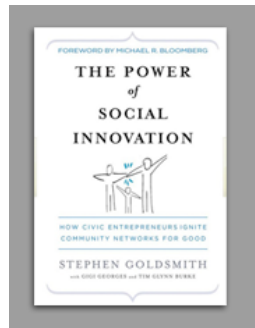# Innovator's Toolkit

1. Identify the Problem You Will Address

You are committed to making real change in your community or in your field of work, but where do you start? Your first step is to identify and describe the problem you are trying to solve and understand why it persists.

2. Rethink Your Community's Current Approach

Although countless individuals now labor tirelessly on meaningful efforts in education, health care, child welfare, youth development, housing, economic insecurity and poverty, public safety, and more, few communities have enough to show for their collective efforts.

Real progress on the issue you are passionate about is invariably blocked by the current problem-solving environment that stifles innovation and improvement. As a result communities are stuck attacking ever-changing problems with stagnant solutions that are decades old.

There is a government program for every imaginable problem, including your issue of choice. Yet as you well know, too often they fail to meet the needs of the people they seek to serve. Ask yourself:

- Does the social system in which you work allow too little space for improvement?
- Does it suffer from a lack of meaningful focus on measurable results, rule-bound funding and a deep-seeded aversion to risk?
- Has your local system been infected with a "curse of professionalism" which causes providers (despite the best of intentions) to assume they know what is best for citizens who receive services without asking what works for them?

You are not alone. In many of today's bureaucracies, technically proficient professionals design solutions for other people. We have shut communities out of determining much of their own progress while simultaneously lowered expectations for individual potential and responsibility. We have encouraged and increased a dependence on government that stifles upward mobility.

The problem you are addressing likely has a long legacy of good intentions dating at least as far back as the early 20th century. At that time, the Progressive era brought promises of efficiency and effectiveness—and got its start by transforming local governments to end the culture of patronage, nepotism and corruption that preceded it. In fact, the Progressives' move to formalize procedures and professionalize government through rule-based bureaucracy was seen as a critical innovation in its time.

Many of the rules you bump up against today were valuable 100 years ago in protecting citizens and taxpayers. Whether you work inside government or out, there is no denying that this legacy has steered government to a place that is unpopular and unsustainable. We have inherited a system that gets the balance wrong between what government must do to guarantee health, safety, and performance and what government too often does—over-prescribing activities and limiting individual initiative.

It is no easy task, but to see results on social issues like the one you are working on will require social systems that are wired differently. Adding additional urgency is the fact that today we need social delivery systems that meet the needs of two 21st century realities: dramatically rising demand and rapidly diminishing resources.

3. Scan the Landscape for Opportunities

Having articulated your issue and committed to a system-level approach, what to do next? You will want to acquire the insight, experience, and data necessary to unearth the missing ingredient that would trigger drastic improvements inside the social delivery system built up around the issue you are addressing.

There are many methods for assessing and scanning your local landscape for opportunities for the most effective intervention. Below are brief descriptions and tips for carrying out four possible processes of discovery:

Civic Discovery
- Survey the institutional assets in the community—service providers, faith-based, community groups, small businesses.
- Start with those closest to the daily work, like frontline nonprofit and city employees.
- Use asset mapping as an opportunity to build rapport with local civic leaders.
- Include in planning key non-institutional assets like family and social networks.

System Discovery
- Explore the relationships among actors inside the system, including barriers to entry.
- Assess level of competition and ability of strong outside talent to break through, asking whether funding is overly prescriptive and monopolistic.
- Evaluate whether and by what measures strategies are deemed successful.

- Determine if the system creates enough room for innovation.

Personal Discovery
- Discover an intervention through listening, close observation, and personal experience.
- Use this process to identify what drives individual issues and challenges.
- Design highly nuanced responses.
- Find innovators excluded or marginalized by the larger social policy actors.

Predictive Discovery
- Utilize decision-support or predictive-modeling systems to discern solutions in data.
- Mine new and existing data sets to find trends and predict future needs.
- Look to future data mining and analysis for more personalization.
- Learn from examples in health care predicting referrals and reducing patient error rates.

4. Craft Your Intervention

Social innovation is different from traditional technological innovation. Transformative innovations are not only new tools or software programs; they aim to catalyze changes that dramatically lift performance across the system. The goal is not simply to replace the outdated with the innovative, but equally often to add a missing ingredient that ignites drastic improvements in programs and other assets already operating in the community— innovation as catalytic ingredient.

After completing the discovery process and identifying your best intervention points, you can choose several ingredients that will make the system itself perform better. We found four categories of such ingredients, which you might also think of as four different categories or types of innovation: civic realignment; technological glue; filling the management gap; and new pipelines for community engagement.
Below are descriptions and helpful tips related to each:

Civic Realignment
One of the great assets of a civic leader is the ability to call people together to address an issue. Simple discussions can lead to new relationships and to new results when people discover the work and potential of others addressing the same issue. As an innovator, you might choose to drive value through a delivery system by organizing the players and their relationships differently.

