

Innovation matters


How being open to ideas
can make your organisation
more effective





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Introduction

Why read this

This guide offers a road map for innovation in the third sector: a practical guide to the why, the what and the how of innovation. It offers a challenge to assess how innovative an organisation is and finishes with guidance on where to go next.

It is acknowledged now more than ever that a culture of innovation can build strong organisations able to withstand volatile economic times.

Many think of 'innovation' as a buzzword only relevant to big charities or cutting edge technology companies. But the challenges faced by society and the pressure to do more for less, force all of us to reassess. Being enterprising and implementing good new ideas may be the best way forward for many charities struggling for funding in the coming years.

This guide explains why innovation is valuable and what it means to have an innovative culture, illustrated with examples from across the sector. It gives an understanding of when to innovate and when not to, never suggesting innovation for the sake of it.

It then challenges leaders and others to look at their own organisation and ask how they source and implement innovative solutions to the challenges they face. It provides practical tips on how to maximise innovative potential and advice on a way forward.

An organisation may be working well and not think it needs to change, but the guide identifies that even the things working well can be improved or used in a different context to increase effectiveness.

Words of warning to leaders: you may think your organisation is already innovative and you may be right, but bear in mind that an nfpSynergy survey found that whilst 70% of chief executives thought their organisation was innovative, only 20% of staff agreed. Do the Innovation Challenge at the end of the guide to discover if your organisation fits that profile.

Ask yourself:
Is innovation important?
Do others consider you innovative?



Section 01

Why innovation?

Innovation is crucial to addressing social challenges

As a society, we are facing ever bigger challenges: climate change, an aging society, obesity, pressures from immigration, an over-stretched prison system, demographic changes and more. Large cuts in public service budgets are forecast.

Intractable problems need radical solutions or they won't get solved at all. The charitable sector has a vital role to play in finding those solutions whether it be on a grand scale or at a local level.

Being innovative is a way to survive hard times

The recession provides opportunities as well as challenges: traditional sources of income are shrinking at the same time that demand for many services is increasing.

Innovation, whether it be solving major challenges or, in smaller incremental ways, improving an organisation's effectiveness, may well be a means to survival, giving a competitive edge where resources are finite. Being innovative enables organisations to do more with less, to be more efficient and more effective.

In this guide mini case studies illustrate specific points. One thing unites almost all the examples: they result in the charity becoming more effective either in raising funds or delivering services and support. This alone should be a powerful reason to find innovative solutions to the challenges faced.

The third sector can innovate...

The third sector has a long history of providing innovative solutions. Open University and NHS Direct are both ideas that started in the sector. More recently, the personalisation agenda has been pioneered by charities.

The sector can be much more nimble than its government counterparts and has the advantage of being mission-driven. Its position on the frontline provides more perspectives of service users, their needs, and their challenges.

It is this very exposure to the real world, particularly strong engagement and relationships with users, which serve as the best foundation for innovation.

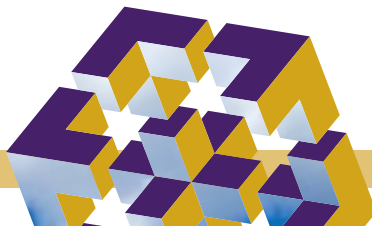
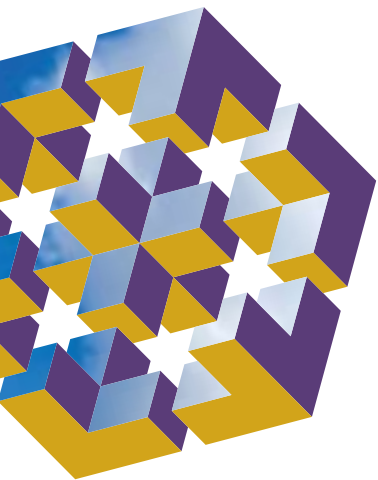
... but doesn't always

The responsibility of handling donated or public funds and the potential outrage if they appear to be misspent can create caution and stifle innovation. But in the current climate, the greatest risk may be not taking any risks at all.

A drive to become more innovative does not mean throwing out what works or innovating for the sake of it, but rather recognising that changing needs and environment require new ideas and ways of working.

Ask yourself:

What have we done recently that is particularly innovative?
What does an innovative organisation look like?



Section 02

What is innovation?

Innovation is 'a new idea that makes it'.

One simple definition of innovation is the 'successful implementation of new ideas'. This may sound like business jargon, but this phrase succinctly ties together the three key components that mark something as truly innovative:

- **New idea** – The idea must be novel in some way. This does not mean it has to be something radical and never-before-thought-of. There just needs to be some aspect of 'newness' about it, even if it is simply applying an idea which has been tried in one area to another.
- **Implementation** – The idea must be put into action. If an idea, even a great one, isn't made use of – it is likely to have little or no impact. Innovation is more than just a good idea; it is a good idea that is brought to fruition.
- **Successful** – If a new idea doesn't generate a successful outcome, then it doesn't quite cut it as innovation. However, the path to success will almost always be lined with a few (and perhaps many) failures. Failure should be seen as a step along the way that can be learnt from, and a key ingredient to innovation.

Innovation vs. creativity

Although these terms are often used interchangeably, they do have different meanings. Creativity is coming up with ideas. Innovation is making them happen. Creativity skills can be usefully applied at any stage in an innovation process although they are most commonly used in the early stages to generate ideas and identify new opportunities.

Innovation comes in all shapes and sizes

Innovation is not just limited to cutting-edge technology or radical social change. The chances are that your organisation is already demonstrating all kinds of innovations, small and large. While it is the big disruptive innovations like the development of the world wide web and the growing move towards e-books that get most of the attention, the daily ideas that improve productivity, reach new audiences, save time or resources, or simply make things easier for staff or users are all valuable innovations.

