²¹ Interview with Elena Rodríguez Blanco, carried out on 20 February 2019, Barcelona.

Methodology

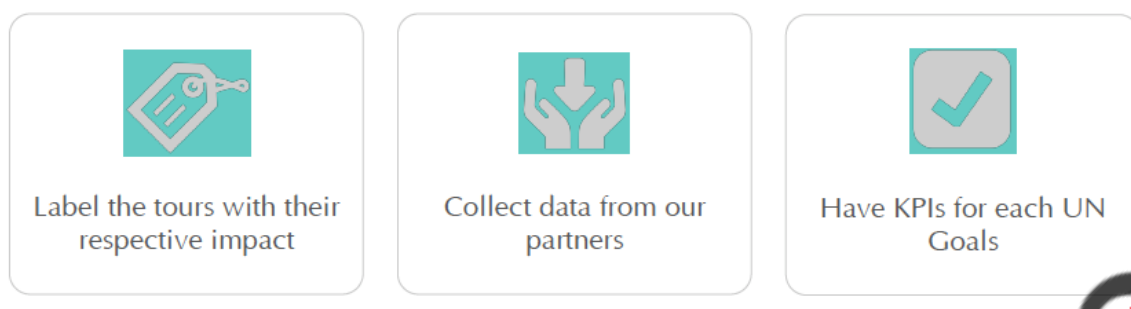







Figure 4: Impact measurement methodology²².

Labeling the tours with the impacts they provide allows travelers to choose the experience which most fit for them. Authenticity's impact could be categorised into six main categories, characterized by different measures, and matched with the SDGs – sustainable development goals²³, the blueprint for achieving a better and more sustainable future for all.

Impact definition	Impact measurement
 Education Creating awareness towards cultural interrelations, taking risks and having a profound knowledge of the world we live in.	<ul style="list-style-type: none"> • Support ideas that make the world better; • Share cultural heritage stories; • Support local art and artists; • Share empowering stories.
 Employability Engaging in meaningful activities. Actively learning and impacting the lives of others. Dignity and Work. Access for all.	<ul style="list-style-type: none"> • Share new skills; • Transfer artisanal practices and wisdom.
 Environment This is our world. It is unique and needs to be protected now. Living kmo and plastic-free lifestyles	<ul style="list-style-type: none"> • Invest in initiatives that protect the ocean; • Clean the beach; • Support eco-friendly projects and the people behind them; • Help create a more sustainable future; • Reduce CO2 emissions; • Clean the ocean, rivers, canals, the world' water; • Animals saved.
 Happiness Living life to the fullest and joyfully embracing all its adventures.	<ul style="list-style-type: none"> • Connect people through the experience; • Discover beauty; • Collect trash; • Savour and support local cuisine.
 Health Being one with your body and soul. Making conscious decisions.	<ul style="list-style-type: none"> • Personal health benefits.

²² Information provided by Elena Rodríguez Blanco - interview carried out on 20 February 2019, Barcelona.

²³ <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>.


 <p>Equality</p> <p>Respect for everyone. Creating the same opportunities for others.</p>	<ul style="list-style-type: none"> • Empower people; • Empower and support children; • Plant a seed of tolerance; • Increase awareness and break through barriers and stereotypes; • Integrate people with disabilities into society and the workforce.
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Table 2: Authenticitys' impacts and measurements. Source: Authenticitys' website.

In designing the experiences, Elena and Sandra have learnt that they have to provide the right amount of fun, education and authenticity. Like “The Paddle Surf at the Beach Clean experience”, where travellers participate in a small beach clean-up where a “competition” of who collects the most trash is held. This is an example of what impact tourism meant for them and how it is measured through data collected from clients and partners.



Figure 5: Paddle Surf Experience. Source: Social Impact Report 2018²⁴.

People are now looking for transformational travels, and Authenticitys aims to provide experiences of change, letting the travellers explore a new layer of themselves, unlocking a different version of who each of them is. Feedback from travellers who have participated in the Barceloneta experience confirmed this:

You can learn a lot about Barceloneta and its history. Such a great idea to combine a guided tour on the beach with an environmental purpose and sport. Cleaning up the beach has something meditative. Would love that everybody could do this to get more conscious about pollution on the beach. Three significant hours.

