

Nesta...

# THE OPEN INNOVATION PROGRAMME

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The Open Innovation Programme supported ten large UK charities to encourage them to work in new ways, with new partners and test their innovative ideas for increasing giving of time and money. Run by Nesta, the programme was part of the Cabinet Office Innovation in Giving Fund.

November 2013

## **About Nesta**

**Nesta is the UK's innovation foundation.**

An independent charity, we help people and organisations bring great ideas to life. We do this by providing investments and grants and mobilising research, networks and skills.

Funded by the Cabinet Office, the Innovation in Giving Fund supports innovations that aim to get many more people involved in giving time, money, skills and resources to the causes they care

about. Nesta set out to find and support the most exciting innovators; to help them bring their ideas to life; and to help the most promising ideas and organisations grow their impact and reach many more people. We also wanted to encourage established charities and public services to embrace these new ways of giving.

This publication focuses on the work that Nesta carried out with ten large charities to test out their ideas for new ways of increasing giving of time and money. We worked with the team at 100%Open who supported the charities to carry out their plans and to help them to make the most of the new partnerships and approaches that their projects created.

The approaches taken were varied, as you can see below, and many of them changed course and overcame a wide range of challenges along their way. We asked the 100%Open mentoring team to put together their thoughts and advice for other charities based on what they learned through working with the projects first-hand.

We're pleased to publish this insight in the form of a series of articles aimed at charity leaders who are thinking about how to manage an innovation process within their own organisation. The articles explore some of the common themes to be aware of and distil some practical tips and insights gained through working with the charities over the past 18 months. We hope that they provide a useful insight into applied innovation in the charity and voluntary sector.

**Alice Casey**

## Project profiles in brief

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### **Age UK**

Trialling a new system for trading volunteer skills for donations working with the online exchange platform Ecomodo.

### **Childrens Society**

Piloting a locally focused 'pop-up' experience to engage new givers working with support from The Giving Lab.

### **Keep Britain Tidy**

Creating an online network of supporters and incentivising participation, engaging with a range of eco-friendly commercial 'rewards partners'.

### **Foodcycle**

Scaling up the organisation by testing ways of replicating community hubs in partnership with local organisations

### **Marie Curie**

Creating an online gaming platform to engage new donors through working with commercial games experts.

### **Mencap**

Testing an approach to online giving in schools working with The Giving Lab.

### **National Trust**

Demonstrating how large corporates can engage employee volunteers as families.

### **Scope and WWF**

Formed a partnership that is studying how to increase a wider culture of giving including a donor 'swap'.

### **United Response**

Testing an unfamiliar approach to fund-raising through locally led events working with a range of online service providers.

## **Acknowledgements**

Thanks go to all of the charities and all of the partners who they worked with to develop their ideas, to Cabinet Office who funded the programme; and to the support team led by Roland Harwood and Chloe Booker. Finally, thanks go to Helen Goulden and Nicolle Wilkinson of Nesta who led development of the programme.

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The Open Innovation Programme supported ten large UK charities to encourage them to work in new ways, with new partners and test their innovative ideas for increasing giving of time and money. Run by Nesta, the programme was part of the Cabinet Office Innovation in Giving Fund.

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## Beyond Faster Horses: Charity Market Insight

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If you drop in on fundraising and volunteering offices of charities across the country, you might see the furrowed brows of senior management weighing up the risks and rewards of investing in new giving initiatives, the dilemma of using donor funds to experiment.

“

*If I asked people what they wanted, they would have said faster horses.*

Henry Ford

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Furthermore, when these donors tell you charities should have low overheads and that year on year Return on Investment (ROI) needs to be improving not fluctuating, finding the comfort zone to invest in innovation and take risks can be exceptionally difficult.

Thinking and acting on innovation in the charity sector therefore comes with a moral price tag.

So when the time does come to bravely venture into a new idea, it's important to know which audience to target and to know that group well enough to give the idea a fighting chance of success.

Experience working with large charities over the last 18 months through the Open Innovation Programme, showed us that charities are well versed in running market research. Indeed, many of the organisations carried out research to gather insight on their innovative initiatives. The results however, sometimes provided such unexpected insight or challenges that they left people stunned, wondering how to respond - with one more furrow on the brow.

The Children's Society was one such organization, happy to share their experience, so others can learn. Focus groups in Newcastle tested the theory that different donor groups, both warm and cold audiences, wanted more immediate and transparent communication of exactly what their donations would be funding. Expecting to hear excited responses to their new media and technology ideas, they were told by their focus groups to keep communication as simple and minimal as possible. A real disappointment for a team energised to create innovative new ways of showing donors the impact they were having.

# Responding to Market Research

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Like many other charities, the Children's Society realised that if your target market tells you their opinion it should be taken on board. The moral burden of the innovation price tag just got heavier.

So what are the options when your research suggests you shouldn't run with your initial idea, and how can open innovation help? Three responses from the programme are highlighted below:

## Head back to the drawing board

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Heading back to the drawing board may well be the right option to begin with. Mencap, another of the charities we worked with as part of the Open Innovation Programme, looked in to increasing online giving in schools to raise money. Market

feedback was very strongly against developing the idea further, the decision to hold off development was taken, in the long run saving time and money, and freeing up resources to divert into new options discovered during the research process.