The idea doesn't need to be complicated: simple ideas are often the best ideas. An idea may seem so obvious that it is hard to believe no-one has done it before. But that doesn't make the idea any less useful. It may simply have been waiting for someone to act on it, transforming it from just an 'idea' into an 'innovation'.

Simple ideas that can bring big changes

The Charity wristband phenomenon

The Lance Armstrong Foundation launched its 'Livestrong' campaign for cancer survivors in 2003. In launching the campaign it had the very simple new idea of charity wristbands. They implemented it by selling yellow wristbands to supporters, worn to demonstrate their support.

The idea was phenomenally successful as it resonated with many other charities and for a time, it was commonplace to see multi-coloured bands adorning the wrists of a myriad of supporters including children, celebrities and politicians. Make Poverty History sold over £3m white wristbands and they now trade on e-bay as collectable items.

Work out if and where it's needed

An important first step in the journey to become more effective through innovation is to be clear where innovation is needed. Innovation for the sake of it is pointless, but where needs are not being met, or problems seem intractable, innovation may be the best way forward.

An organisation may need new ideas for:

- Fundraising
- Campaigning
- Working with volunteers
- New services or products
- New user groups
- Better organisational effectiveness

and a wealth of other things. Identifying where fresh ideas would add value to an organisation and identifying measurable outcomes for success, make it possible to focus on the innovation to solve it.

Example

A charity may have identified that it is not reaching its potential users as well as it might. Focusing on that and brainstorming internally and externally around it with the clear and measurable objective of increasing reach is one way to begin to solve it.

New ways to reach potential users

Women Like Us

Women Like Us is a recruitment agency and social enterprise with a mission to help women back into flexible employment after career breaks for children. Most of their potential users are at the school gates. Their new idea was to have school gates ambassadors implemented by recruiting from their network. This successful model brings hundreds of new clients to them each year.

Work out how it's needed

Intractable problems within an organisation or society that are not being addressed may need radical innovation. If everything already tried has not worked, there is not a great deal to lose, and could be a lot to gain, by trying something completely different.

Alternatively an organisation may want to do what it already does, but do it better or differently. Often a way to do this is to look around at other sectors. Success elsewhere, provided it fits with an organisation's ethos, can be adapted to reach a new audience or raise more funding.

Whatever the challenge, once it is identified where innovation is needed, a structured and strategic approach to sourcing and developing ideas is required.

Radical action to address intractable problems

Witness Confident

Charity Witness Confident wants to tackle the 'walk on by' culture that exists in Britain by staging mock muggings and encouraging people to intervene. It's an extreme solution and may not work but their argument is that nothing else is working so why not take the risk and give it a try. It's a radical new idea that they have implemented but it is too early to say if it is successful.

Using what works elsewhere in a new way to reach a new audience

Community Network and Conference Call Technology

Community Network is a small charity bringing people together in simple ways. Many older people are isolated and homebound. With the help of community network they can engage in book clubs through conference call technology. Their new idea was to use old technology in a new way. They implemented it and successfully reduced isolation amongst their user group.

Essentials

- Understand what is meant by innovation
- Decide where innovation is needed and what outcomes will flow from it
- Take a structured approach to innovating to meet the challenge

Doing what you do well but doing it differently

Rylstone and District WI and Leukaemia Research UK

Tired with the usual WI calendar, this North Yorkshire Women's Institute had the new idea of stripping off for their charity calendar. Implemented with strategically placed vases and bowls of fruit, 12 women of a certain age revealed almost all for good causes. They were enormously successful, raising hundreds of thousands of pounds for charity and their experience was turned into a celebrity-filled feature film and a West End play.

Doing what you do but doing it better

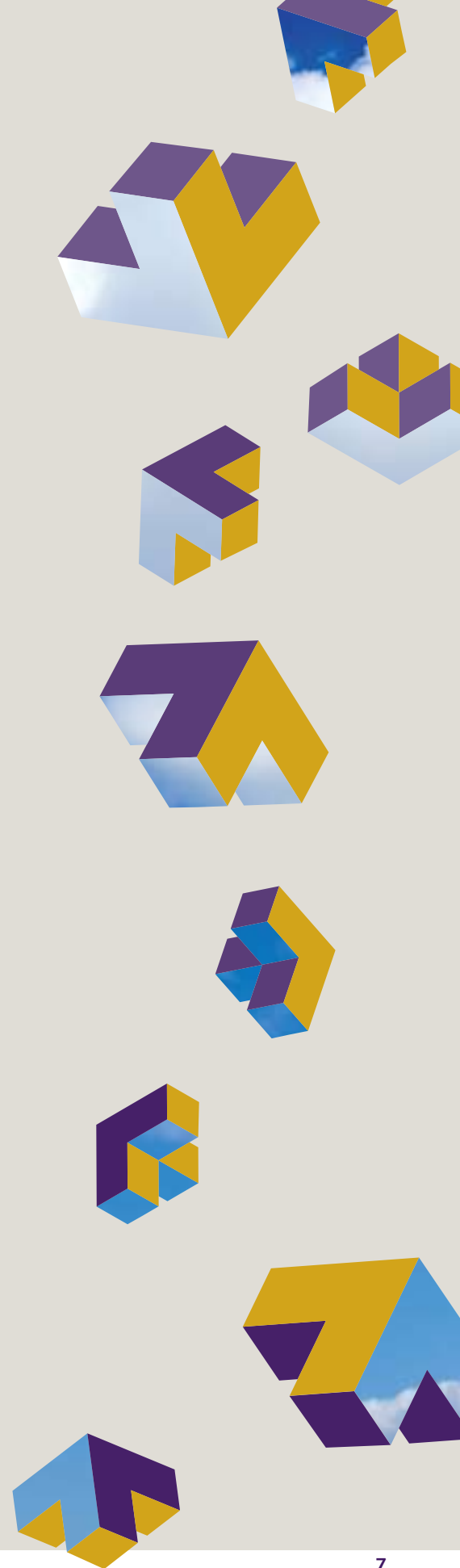
Save the Children

Save the Children thought they could get more out of their charity shops so they were one of the first to allow the BBC2 series Queen of Charity Shops (new idea) to come in and give them a revamp (implemented). Their openness to bold new ideas has seen their revenue increasing (success).