- Engage in an early civic or system discovery process.
- Capitalize on a high-profile development or event to build broad-based support.
- Engage other actors, including providers, funders, and business, community and government leaders to serve as partners.
- Use credibility to take on the status quo and create a culture of collaboration around shared goals.
- Force realignment through focus on proven models and metrics.

Technological Glue
You can use the understanding you gain in a discovery process to design a technology that unleashes potential within specific elements of the system. This form of innovation is especially powerful when used to enhance the relationship between field workers and clients. Remember that adoption of cultural change needed for new technologies (and corresponding assumptions or beliefs) is a social process based on shared meaning that requires both support and pressure. To make the most of technological glue, you might:

- Identify the inflection point for infusing technology as a catalyst for change.
- Design a technology to unleash latent potential within of the system; e.g. optimize relationship between field worker and client.
- Work closely with users to integrate technology into daily routines.
- Seek feedback to refine the technology as it is utilized.

Filling the Management Gap
Good management can be the missing ingredient that turns a mediocre social service response into a dramatically effective one. If you are oriented toward better management, you can partner with existing providers to help improve their management. Another approach is to take over an existing organization and use management expertise to turn it around.

- Become the management answer that turns around an existing organization.
- As incumbent provider, find management partner who will share resources, knowledge and talent.
- As consultant, match skills with provider to help build capacity for transformative impact.

New Volunteer and Donor Goodwill Pipelines
Established institutions, whether inside our outside government, are not the only or the primary forces driving transformative change. Rather, one of the best sources for improving people's lives comes from within individuals them-

selves. We see this in various forms, starting with citizens taking greater re-
sponsibility for their own upward mobility and success, and extending out to
individuals who step up to volunteer their time, talent and energy to help build
stronger communities. In crafting solutions to tough policy problems, you
might determine that the immediate need is to recruit and mobilize more cre-
ative and compassionate people into a delivery system.

- Identify an unmet need and/or untapped good will.
- Unleash people's energy with activities they find meaningful and produc-
  tive.
- Harness and direct the reservoir of goodwill and talent toward making a
  real impact.
- Bridge barriers as matchmaker, navigator and/or informational guide.

Remember that you don't always need to reinvent the wheel. Some of the best
innovators identify and support exceptional successes from both within and
outside their own communities. You can incubate innovation by helping grow
the best programs already succeeding in your communities. Or you can study
the nation for best practices being used elsewhere and import new expertise
into your organization or community.

5. Navigate Between Collaboration & Disruption

Having crafted your intervention, the next step is to execute. Implementation
might start on a small scale, but a true breakthrough requires the growth of an
innovation from the margins to the mainstream. To achieve this growth re-
quires attracting resources and partners from across the system, but it also re-
quires disruption of that same system.

Disruption
It takes forceful action to break through the inertia of systems that have at-
tracted powerful constituent groups but fall short in serving citizens' needs.
The constraints and barriers facing the local innovator include:

- Lack of market discipline to clear out the old and to incent innovation;
- Government funding is overly prescriptive and silo-ed;
- Rules & red tape bias established over new providers;
- Opposition from incumbents and their sponsors;
- Political expediency & momentum drive funding decisions;
- Aversion to risk & fear of failure; and
- Concern over adapting innovation to local context.

Disruption often includes:

- Repurposing dollars to a new technology or program model
- Outside strategic partner that catalyzes dramatic systemic and cultural shifts
- New pipelines for volunteer or donor goodwill

Collaboration
At the same time, successfully growing an idea from the margins to the mainstream requires coordination across sectors; government should not try to solve all problems alone while the nonprofit sector relies on government's resources for scale. The private sector—both in the non-profit and for-profit realm—can often provide the skill, flexibility, creativity and market discipline that is missing from government. By opening itself up to meaningful partnership with other sectors, government improves its own capacity and the people benefit. Effective innovation also requires collaboration with "clients" to capture their voice and to increase expectations for individual potential and responsibility. Collaboration could refer to:

- Public-private (non-profit and for-profit) cooperation
- Integration of philanthropic dollars with public dollars with a coordinated focus on meaningful metrics and results
- Working across organizational boundaries
- Realignment of existing actors inside a social system

You will need to navigate between the importance of improving cross-sector and cross-agency collaboration on one end, and the need for a break from business as usual on the opposite end.

6. Balance Top-Down & Participatory Approaches

As an innovator, you will also have to navigate a second tension. Rather than finding the right balance between collaboration and disruption, this tension requires both exercising executive leadership and responding to the public will.