Yvonne

²⁴ Available online: <https://www.authenticitys.com/en/impact/>.

Thank you for your excellent work! I can see the problems with our sea very closely. We need people like you to raise awareness. Great!

Mame

However, impact measurement is not an easy task. Especially in a world where everyone wants to measure something. Companies want to measure how much they produce or how much money they make. But this is easy when things can be counted based on a common counting method everybody knows. It gets more complicated with things we cannot count today, or things that simply do not have a measuring unit. What Authenticity did was to give numbers through measuring narrative changes in the ecosystems they are intervening in, so that those things that don't have numbers can be measured through stories and qualitative data. Necessary measures that cannot be counted in numbers, like dignity. But how is it possible? How can dignity be measured? Authenticity believed that to have some form of measurements, even if it was just communication, was fundamental to let people understand. And the choice, in 2016, to develop their first Social Impact Report (SIR) is proof of it, which allows to communicate their sustainability ethos. In this report, they also share the essence of Authenticity, their journey thus far, and some plans, in order to display that the company is not just impact and experiences, but there also hearts and hands behind everything it does. Elena was not obliged to develop the report, and she is not even sure that it is a way of gaining new customers:

No one required me to do the SIR, and perhaps in 2016 nobody cared. Yet we do it every year, even if it takes time and effort to produce it... But the social impact report is part of our values, our ethos, ultimately who we are and why we exist [...]. And, I am not sure that this is really a differentiator in terms of the consumers we get, probably not. I believe that it is good to have that info there and it is part of the message we are communicating, that we want to be transparent and that every small change matters and can make a difference.²⁵

The SIR is an instrument for clients who are really interested in understanding the reality behind their travel experiences. It is a validation of Authenticity's proposal. However, even if the information disclosed is remarkable, it is not thorough. And here lies one of the tensions Authenticity faced: how much can they share? The report is a public document, and they had to balance how much they were willing to share, with how much they were willing to give free access to. Be transparent but also be sharp in understanding what others could copy was a challenge. A SIR team participant declared:

²⁵ Interview with Elena Rodríguez Blanco, carried out on 28 March 2019, Barcelona.

If you have seen some of Authenticity's competitors, it has already happened that some of them have copied the impact dimensions icons for example. If you compare Authenticity's icons, or the impacts in the webpages and you see others... well, some of them are really similar and Authenticity was there first²⁶.

Competition and risks

The popularity of social impact experiences is growing rapidly. Considering that the sector of sustainable travel is evolving, and bigger companies like Airbnb are beginning to integrate localised, small-scale travel tours into their global offerings, it's essential that Authenticity continue to innovate at the cutting edge of the industry and push the sector even further in the direction of impact. What Elena and her team wonder was: how can we differentiate Authenticity's offering in the growing industry of sustainable travel? Currently, four types of experiences and platform are competing with Authenticity:

1. Peer-to-peer local experiences platforms, e.g. sportedbylocals.com and airbnb.com. Airbnb has recently launched into the space of experiences in travel and they have added a section called 'social impact experiences'. However, Elena knows first-hand that Airbnb is launching into social impact as part of their marketing strategy. As she says about Airbnb:

Back in November 2016, when first I saw 'social impact experiences' advertised by Airbnb, I was excited – if not slightly apprehensive – to see such a major player in the travel sector emphasising a more conscious travel experience [...]. At first, Airbnb's move felt like confirmation of the vision I've long had for the travel sector; one which emphasises responsibility and impact through action. But things changed quickly. In February 2017, Airbnb contacted our carefully chosen Authenticity partners in Barcelona – one of Airbnb's most popular cities – and invited them to its 'new experiences' platform. The social impact experiences we had spent multiple years curating, co-designing and measuring impact for, were now Airbnb's too. This is a symptom of the larger issue at hand: Airbnb's growth-at-all-costs way of doing business is having a damaging effect on cities like Barcelona in areas like gentrification, the housing market, and local culture. What's worse is that Airbnb is pursuing this strategy while still benefiting from its reputation of being a founding member of the so-called 'sharing economy'. [...]. Watching Airbnb scale as quickly as it did with its social impact experiences in Barcelona – without testing the positive impact of the partners it is taking on – makes me gravely question its commitment to the 'how' of business [...]²⁷;

2. Local recommendation-user-curated platforms, e.g. tripadvisor.com;
3. Social and Responsible Travel, e.g. responsibletravel.com, the most long-standing player in the market that sells long-term responsible holidays;

²⁶ Anonymous Interview, carried out on 18 March 2019, Sant Cugat del Vallès.