These are just some examples of different organisations choosing what to innovate around and successfully exploiting their good ideas. But good ideas emanate from an innovative culture, without that ideas will be squashed before they see the light of day.

Ask yourself:

What are the intractable problems facing your organisation? Could they be solved with new ideas?



Section 03

How do you get an innovative culture?

Good ideas can come from anyone and anywhere.

Innovation can be inspired by new challenges, new opportunities, new relationships, or ideas 'borrowed' from other fields. It can emerge out of a specific experience or a brainstorming exercise with a group of colleagues. It can come from a staff member, a volunteer, or more likely, through a collaboration of different people thinking and working together.

'Being innovative' is not a stand-alone activity. It is not an explicit function that belongs in a Department of Innovation. Processes and capacity for innovation should be integral to an organisation; innovation should be part of everyone's job remit, just as one might wish one's staff to be efficient, outcome-focused, or user-oriented.

This is unlikely to happen by accident: a culture of innovation is required.

An innovative organisation is a place where new ideas are valued and praised, where old ideas and conventional wisdom can be freely challenged, where innovative individuals are respected, and where failure is accepted and learned from.

Inculcating such a culture is where good leadership whether from chief executive, trustees or team leaders, can come into its own in creating a culture where ideas are encouraged, the best ones implemented, and there is a considered approach to risk taking.

Where do ideas come from?



Leadership to innovate

Values trickle down from the top. An innovative organisation requires leaders who value innovation and thereby permit others to do so. They must not just believe it; they must demonstrate it through their actions, the activities they support and the strategy they lay down.

Leaders of innovative organisations provide clarity of mission, but flexibility in the ways in which that mission is realised. They set the vision, but refrain from prescribing the details. They respond to ideas, evaluate them and implement those with merit. They understand the world they are operating in and are able to identify whether it is the right time for the idea.

Leadership involves more than just the executive team and team leaders: trustees also have an important role to play. As external influencers, trustees have the capacity – and responsibility – to question conventional wisdom and challenge leaders to seek out innovative approaches to fulfilling their mission.

Frequently chief executives, particularly of larger organisations, are distanced from the daily routines and challenges of staff and beneficiaries and there is a mismatch in perceptions. In one survey of the sector, nearly 70% of charity chief executives strongly agreed that ‘innovation is important to my organisation’, compared to only 20% of the general staff of those same organisations.

Leadership for innovation

Straight Talking

Hilary Pannack, CEO of Straight Talking, a peer education charity for teenage parents, employs four teenage mothers part-time. She values and encourages their insights and ideas and quickly responds to them. For example when some funding for victims of domestic abuse became available she did not think it would be relevant to her users but the teenage parents assured her that it would, leading to a whole new project and funding stream. All her 109 peer educators contribute to the development of the programme material which Straight Talking delivers in schools.

What should a leader encourage and support if innovation is to flourish?

Permission to innovate

People and teams need permission to try new things, permission to share ideas and information, permission to engage with users and stakeholders, permission to fail and permission to try again.

Many employees, particularly at larger, more hierarchical organisations, fear ‘rocking the boat’. Questioning conventional wisdom (a critical aspect of innovation) or things that are done ‘because they’ve always been done this way’ may be perceived to be acts of disloyalty or insurrection, placing such questioners at the top of the ‘potential redundancy list’. This is particularly acute during periods of economic hardship.

Innovative organisations create an environment where people are free to pose ideas for change, ask simple questions and even return to first principles. Doing so should not be viewed as criticism, but as opportunities for improvement and for the organisation to better fulfil its mission.

Permission to innovate

Beat Bullying

Beatbullying’s CEO Emma-Jane Cross argues that innovation is a process and not a requirement. She believes that a culture of best idea wins has been fostered at Beatbullying, where the entire team feel invested and empowered to bring ideas and solutions to the table. This develops and adds value to BB’s provision and mission but most importantly to BB’s responsibility to the children and young people they support.

Emma-Jane believes that innovation only works when it flows from the need to solve problems, and that it is a means to an end and not a prime mover. She adds that innovation for innovation’s sake can quickly undermine and destabilise a team and objectives, especially if it is not introduced in a collegiate, intellectually rigorous and transparent way. For Emma-Jane, even if something appears very risky, innovation has to be methods based and have clear evidence based potential outcomes or it will be seen by staff, stakeholders and to some funders as just an exercise in chasing the money or subject to the whims of an out of touch or isolated SMT, and thus likely to fail.

Space and time to innovate

In the 1940s, when Lockheed needed to rapidly develop a new jet fighter for the war effort, they created the Skunk Works – a small group of engineers working outside traditional organisation hierarchy. When attempting to inculcate culture change, particularly within a large organisation, a basic early step is to create a safe space to test and demonstrate new ideas or methods, without fear of failure.

Safe space can simply mean setting aside time for employees to be creative, as Google does with their 20% time. The objective is to create an environment or period in which employees are explicitly given permission to innovate. This is most productive if staff have a well-defined problem to solve which resonates with the organisation’s strategic mission.

Making Space for Innovation

Cancer Research UK

Cancer Research UK recognised that its core funding streams may not always be fruitful and committed to finding new funding streams. In their ‘Supporter Insights’ project they selected cross-departmental teams and gave them 16 days, over a few months, away from their usual work to come up with fundraising ideas inspired by supporter insights.