Mayors in particular have many assets at their disposal to encourage a culture of innovation within city government and beyond. They can use the bully pulpit while providing protection to the reformers they've unleashed across the bureaucracy. Yet we have seen examples where executive level leadership that is poorly communicated, detached from constituents, and does not engage the community in identifying priorities and creating solutions has failed.

Top-Down

The top-down end approach represents a strong executive leadership model that relies on such tools as using the bully pulpit to elevate a reform agenda, driving new policy or rule changes, and challenging incumbent interest groups.

- Executive-level leadership
- Use the bully pulpit to elevate reform
- Drive new policy or rule change
- Challenge incumbent interest groups

Participatory

The participatory approach is more inclusive and is characterized for example by mechanisms for securing and incorporating client feedback, parent meetings, town halls, use of digital media to invite participation, and partnership with neighborhood organizations. It involves responding to public will—whether it is for change or the status quo.

- More inclusive, grassroots or bottom-up
- Incorporate client feedback
- Host parent, town hall and other meetings that encourage citizen voice
- Use digital media to invite participation
- Partner with neighborhood organizations

Any innovation or reform effort could place itself along both dimensions: disruption versus collaboration and top-down versus participatory. But over time, one might shift strategic approaches along and across each axis. The challenge is to find a balance that works best for the local environment and circumstances, and to be willing to make shifts as the need arises without compromising one's overarching goals.

7. Expect More Individual Responsibility

Another important strategy for the social innovator is based on an understanding that progress requires citizens to move from passive recipients of public services to active participants in civic life. As an innovator, you can do this by giving citizens—as clients—a greater voice in determining and evaluating the services they receive. As important, ensure that these same individuals are included in both identifying problems and in solving them.

Below are some relevant tips and tools at the innovator's disposal:

Replace patronizing systems
- Don't assume those seeking assistance will always be in need.
- Give citizens choices and hold them high expectations.

- Ask for feedback on services and take that feedback seriously.

"Client" Choice
- Allow choice to promote greater personal responsibility and engagement.
- Promote competition to incentivize and enforce quality.
- Address challenges of choice programs, especially in education.

Curing the Expectation Gap
- Raise expectations for individual lives and the communities in which clients live.
- See the potential in individuals that can be fulfilled once barriers are re-moved.
- Leverage the power of social networks of family and friends.

8. Open Space for New Ideas

As mentioned above, there are any number of <u>constraints and barriers</u> that any innovator is bound to face in starting and then growing a new approach. You can see that these challenges are found at both the organization and city level. They are as likely to be analytical and administrative in nature as they could be political and social.

Public and private sector leaders alike can open the doors to innovation and re-form by making space within an entrenched delivery system or organization. Here are some ways that have been shown to work:

Break down protectionist barriers
- Government has an important role in enforcing safety and quality stan-dards, but measure all rules against both their intended and unintended costs.
- Proceed cautiously when regulating inputs that narrow offerings; limiting competition can limit quality.
- Support informed consumers and separate the "make or buy" decision.

Build the political and community will for innovation
- Provide the financial resources for "social" R & D.
- Secure the civic leadership to face opposition and overcome risk aversion.
- Identify and publicize barriers to ripen the mandate for change.

Level the playing field for new or outside providers to compete
- Eliminate unnecessary rules that prevent small providers from entering system.
- Utilize intermediaries to reduce administrative burdens and barriers.

- Fund capacity building so smaller providers access regular procurement streams.

Identify and invite in exceptional innovators
- Identify and incubate local exceptional actors (positive deviants).
- Import new expertise into the organization or community.
- Sunset or require performance measurement to begin making space.

Force a cultural change across the entire organization or bureaucracy
- Go where the money is; identify gatekeeper agencies and departments.
- Use authority to ensure all agencies or actors embrace innovation and encourage new cooperation.
- In procurement, reduce start-up costs and do not shift all risk onto providers.

9. Advocate for Success

You should expect that traveling down this path to solutions that transform the system and bring measurable results will generate an enormous amount of highly focused and intense opposition to your efforts.

Without an engaged and supportive general populace to counter the inevitable opposition, serious reform is unlikely. In a democracy little can compete with an engaged public in helping the political benefits of innovation outweigh the costs.

Below are some strategies for animating the public around your innovation:

Tapping into a Shared Identity
- Activate citizens by tapping into a shared goal or interest.
- Meet people where they are—such as a school or place of worship.
- Mobilize families around the notion that something is wrong by showing something right.

Building Trust and Commitment
- Solidify reputation for reliability; creating infrastructure and a service model.
- Give the activated group tools and direction to build broader public sup-port.
- Hold elected officials accountable.

Animating the Face of Change
- Build broader public support by capturing the voice of those most affect-ed.