²⁷ Available online: <http://www.authenticity.com/blog/lets-talk-airbnb/>.

4. Offline experiences, e.g. free walking tours, and other offers given to tourists on location.

Authenticity identifies two main risks the business is exposed to:

1. *Adoption of the same product*: social impact experiences are a new product. When they started, they spent time working on proving the concept. They had to create a product, and sell it, learning a lot during the first years about which products work and which don't, what the standard of quality are and how to bring forth impact. With competitors coming into space, they could be gaining momentum in proof of the market. Why? True there is more competition out there, but at the end of the day clients want something authentic, not commoditised experiences offered by the same large players. Authenticity bet that customers will shift into wanting to B Corps and companies that stand by principles. Authenticity plans to remain competitive by being a boutique platform of hand-chosen social impact experiences, where everything from the guide to the story they tell can be lived with all the senses, and the impact is understood and visible;
2. *Low barriers of entry*: apparently at first sight barriers to enter the experience offering market are low. Any platform can come and copy the product, like Airbnb is doing. But Authenticity is aware they have built deep relationships with their partners (providers) as if they were all one company, sharing insights on product creation and customers' needs with a solid team.

The B Corp Certification

We believe in being part of a movement with one common goal: to change and redefine business to be a force for good. We believe in system transformation and we want to revolutionise business²⁸.

This was the main reason behind Elena's choice to become a B Corp, in 2016. She first heard of the B Corp movement through one of her favourite companies, Patagonia. As soon as the B Corp movement expanded to Europe, Elena already knew the B Corp movement and she realised this was an essential step in Authenticity's growth and she wanted to be part of the ecosystem of companies that sees business as a force for good. Certified B Corporations meet the highest standards of overall social and environmental performance, transparency and accountability and aspire to use the power of business to solve social and environmental problems. There are more than 2,500 Certified B Corporations in 130 industries and 50 countries with one unifying goal – to redefine success in business.

²⁸ Available online: <http://www.authenticity.com/blog/certified-b-corporation/>.

Joining this ecosystem and community, Authenticitys benefits from belonging to a network of organisations and progressive companies, necessary for addressing social and environmental issues to realise long-term and purposeful actions. But, mostly, being a B Corp allowed Authenticitys to reinforce its social identity. As a B Corp movement team member in Spain highlighted:

The main output of being a B Corp is identity. On one side B Corp is a sort of identity to companies. It's more than a certification. It gives you an identity as a company and it is a way of defining yourself. Because you are not a no profit, you are a for-profit but you are different from a traditional for profit. So, it gives you a clear way of defining yourself towards your costumers, your stakeholders... this is one clear output and benefit of being a B Corp²⁹.

At the basis of being a B Corporation, a specific score out of the B Impact Assessment tool must be achieved. It is a long process consisting of measuring and managing the company's impact, which encompasses 5 Impact Areas: governance, workers, community, environment and customers. The B Impact Assessment is customised to a company's size, sector, and geographic market. Authenticitys' impact score is 85 out of 100, as shown in the figure:

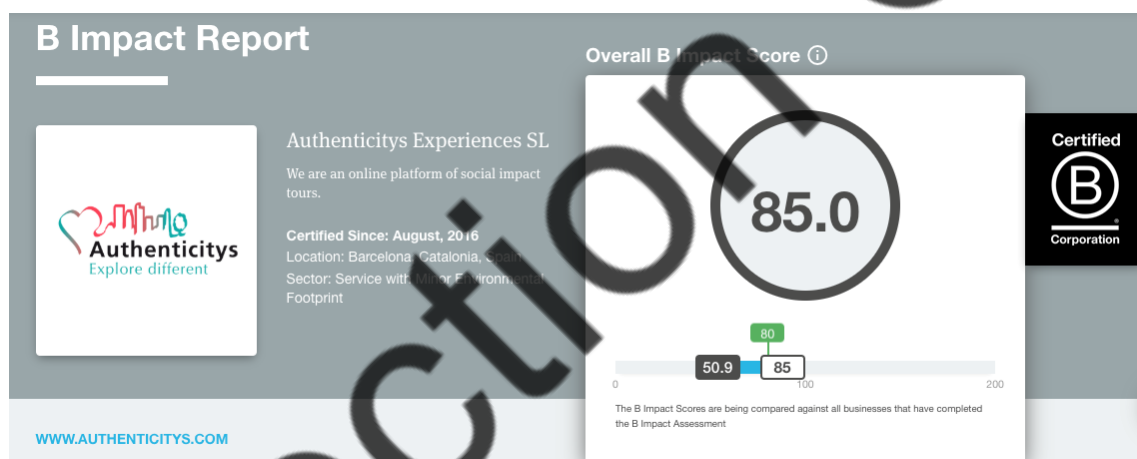


Figure 6: Authenticitys' B Impact Score³⁰.

Out of it, 15.2 points come from Governance, 9.7 from Environment, 9.2 from Customers and the majority, 50.9, from Community³¹. Authenticitys was one of the first 30 companies to become B certified in Spain, and the first travel company in Europe and, possibly, in the world.

But other travel companies also, and, more specifically, Spanish travel companies, are certified B Corps. So, where does the difference lay? Elena and her team are well aware that being a B Corp can differentiate you but it does not what makes you unique. Other tourism companies, in fact, which are B Corp as well, have named their experiences 'social impact experience', but without really providing an explanation of how and why the experience is going to be different for the consumer³². Even if B Corp gives you an identity, social entrepreneurs still need to

²⁹ Interview with Pablo Sanchez, carried out on 27 March 2019, Barcelona.

³⁰ Source: <https://bcorporation.net/directory/authenticitys-experiences-sl>.

³¹ <https://bcorporation.net/directory/authenticitys-experiences-sl>.

³² Interview with Elena Rodríguez Blanco, carried out on 28 March 2019, Barcelona.

develop a unique business model. Authenticitys did it, through a platform that offers people the opportunity to easily book an experience in every country they go where the experience itself will have a social impact, beyond just giving back, you will be able to palpably understand what social impact is happening while you do the experience.

Authenticitys' challenges

Helena, Toni, Cristina, Sandra and Elena, recognised that both in the past and nowadays, they still have to face two main challenges: investments attraction and partners selection. Facing challenges is time and resources consuming, but, most of the time, it is where your uniqueness comes from. And this is valid for Authenticitys as well.

Investment attraction

Investment has been, from the beginning, one of the main challenges of any start-up, and in the social impact space, a unique adventure. The current systems, the investment mechanisms, the way you traditionally make money as an investor is not set up for social enterprises. This is why Elena joined the Investment Ready Programme in Vienna, pioneering the social impact space investments Authenticitys' went through a four months process of seed financing rounds mainly with angel investors interested yet also exploring what type of investments are best for the different models. Elena remembers her first moments when she was looking for investments:

I wanted to know something more about the impact investing realm. [...]. Typically, an angel investor invests, to get an exit. And a high return on investment. But what if you go for long-term sustainability instead, or your priority is to have revenue but never in lieu of impact? [...]. We found interested investors, but it was a long conversation, frustrating at times, trying to change the system to adapt to the needs the investor and Authenticitys and the founding team had towards a shared vision... and well, I don't know if we really lost a year, but we spent a lot of time in that conversation. Time that we could have spent in selling and testing our markets³³.

Toni and Cristina were not really confident with 'Impact Investment' and they asked Elena for some explanations. Impact investment is an attempt to align money with values. And this is what Authenticitys struggled with from the beginning. According to Morgan Simon, impact investment means that 'rather trying to fight poverty with one arm tied behind our backs, dividing the world between business – which we perceive narrowly as a force that destroys people and the planet – and philanthropy – the leftover crumbs of the conventional economy designed to save us – we come out swinging as hard as we can, bringing an entire society's resources to bear, and rebuild an economy that is sustainable, generative, and just'³⁴. The team understood why investment is often a challenge for the company: to achieve an alignment

³³ Interview with Elena Rodríguez Blanco, carried out on 28 March 2019, Barcelona.