This approach capitalised on several elements that promote good innovation: space and time, working with people different from you, getting close to the frontline, and leadership buy-in.

It was successful in more ways than one: the teams came up with five exciting new ideas with potential; the individuals in the team learned a great deal about their organisation and supporters; and they increased their skills and motivation.

Acceptance of risk and learning from failure

Changing the status quo is a risky business and not everything will go right first time. Considered risk taking is an essential part of innovation. Reluctance to take risks is often the biggest barrier to anyone trying to do something differently within an established organisation. This is particularly acute within the voluntary sector where the price for failure can be grave: vital services may not be delivered, or others' resources misapplied.

However, failure is a natural by-product of innovation and experimentation. Often, in order to find out what works best, we need to learn about what doesn't work at all. Moving forward requires the occasional step back.

A healthy attitude towards failure and uncertainty is considered vital to an individual's – and an organisation's – capacity to create, innovate, and strive for achievement. Without an appetite for these, the potential of an organisation is limited.

A failure is only really a failure if the organisation fails to learn from it or persists with something that is not working for too long. Fail often and fast and preferably intelligently and cheaply by only taking considered risks in the first place and stopping as soon as it is clear the idea is not working.

Part of accepting failure is not just in trying new things, but also in recognising that some of the old things may not be as effective as they once were. It may be time to ditch them – stop working on the things that aren't working so that more time can be spent on the things that might work.

Taking Risks

Body Shop Foundation and Big Issue

When Gordon Roddick of the Body Shop Foundation was sold a paper by a homeless person in New York, he wanted to bring the idea back to the UK and develop it with a sustainable business model where the seller had to buy the papers and sell them on at a profit. His trustee board were sceptical especially when he suggested his old friend, ex-offender, one-time homeless person, John Bird ran the operation. The risks were enormous and the Foundation's investment significant but The Big Issue was born: it is still going 18 years later selling a steady 147,000 copies a week.

Failure

Case study: Finding case studies on failure is not easy as by its very nature few want to talk about it or own up to it.

One big charity tried to make changes to unprofitable charity shops with expensive consequences. They attempted to change the charity shops into card shops but it did not go down well with the volunteers who ran the shops or the public. One lesson from that is the need to work closely with volunteers and source ideas for change from them, recognising that they are, after all, the ones on the ground.

Another small charity sent out an innovative and beguiling little box in a fundraising effort. When it was opened, out sprung a golden bone on a concertina of paper explaining what they wanted and why. They failed to put the address where they wanted funds sent or to whom the cheque should be paid, potentially losing a great deal of funding. They will not make the same mistake again.

Getting the timing right

Leonardo da Vinci designed a helicopter that was never built – he was simply way ahead of his time. When assessing which ideas to implement, a good sense whether the organisation and users are ready for the idea is essential. It is important to determine if the idea is a good fit with the current ethos of the organisation. Some ideas – even great ones – may simply need to be put on hold until the time is right for change.

Waiting for your moment

Slivers of Time

Slivers of Time is an 'eBay for time'. Those who cannot work full-time are connected with those who need occasional work through a brokering website. The original idea emerged in the 1990s but is only just taking off now. This is the result of huge strides forward in technology, allowing the level of complexity required for the site; and the personalisation agenda, providing a demand for occasional workers.

Hitting the right moment

Brighton and Hove Wood Recycling

When Richard Mehmed saw a skip full of new plywood in 1998 he asked if he could have a sheet. He was told he could have it all and was astonished to discover that there was no wood recycling service. Looking for a career change, he set one up. Helped by tough new government recycling targets for the construction industry and the green agenda, he had hit upon a great idea at the perfect time.

A diversity of ideas

A diversity of people will bring a diversity of ideas. When teams or organisations work together and combine skills, they are more likely to result in an innovation. The lesson: collaboration is key.

Ideas will come from inside and outside an organisation; in particular, staff, users, partners, and from other fields altogether.

But ideas from others will not just arrive in the in-box exactly when needed. An organisation needs to be open to them, set up structures that elicit them and be prepared to evaluate them and implement the most viable.

Permeability of ideas within an organisation

Innovative organisations allow ideas to flow across and up an organisation, and do not allow vested interests to get in the way. Fluidity and transparency are valued, and managers are recognised for their ability to identify, promote, and propagate interesting ideas (and innovative staff) as well as create them.

While anyone can have an idea, and should be encouraged to do so, the challenge is to implement the best ideas, recognising the efforts of those staff who came up with them. This requires a strong lead: if staff witness good ideas being valued they will be more willing to put forward even better ones. The converse applies in that staff whose ideas are rejected out of hand are unlikely to come forward again.

'If you're not failing every now and again, it's a sign you're not doing anything very innovative.'

Woody Allen

Sending the message that ideas are valued by working across departments

Mental Health Foundation

Working with people you don't normally work with stimulates good ideas. This can be done just for fun to increase motivation or with a specific strategic goal in mind. The Mental Health Foundation held an 'Innovations Challenge' to stimulate cross-organisational working. Teams were picked at random across the organisation and were given a challenge six weeks before the annual away day. The challenge was to develop an innovative process or technology to support a person with a disability to gain greater independence. The challenge was so successful that staff got together and set up another Challenge with the goal of designing the best Christmas appeal. The winning idea was actually used for the appeal.

Working with users and volunteers

Perhaps the best source for innovation is those very people who will ultimately benefit: users, or those who are right on the front-line: volunteers. Some organisations are exploring how to work very closely with service users to inform the development of new or adapted services, a process that can be described as 'user-centred service design'.

In his book, *Democratising Innovation*, Eric von Hippel describes a user-driven model of innovation, in which users are invited to actively participate in the innovation process: identifying issues, creating new products or services, or exploring new ways of delivery or distribution. Users want products that are customised to their needs, and are frequently willing to tell a provider what they really want and how it should work. Innovative organisations create multiple channels to engage with their users.