- Amplify voice by demonstrating something tangible around which citizens will mobilize.
- Shine a light on poor performance and ineffective processes.
- Understand both your audience and opposition.

10. Leverage Social Media

To rethink and rebuild the way we deal with social problems, you will want to engage citizens as catalysts for social change—whether as clients, community members, or fellow entrepreneurs. There are a number of important opportunities for digital media to help build citizens' capacity for self-organization and for community problem-solving and to help grow the most exceptional providers.

First, social media tools increasingly allow you to mobilize your fellow citizens in a way that grabs the attention of government and service elites. Imagine citizens virtually marching on city hall. We saw this when Ashton Kutcher and Kevin Rose asked their two million Twitter followers to demand a response from elected officials about ending malaria.

You can also use social media to produce opportunities for creatively constructing a new model of citizen participation. These tools not only change how advocacy efforts occur but also fundamentally democratize news gathering and reporting, following a trend of devolving control over information from authoritative experts to citizens.
A third opportunity provided by social media is in activating citizens who could pressure funders to redirect underperforming resources toward higher-value solutions. Such pressure comes, for example, when community-based reporters or bloggers comb government data, make sense of them, and broadcast the information to force change. In this case, mobilizing citizen demand for transformative social progress via social media requires that you access and make available performance and financial data in the hopes that an engaged community that will post reactions.

Finally, because a third party and not the client pays for social services, citizens have little voice or choice in what services they receive. In effect, there is no market discipline if customers can't "vote with their feet" if a provider does not perform. Consider efforts that use digital media to secure this type of feedback, for example a platform like ratemyprofessors.com, Angie's List or Yelp for rating social services.

Opportunities to leverage social media include:

- Provide new, attention grabbing ways for individuals to mobilize fellow citizens.
- Devolve access to information from "experts" to citizens.
- Gain access to and post providers' performance and financial data.
- Capture and organize citizen feedback.

11. Focus Your Dollars on Results

Yours and other social innovations that show results will be sustained when dollars and other resources flow to what works, not to the most politically savvy or connected. In an ideal world, public agency and philanthropic funders would be less impressed with the ongoing efforts of good-hearted nonprofits and more willing to make the difficult decision to repurpose dollars to what works. When dollars flow to what works, providers will be forced to trade their good intentions for performance.

Below are a series of questions and follow up steps to help guide a new focus on measurable results through a community or organization:

What public value are we purchasing?
- Avoid incentivizing the behavior you're addressing; taking preventive action instead when possible.
- Compete out services that put client and services first.
- Repurpose dollars and convince others to do the same; creating a new market for better services.

Are the funded activities still the most relevant and material?
- Rethink the environment in which you're operating.
- Leverage the new mandate to reinforce and sustain willingness to repurpose assets.
- Use all assets, including credibility, to influence others; making impact disproportionate to size.

What change does the community want and what assets can it mobilize?
- Look to the assets of your organization, sphere of influence, and beyond.
- Align all assets inside the system with your new goal.
- Articulate and collaborate on shared goals; creating coalitions.

Are we funding a project or sustainable system change?
- Fund what works; rigorously evaluating both the person and the business model.
- Seek entrepreneurs with the potential to transform lives and transform systems.

- Form a close, transparent relationship between funder and provider; agreeing on a growth strategy and metrics.

What will we measure?
- Do not let the perfect be the enemy of the good.
- Reject providers blaming poor results on someone else.
- Value and measure social or community effects.
- Use competition to drive continuous innovation.
- Ask the client and community to evaluate a service provider.

12. Take the First Risk

The last item in the Innovator's Toolkit is an often overlooked but critical component of successful innovations.

As an innovator, being closely connected to the people and communities you are trying to help will allow you a deeper understanding of the risks—and rewards—of their entrance into employment, retail, and other markets. Similarly, you can increase your impact by understanding and helping to underwrite the political risk intrinsic to both new ideas and to disruptive ideas.

See below for a number of ways you can use risk to your unique advantage:

Seeing Opportunity Where Others See Liability
- Mitigate risk by helping clients become better informed or trained.
- View clients not as passive consumers but as potential producers.
- Open markets to excluded or underserved citizens by recalculating potential rewards and risk.

Taking First Risk
- Use deep knowledge of community to understand obstacles and barriers to market.
- Invest financial or political capital to underwrite risk.
- Spend reputational or political capital to open the space for innovation and change; assuming full responsibility for its outcome.
- Overcome specific barriers by providing extensive supports yet insisting on quality and strict accountability.

Calculating (and Sharing) the Return on Investment
- Share credit for success with your partners, especially those who have taken financial, political, or reputational risk including elected and other public officials
- Recognize where investment success can lead to ancillary benefits.

- Build broad-based good will and momentum for further growth and success.