³⁴ Morgan, S. (2017). *Real Impact: the new economics of social change*. Nation Books, pp.31-33.

between the founders' values and ideas and the ones of her investors were, often, hard to write on paper and existing legal terms. It was common for her to spend a long time trying to get to a point where investors could fully understand what Authenticity's was looking to achieve with social impact. Investors have good intentions, and an aligned *why*: the main problem is that there is only one process that works for start-up investments, and any other route needs to be thought through, negotiated, agreed and written up in shareholder's agreements in formats even lawyers themselves have a hard time writing up. As Elena recalled to the team, often, the problem they faced was not a lack of trust. The real issue was that even if they were aligned in the *why*, they weren't in the *how*.

It was Sandra who, finishing her drink, came up with the need of refining the questions: it's not just whether investments are good or bad, but what resources are being created through investments, and are they good for people and the planet? Who is making money from an investment, and what are they choosing to do with it?

Partners selection

The team is proud to support the needs for capital and visibility of local social businesses, by offering a centralised marketplace and connecting them with a new audience. However, they know the process must be optimised in order to save resources and be able to scale operations. Working with partners and social businesses means to understand how to share stories by co-creating and designing experiences, building impact as the centrepiece and achieving transformation for travellers in a model that works. They must consider multiple facets: from the selection of the right experience providers to personally meeting them, from people management to co-designing the final product. According to Daniela, Authenticity's' advisor:

It is not an easy task in the sense that Authenticity's' wants to know whom they are working with, who those providers are first hand, even if they have excellent references... she knows there's a certain type of organisation, Elena knows that she will work with. These organisations represent Authenticity's in different countries, and this is very important, as it is what the customer will perceive of the company. Authenticity's' holds an annual summit, to bring together the partners, clients, advisors in Barcelona, all in one place, to discuss the future of travel and build an ecosystem of trust in the company. One of the main objectives of the Summit was for them to meet and share best practices personally and to learn from each other how to provide authentic experiences, that they are aligned with the impact goals, etc. This is one of the reasons why Authenticity's has a virtual team that travels.³⁵

But choosing the right partners isn't enough. Experiences are not just about the people and organisations that host them, but also about carefully designing experiences to let the authentic and impactful aspects shine through the stories. Cristina, Authenticity's' sales manager and social media guru:

³⁵ Interview with Daniela Freund, carried out on 22 March 2019, Barcelona.

What I am doing in Authenticitys is to translate what partners do, into what people can understand. For example, we have a unique social impact flamenco experience, how do we communicate its social impact? How do we make sure our customers understand in our webpage that what we are offering is not a super touristic flamenco show? When you talk to the partner offering this experience in Madrid you realise that we are actually supporting a female movement, we are telling the stories of women that couldn't tell their stories before explaining how flamenco started and acting it through the streets. In fact, a lot of people that have worked in flamenco before were forced to do it, because of their husbands. They had no voice. So, we are giving a voice and a story to all those women whose stories have not been heard and have just been assumed³⁶.

Working with partners means to understand and act on the fact that people are always first, as for the right relationships the experiences will emerge and the impact and transformation will come through. For Authenticitys it's not enough that someone is "selling social impact"; the relationships and how they talk and operate must speak social impact throughout, that authenticity in the processes, that same alignment that exists in the why and how that Authenticitys demands of itself, they seek to bring forth in their partners. Elena is very selective about it. However, she is also aware that to scale the process for ensuring authenticity and impact are embedded in the system. Adding more and more experiences, which are aligned with the mission, around the world will mean they can't personally meet every single provider, every time, everywhere. As highlighted in Table 1 above, the number of experiences has exponentially increased from 2015 to 2018, and it is projected to double in 2019. Moreover, 738 experiences are in the pipeline. The number of clients is following the same trend. In 2019, Authenticitys projects to reach a total number of 70.250 clients, where 86% comes from experiences sold through partners. That's why Toni, the web developer and IT guru is looking for a way to further develop the technology process to make the platform a key centrepiece in this scaling process. What role does technology have in ensuring authenticity is a core to everyone we work with? Is it really feasible?

What's next?