Constant involvement with your users through the web

Enabled by Design

Enabled by Design is an online community working to challenge the one-size-fits-all approach to assistive equipment. A dot.org start-up, it crowd-sources design and offers a place where people can share their experiences, views and ideas, as well as recommend products that make their day-to-day tasks more manageable. There is constant contact between the innovators who monitor the site and the users who both benefit from it and develop its depth and breadth.

User-centred design

Alzheimer's Society

The Alzheimer's Society wanted to serve people suffering with the disease better and used an innovation consultancy, thinkpublic, to help them design a service. A skill-sharing workshop was held to train people with dementia in film-making and interviewing skills. This resulted in an emotional 18 minute documentary film. The investigative and co-design process resulted in a number of recommendations for improvement, including a Dementia Signposting Service, a Mentoring Programme for Carers and the design of a safe 'Wandering Garden'.

Embedding user-involvement in an organisation

P3

P3 is a VCO that takes innovation seriously and therefore actively values ideas coming from the frontline. It delivers tailored services to hard-to-reach people. P3 uses a model of '8 principles of user involvement', an explicit user charter and a user-involvement strategy. This enables them to be completely in touch with their users and able to benefit from their ideas. Users chair meetings and take part in recruitment and selection of new staff. They also review policy and help develop strategy.

Volunteers can be a rich source of insights and ideas that are often neglected and left untapped. In addition to providing ideas, energy and resources to an organisation, involving volunteers can give them a greater sense of ownership and commitment to the organisation and its objectives, and further reach.

Working with peers and partners

The sector is a competitive environment. Frequently, several organisations must compete for tenders or limited grants, or seek to address a particular need with alternative approaches. This environment may not appear to be conducive to collaboration. However, forming partnerships with other voluntary organisations that have a similar audience or remit can be an effective way of tapping into a wider set of ideas and skills.

Often, organisations within the same space may be facing similar challenges – pooling efforts can help unearth new ideas in a complementary, non-competitive manner.

When funds are tight, collaboration has a value not just in the new ideas and new ways of working it can bring but the potential cost savings in shared resources.

Some organisations are now looking at how they might make savings by working with their suppliers or collaborating with each other to share IT support and resources.

Working with complementary partners

SensAbility, Learning Links and Hampshire Deaf Association

The SensAbility project trains sensory impaired people to become advocates, mentors and advisers, helping other sensory impaired people access educational opportunities. It is run by two organisations with complementary skills: Learning Links, an educational charity and Hampshire Deaf Association (HDA).

'Successful partnership working ensures that the project has maximum impact and provides opportunities and support for sensory impaired people that would not otherwise be available.'
Julie Duffy, SensAbility Project Coordinator, Learning Links

Working with a group of agencies

Total Place Leicester

Leicester Local Authority is bringing all agencies together under one roof to deliver drug and alcohol services. This cuts out duplication, saves money and improves services. This is a pilot scheme with mainly public services agencies but it is a model from which charities could benefit.

Working with funders and commissioners

Funders and commissioners are ultimately seeking to deliver effective and efficient services and find solutions to challenging social problems. They share responsibility for building the sector's capacity for innovation. Outcome-based commissioning gives service providers much-needed flexibility to propose new and innovative approaches to addressing the core needs and achieving the desired outcomes. It also encourages more dialogue between commissioners and service providers and provides an opportunity to grow innovative ideas that might otherwise founder through lack of investment. The value of getting to know the commissioners and being involved in the contract design process from the start should not be underestimated.

Partnering with government department

RNID and Department of Health:
Modernising NHS Hearing Aid Service

The RNID recognised the huge demand and need for digital hearing aids and wanted them to be available to all rather than those who could afford them. They recognised that the bulk purchasing power of the NHS could drive the cost down. After a huge campaign, the RNID succeeded in securing £125m and managed the modernisation process hand-in-hand with the Department of Health: the first time a voluntary organisation had been asked to co-manage such a large project.

Few other charities could have such clout but providing strong evidence of need, lobbying for funding and co-management of projects has a broad application.

Commissioning for Innovation

Social Innovation Lab for Kent

Kent County Council (KCC) has taken a very proactive approach to commissioning for services that are actually needed. By being closely engaged with their citizens, they have developed services that are cheaper and more relevant to the needs of their users.

For example, The Daddy Cool project was set up in answer to the need of single fathers to have somewhere to go with their children to meet others. Without KCC's proactive engagement with the fathers, they would not have come up with the idea and probably have spent more on providing a different service that was not so valuable to the fathers.

Working with other sectors

Just as great ideas can come from users, partners, and peers, so they can originate from completely different sectors. Looking across disciplines and fields is one of the key features of innovation; there is evidence that the solutions which emerge from cross-disciplinary teams could not have arisen from within one of the component disciplines alone.

The third sector can be cautious about working with profit-driven companies but with the right partnerships, there can be results that benefit all parties and are for the ultimate good of the service user. The key thing is to find a good fit and shared ethos.

Private and third sector partnerships providing a better service to users

Serco, Turning Point and Catch 22

Social care charity, Turning Point, young people's charity, Catch22, and support services company, Serco, formed a unique partnership to rehabilitate offenders in response to the National Offender Management service. Employing over 40,000, Serco had undoubted clout and experience in gaining public service contracts but saw the benefit of what the charities could bring to the table.

The private sector is becoming more aware of the value of working with the third sector, not just as a way to pay lip service to a Corporate Social Responsibility agenda, but because of the very real benefits to them in staff motivation and employee engagement.

Gaining skills-gaining funds

Pfizer Skills Development Challenge and Action for Sick Children

Pfizer wanted to increase team motivation. Action for Sick Children wanted to fund hospital play boxes to help children adjust to hospital. The staff team from Pfizer were given a five-day challenge to raise money for and deliver play boxes to 23 hospitals. They raised £20k against a target of £7.5k, the staff motivation rocketed and the media profile of that charity was raised so significantly that they gained additional funding from Children in Need.

The evidence from other applications of interdisciplinary working (particularly in the sciences) is that this is not a quick route to innovation. It requires significant time commitment by the people involved – but the pay off may well be genuine 'transformatory' innovation.

Working across wildly differing sectors

Great Ormond Street Hospital and Formula 1 Racing

Doctors working in the intensive care unit at London's Great Ormond Street Hospital noted the speed and accuracy with which Formula One teams carried out pit stop procedures. They thought that F1 may have some insights into how to improve the transfer of sick children from the operating theatre to intensive care. The two teams got together and the improvements that resulted halved error rates.

Working with everybody

If an organisation is particularly bold, it may wish to open up its innovation process as widely as possible. A question or problem is broadcast to a broad audience. This audience – also known as the crowd – work together to explore ideas and create solutions. Sometimes rewards can be offered up to those involved in the solution; in other cases, the rewards may be kudos or intellectual satisfaction. Crowdsourcing may produce solutions from amateurs or volunteers working in their spare time, or from experts or small businesses that were unknown to the initiating organisation.

Collaborating with the crowd on and off-line

Open Ventures Challenge – Cancer Research UK

Cancer Research UK (CRUK) has worked with NESTA and collaboration experts mo.jo on an open ventures challenge. CRUK posted a challenge – to come up with new ways of funding the charity to generate £2m a year. Mo.jo created a website for the challenge, and CRUK drove social entrepreneurs and others to the site. Over 670 people joined the online community, hundreds ideas were put forward and filtered by the community initially online and then in real life events. After six months CRUK had three viable proposals to take forward with the potential to generate millions of pounds.

Innovative culture essentials

If an organisation is to become more innovative and benefit from all that may bring in effectiveness and survival, it must operate within an innovative culture. In essence, a leader wanting to sustain an innovative culture must:

- Be open to ideas from any source
- Allow staff space and time to develop ideas
- Be willing to take considered risks
- Accept and learn from failure
- Be open to working and collaborating with others whoever they may be.

As it is easy for many leaders to think they succeed in this whilst their staff may have a different view, honest self-assessment is essential.

Ask yourself:

What's holding you back?

'An established company which, in an age demanding innovation, is not able to innovate, is doomed to decline and extinction.'

Peter Drucker



Section 04

Who is innovative?

The innovation challenge

Understanding that by being more open to ideas you can be more effective, you will want to identify how innovative your own organisation or team is and what steps you might take to move forward.

Complete the Innovation Challenge and find out.

How to approach the Innovation Challenge

You will require two copies of the Challenge.

- 1 Set aside at least an hour after you have had time to digest the first part of the paper.
- 2 Choose a partner. A leader whether CEO or team leader should partner with someone at a different level from them. Although any pairing can engage in the challenge, if real change is envisaged, at least one of the participants must have the power to take executive decisions either at team or organisational level.
- 3 Answer each question before the meeting, rating on a scale of 1-5, where 1 is the highest rating and 5 is the lowest.
- 4 Ask each other the questions directly in turn at the meeting. Think carefully about your answers; challenge yourselves to be honest with each other; and then discuss.
- 5 Come back together a week later and decide what steps you are going to take. Suggestions of what you might do to get the ball rolling follow each question. These suggestions are by no means exhaustive.

The Innovation Challenge:

Take a good look at yourself

Do we have a culture of innovation?

1 2 3 4 5

- Survey staff to find out how they perceive the organisation and its attitude to new ideas.

Is risk accepted and failure learned from?

1 2 3 4 5

- If things don't work, senior leaders should be public about it and announce lessons learned

Does our mission align with our outputs, and vice versa?

1 2 3 4 5

- Look at exactly what you are doing and be sure it meets with your mission.
- Ask yourself if there are any gaps in your provision that need new ideas to fill them.
- As part of the strategic planning process, include an explicit innovation stage: identify common assumptions, and then question them; discuss other organisations (from all sectors) that the team admires and why; identify pain points and brainstorm ways to alleviate them.

Do we have mechanisms for staff (and others) to submit innovative ideas?

1 2 3 4 5

- Establish a process for staff to submit ideas for new services, internal processes, organisational changes and partnerships, etc. Make the process as transparent as possible, enabling others to view and comment on the ideas (and perhaps work collaboratively to refine them).
- Use such processes to allow people to identify and discuss issues and challenges – frequently a precursor to innovation.

- NB: Any such system must not simply be paying lip service: there must be relevant and timely feedback, and adoption and recognition for only the meritorious ideas.

Do our executives and managers have responsibility for innovation?

1 2 3 4 5

- Consider giving responsibility for innovation to a respected member of the executive team, backed up by some creative leaders within the organisation. Although this is a short-term step (remember the objective is for innovation to be part of everyone's job), it can be a straightforward way of getting the culture change ball rolling, and establish the means to roll out other components of an innovation programme.
- Consider creating innovation goals for each member of your management team (and even staff).
- Set aside regular 'open-door' time for staff to discuss issues or ideas.

Have we created a safe space for innovation?

1 2 3 4 5

- Consider creating a virtual Innovation Lab. Select a mix of employees (it is important to combine old and new, conservative and creative, management and front-line) to spend time in the Lab to develop and test new ideas of their own.
- Seed the Lab with a specific challenge facing the organisation or its stakeholders, such as finding new revenue sources, or making new use of existing assets.

Do we allow time for innovation?

1 2 3 4 5

- Set aside days for staff to work to solve some specific issue in cross-departmental groups

Do we allow for flexibility in carrying out tasks and achieving objectives?