Authenticitys had surpassed its fifth year in operations, a start-up benchmark for when a company had made some of its most difficult years. Partnership relationships were stable and value-aligned, product development had been systemised, and clients found the transformational value of social impact experience unique and a reason to share the word and come back. As the team started this new phase, with the sense of someone who has a run a good race, a marathon even and made it, they set themselves up for the next long haul. The real value of having personal development and growth as the centrepiece of the company culture was that the team was far from burn out. Instead, there was a sense of renewed energy that

³⁶ Interview with Cristina Castellanos, carried out on 21 March 2019, Barcelona.

came from celebrating small wins often. Even if it was time to examine the strategy and position the company for its next faces and possible fierce competition, they were excited about how sustainable travel was now a term more widely used in the tourism industry, and that social impact experiences were something Authenticitys shaped and formed. As the team had a renewed sense of mission, now was the time to remember that inertia and complacency were not an option if they wanted to make a long term change. Thus, in their meeting in a bar in Barcelona, Elena took the floor and focused the team to begin connecting with the vision and dream of this new phase. Even if Authenticitys had been built around current needs previously unmet, Elena knew they had now the power to move from a situation where they were transformed by the market, to one they can be transformative for others. Elena reminded them of one of their basic pillars of why and how Authenticitys exists by Buckminster Fuller:

You never change things by fighting the existing reality. To change something build a new model that makes the existing model obsolete.

This is what Authenticitys did and will continue doing in different ways. To grow and scale up, moving from design for social innovation – to design for emerging paradigms and alternative economic models to create significant positive social change – to a transition design – to challenge existing paradigms, envision new ones, and lead to radical, positive social and environmental change³⁷. What Authenticitys had already done is scaling social impact without the need for scaling the organisation. How was it possible? And how could it continue growing in this direction? An idea was moving from enterprise to ecosystem having in mind to look for key values at the absolute core of the mission and to actively seek actors that can integrate these values in the experiences.

The risk was that, by pointing at the right direction, and investing in creating a community of change-makers, there was a possibility that other larger competitors can profit from the legwork Authenticitys has done (e.g. Airbnb). ‘Yet, how can we categorise this risk?’ Elena wondered. If you want to be part of the wave of change, you need to understand your strengths as an organisation and make sure you are able to position yourself within it. In fact, designing social impact experiences and measuring the impact and knowing how to sell these to different customer segments was what Authenticitys knew how to do probably better than anyone entering this market. So, the questions were what segments could Authenticitys continue to sell their products to, and how can they best support this transformation happening in the industry with their expertise? The travel industry will need to undertake considerable changes in the next years to keep itself sustainable and to create appealing products for the upcoming generations. The risk of the standardisation of experiences was a risk since they had already

³⁷ Irwin, T. (2015). *Transition Design: A Proposal for a New Area of Design Practice, Study and Research*. Design and Culture, 7(2): 229-246.

seen platforms having, as they offered thousands of experiences in a city. Authenticity's knew quantity is never better than quality. Cristina understood this is something that will continue to drive Authenticity's: "We have created and will continue to stand by powerful and unified message to design transformational experiences that have social impact at its core". And if one day they join forces with a larger company to bring tourism as a force for good, Elena was already drawing out the strategy to ensuring they remain aligned to the authentic and positive social change they wanted and have always brought about through their work.

The how to grow, to scale up, to cross the boundaries was one of the main focuses of the team at that moment. What was fundamental was that, whatever decisions were made Authenticity's needed to remain true to their model, and their social impact foundation. 'Usually a platform website grows by volume', said Sandra. 'It follows the typical kind of entrepreneurship idea of 'ok, this is an online business and this is how we scale it'. We put money and marketing and let's go baby. But this model of "gold", doesn't fit us', she insisted. So, rather than asking 'How do we scale fastest?' – and the usual answer for most is to 'rely on conventional financial markets, even if that prevents the original purpose' – perhaps the key then is to ask a slightly different question: 'what is an appropriate model for scaling an industry, a model that will actually make the world a more equitable and sustainable place?'³⁸.

³⁸ Sandra referred to Morgan's words: Morgan, S. (2017). *Real Impact: the new economics of social change*. Nation Books, p.92.

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