1 2 3 4 5

- Be clear about the goals that the organisation needs to achieve, but leave room for staff and volunteers to decide the best route for achieving those goals.

Look around for ideas

Do we engage with our users and partners?

1 2 3 4 5

- Create formal mechanisms to engage with your users and partner community.
- Create a User Advisory Board with in-person meetings, minutes, actions, and follow-up.
- Hold a retreat or workshop with key users and delivery partners, facilitated by an innovation expert, to explore specific challenges and develop new ideas.

Do we learn from others?

1 2 3 4 5

- Look around for organisations from other sectors that you could learn from, and who could learn from you
- Think about organisations that you admire, and whether there are lessons learned that can be applied to your organisation:
 - How do they deliver services?
 - Are there activities that can be done more effectively through partners?
 - What are the new business models? How do they generate revenue?
 - How do they organise themselves? Where is value created?
 - How do they engage their service users, donors and suppliers? How do they interact with their competitors?
 - How do they use technology inside their organisation, and outside?
 - How do they market? What gets them the biggest bang for their buck?
- Consider whether there is a project of mutual interest you might work on together

Do we network effectively?

1 2 3 4 5

- Encourage your staff to network with peer organisations, and in formal networking bodies. If none exist, then create one.
- Make use of independent umbrella bodies to meet peers and exchange ideas.
- Make use of online fora to share best practices, drive others to them. The innovation community is defined by collaboration. The more you participate and offer, the greater the returns.

Value and measure innovation

Do we have ways of explicitly recognising and rewarding innovation?

1 2 3 4 5

- During weekly management sessions or periodic staff meetings, solicit suggestions for the 'week's best idea' and the 'week's most interesting mistake'. Recognise those that contributed the former, and those that best learned from the latter.
- For particularly noteworthy or impactful innovations, make sure that the innovators are rewarded in a way commensurate with the impact they've made. Reward does not, and maybe should not, need to be financial – recognition, celebration, appreciation and perhaps ownership are just as important.

Do we have the data to know when ideas are or are not working?

1 2 3 4 5

- Trial new approaches on a pilot basis before rolling them out to others.
- Decide before you start the pilot what it will need to achieve for you to agree to continue or extend it. Be clear and be firm about the kind of performance that would mean the idea is not continued after the trial performance.
- Be as accurate and specific as you can in deciding your targets and KPIs. Define the outcomes you want to achieve, and identify indicators for those outcomes.

Are we measuring our innovation activity?

1 2 3 4 5

- In addition to measuring your outputs and outcomes, also identify useful measures for your new internal innovation activities.
 - Are people submitting ideas? Are they commenting on them?
 - Are senior executives involved and providing timely feedback?
 - How many services offered by the organisation have been created within the past couple of years?
 - How often are users involved in innovation?
 - What is the level of satisfaction within and outside the organisation?
 - Is the organisation perceived to be innovative?

Are we sharing our findings?

1 2 3 4 5

- Document and share your outcomes, both successful and not. Remember that when trying something new, even when your results are not as effective as was hoped or expected, this is not necessarily a failure. This type of result is useful to the sector as a whole. If your organisation is sensitive to releasing 'negative findings', find an amenable intermediary organisation to disseminate the findings

Explore new tools for innovation

Are we complementing our in-person interactions with new media to engage people?

1 2 3 4 5

- Look at how other prominent organisations are using online social media to better engage their users or partners. These could include popular tools such as blogs, Twitter, Flickr, Facebook, and YouTube. Are users encouraged to contribute their own ideas and content?
- Experiment with tools such as Huddle to help you collaborate within your organisation and with partners.
- Think about your relationship with your volunteers, and their relationships with one another. Are there opportunities to use social tools to reinforce those connections and make better use of them? How might you use social media to better empower your volunteers to deliver services, raise funding, and extend your brand?
- Talk to your users about if and how they use computers and online tools. Consider experimenting with online approaches to delivering services, where appropriate.

Are we using tools to identify great ideas?

1 2 3 4 5

- Investigate the growing category of tools specifically to support innovation processes within and across organisations.
- Explore some of these tools, and how they are being used within the private sector, the government, and other voluntary organisations.
- Select a tool that closely matches your needs, and pilot it as part of your innovation strategy.

Ask yourself:

What can I do today to help unlock my organisation's innovative potential?

Section 05

Where next?

For those wishing to explore innovation further, there is a wealth of information available on the web. Much of it is directed at, and more relevant to the commercial world, however there is a growing body of material on innovation in the public sector and the third sector. It is impossible to give an exhaustive list in this guide but suggestions of where to start follow.

Further reading and websites to visit

nfpSynergy published Innovation Rules – 2004: This report looks at attitudes to innovation in the third sector and aims to give charities a greater understanding of what innovation can do for them. There are other free reports available on the site that may be of interest. nfpsynergy.co.uk and follow links to free reports.

NESTA (National Endowment for Science and the Arts) has the mission to make innovation flourish in the UK. There is a mass of information, case studies, and reports on their site. Use the search on the site to find out more about what interests you. Start with 'In and out of Sync' 2007 and 'The Innovation Imperative' 2009. nesta.org.uk and search within the site.

The Young Foundation supports social innovation and finds new and better ways of meeting unmet needs. They offer a number of free downloadable reports on a range of innovation related topics. Look out for the 'How to Innovate: the tools for Social Innovation' (work in progress at time of writing). youngfoundation.org and browse the site for reports that may be relevant to you.

The Innovation Unit. An intermediary for public services supporting innovation in schools, third sector and local government. The site includes publications and toolkits and information about innovation with an emphasis on education. Innovation-unit.co.uk

Department of Business Innovation and Skills. Naturally information available from this department is targeted at the private sector but their '60 Minute Guide to Innovation' and self assessment tools are worth a look. berr.gov.uk and follow links to 'Innovation' and 'Benchmark your Innovation Performance'

Demos published Getting More for Less: Efficiency in the public sector – 2009: A pamphlet arguing that the public sector will best meet needs by focusing on effectiveness. demos.co.uk and follow links to publications

The Showcase of Fundraising Innovation and Inspiration: is a website packed with innovative fundraising ideas and a comprehensive, archive of fundraising creativity from around the world. sofii.org and sign up for their updates

Social by Social. A practical guide to using technology to deliver social impact. socialbysocial.com

Sticky Wisdom is a step-by-step guide on how to start a creative revolution at work, by innovation consultancy, ?Whatif!

We Think explores how the web is changing our world, creating a culture in which more people than ever can participate, share and collaborate. www.wethinkthebook.net



'He that will not apply new remedies must expect new evils; for time is the greatest innovator'

Francis Bacon



Newsletters and blogs

To keep up to date with what is going on there are any number of e-newsletters and blogs you can subscribe to. You may like to start with one or two of the following.

Social Enterprise Coalition is the UK's national body for social enterprise. socialenterprise.org.uk and sign up for newsletter

The Stanford Social Innovation Review offers strategies, tools and ideas for the sector. Naturally it has a North American bias but it is valuable to know what is going on in other continents. ssireview.org and subscribe to newsletter

Third Sector magazine has a daily bulletin and searching their site for articles on innovation will provide up to date information on current thinking. thirdsector.co.uk and search within the site, sign up for the daily briefing

Social Effect blog – One of many innovation blogs with ideas, help and advice on developing social enterprise. social-effect.blogspot.com

Networks and tools

Those wanting to find out what the word on the ground is on innovation may wish to join an innovation networks. A number of online services and applications have also been created over recent years to help organisations gather ideas from within their organisation, or more broadly from outside stakeholders.

UnLtd World. An extensive site helping connect those with good ideas to people and resources that may help them unltdworld.com

Innovation Exchange. Where ideas can be put forward and others in the network can feed back on them, part of the Innovation Unit (above). innovation-exchange.org

Social Innovation Exchange (SIX). A global community for social innovation. socialinnovationexchange.org

Uservice. One of several sites, aimed more at the commercial world, this site allows customers to vote and comment on ideas but there is no reason why a charity with a good idea should not use it to get feedback. uservice.com

NetSquared provides opportunities for those involved in creating social change to connect. netsquared.org

The Hub, with several locations in London and globally, provides both space as well as a network for social innovators. the-hub.net

Huddle, a provider of an online collaboration platform, provides free basic accounts to registered charities. huddle.net

Ideogoras – In their book *Wikinomics*, authors Don Tapscott and Anthony Williams describe ideogoras – or marketplaces for ideas. A list of some ideogoras can be found at crowdsourcingdirectory.com

Tools – Another comprehensive site listing various tools for innovation and creativity can be found at innovationtools.com

Funding and support at the outset

Anyone can have an idea but not everyone can get that idea off the ground. A common cause of complaint is that charities cannot get funding for new ideas or can get them piloted but are unable to scale them up. However venture capital for the sector is a growing area and part of being in an innovative culture is being innovative about funding.

The Social Investment Almanac

offers a wealth of information and ideas socialenterprise.liv.ac.uk/resources/supplements

Funding Central offers access to information on thousands of funding and finance opportunities. Some trusts and foundations are particularly well positioned to fund new ideas such as The Tudor Trust and Esmee Fairbairn Foundation. fundingcentral.org.uk

Social Philanthropy: There are also a growing number of social philanthropists open to funding unusual proposals, often in a dragon's den type scenario for example, the Funding Network which brings together interested people with catalyst charities at special events to create social change.

Future Builders: The £150 million Futurebuilders fund which invests in third sector organisations wanting to deliver public services however, like any funding, there are strict eligibility criteria.

Social Innovation Camp: An organisation with an idea that needs software would do well to consider SI Camp. It brings together programmers with social innovators at week-end competitive 'camps'. They work together to build actual online prototypes and tools. Winners receive funding and continued support for their idea. sicamp.org

The Innovation Unit – Next Practice, The Young Foundation, and UnLtd (all referred to above) recognise the need for support as well as funding. For those who fit their eligibility criteria, they offer staged funding and business support along the way.

Consultancy

If you are clear what you want to innovate around and have the funds to do so, you may wish to consider innovation consultancies. These help organisations of all sectors and sizes improve their capacity for innovation, and make better use of new ideas.

Some of these may be more appropriate than others for your needs, some specialise in social and public sector innovation. A few prominent UK consultancies include ThinkPublic, LiveWork, ?WhatIf! and Innovaro.

NCVO and Innovation

While innovation may be regarded as an amorphous or 'trendy' topic, it offers genuine, tangible benefits to third sector organisations. NCVO is committed to supporting the sector to build its capacity for innovation in the face of significant societal, environmental and economic challenges.

For many, a full-service innovation consultancy might be more than you need or can afford to start with or the range of information available may be overwhelming. NCVO Innovation would be happy to talk to organisations about their particular needs and advise on the best way forward.

For more information

www.ncvo-vol.org.uk/innovation
www.ncvo-vol.org.uk/consultancy

'I am aware that success is more than a good idea; it's timing too.'

Anita Roddick



Mitch Sava, Virtuous Circle and Katherine
William Powlett, NCVO Thanks to Katherine
Mathieson. November 2009

The Sustainable Funding Project

Website: www.ncvo-vol.org.uk/sfp

Tel: 020 7520 2519

Email: sfp@ncvo-vol.org.uk

NCVO Innovation aims to raise awareness of the value of innovation and offers related tools, training, events, case studies and other resources.

For more information visit ncvo-vol.org.uk/innovation or call 020 7250 3162

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