## Test the waters

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Age UK, another one of the charities we worked with, also faced push-back from users during the market research period. The potential users were looking for greater (and more costly) identity checks on volunteers which challenged the original business model for the skills donation concept that Age UK

wanted to test. In this instance, as the concept itself was still considered to have potential, a smaller, cheaper test project was set up to work through the new cost model rather than the larger scale pilot that was originally planned.

## Perform a pivot

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Market research shouldn't dictate to a project, but rather inform its development in new directions – perhaps the most dramatic example of this happening is when a project 'pivots' their offer in a new direction. In other words, charities can run insight sessions with the objective of going in to their project delivery with 'eyes wide open', aiming to use feedback to improve or shift the proposal rather than gathering a verdict on their final concept.

The Children's Society worked with external partner The Giving Lab in such a way – through responding to project feedback, the team developed one of the themes that did resonate with their user groups, and moved away from those that did not. They found a way of demonstrating locally donated funds going directly to local causes, tapping into regional identity in Newcastle. They merged pop-up street magic to creatively hook

observers to the idea of child disappearances and followed up with tailored, location-specific emails.

The project may be complex, but the principles are simple. They created a hybrid experience combining concepts from their original idea with new insight gained through user feedback. The idea of 'pivoting' like this isn't always appropriate, as the earlier examples show; but an open innovation approach can be used to apply newly gained insight in unforeseen ways.

Through our work on the Open Innovation Programme it also became clear that funders, sector bodies, and support agencies working with large charities also have a role to play in alleviating the burden of the 'moral price tag' of innovation and helping charities to find the confidence to test new ideas. Three ways in which this seems to be ripe for exploration are highlighted below:

## 1 Making Experimentation OK

Innovation has a financial cost as well as the moral price tag. But while everyone wants innovation, few people seem willing to fund it. The charities taking part in the Open Innovation Programme reported that funding and partnerships provided helped absorb some of the risks that they would have found hard to justify if they tried to develop their innovation project within their organization alone. Being given permission to fail didn't mean

failure, it meant being given permission to be flexible on what the final product looked like.

The business emphasis is not on simply throwing out the imperfect product ideas, but transferring ideas across departments, bringing external partners in to work with internal ideas until there is an evolution of concept and something likely to excite their customers.

## 2 Planting Seeds Before Harvesting the Benefits

Structurally, there are challenges to donors and charities; a gap in the market that needs closing. Funders often ask charities to submit evidence in application forms that they have consulted their target markets before starting a project. For many charities without dedicated resources this could be the first time they stop to think about user insight. Or they struggle to answer the question because they won't commit

research spend to a project without the security of it being funded in full.

Creating funds that support research, ideation and market testing before funding a tested proposal, is one way of encouraging charities to take managed risks and focus on developing products that are more closely tailored to evidence gathered from the market.

## 3 Being Real About Success: Honest About Failure

Charities involved in the Open Innovation Programme reported that there was no pressure to be perfect and that this in turn made them feel more comfortable about opening up to challenges they faced and creating new solutions without being seen to 'fail'.

One participant noted that it was one of the first times they had seen charities being really open and honest, allowing other charities to actually learn something valuable, instead of less helpful

comparisons of success.

In the private sector, companies like Proctor and Gamble openly talk about how success rate targets of more than 50 per cent for their product ideas would be detrimental to their overall approach. Their rationale is that pressure to be more successful than that would stop their teams taking risk, stop them stepping bravely beyond market research expectations and stop them innovating.

**The question for charities is how to adopt the best of these practices in ways that are right for their own organisation and its aspiration for change. Part of this is around resetting expectations around charities should act –for example; investing in bold**

**ideas; giving themselves permission to fail and learn; and to collaborate openly with partners. More of this type of behavior is certainly a good place to start and as the Open Innovation Programme charities found it creates exciting new prospects.**

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- Lucy Gower is a consultant, coach and trainer specialising in innovation and fundraising. She has a wealth of experience in the charity sector and regularly speaks on innovation in the sector. She worked as part of the 100%Open team to support charities as part of the Open Innovation Programme.

## Fail Fast To Succeed Sooner

As soon as someone mentions innovation people start talking about risk, failing and how it's important to fail. Let's face it, no one likes fail or admit failing and the charity sector is no different. In the corporate world the attitude to failure can be different. Google sees failure as an essential part of their evolution and as a business have an expectation of an 80 per cent failure rate on new product development. Proctor & Gamble aim for a 50 per cent success rate to encourage more ideation.

Open Innovation approaches encourage multiple, fast, failure and iteration of ideas; like the concept of the Lean Startup coined by Eric Ries. This means releasing a product at the earliest opportunity and developing it based on feedback from early customers. Charities often feel pressured to wait until a new product is 'perfected'. This may sound logical,

but in practice makes little sense. Your audience and marketplace is constantly evolving; and the most suitable products should reflect feedback from those constant changes.

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*80 per cent of our products fail. They are supposed to fail.*

Marissa Meyer, Google

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### “Always make new mistakes” Esther Dyson

Failing fast and failing early minimises your risk of failing big and failing publicly. Charities are under scrutiny regarding how they operate and spend their resources, a combination that can make them risk adverse. The irony is that open innovation involves failing fast, cheaply and quickly which

actually reduces the risk of making more costly, public mistakes.

One of the best ways to fail fast to succeed sooner is through prototyping. Prototyping is a sample or model of your idea, whether it's a product, service or new technology. The earlier you can prototype the

idea the better. If it's a service - role play it, if it's a product - you can sketch it or make it from cardboard and sticky tape. Often, the more amateur it looks the better; as people are less apprehensive about giving honest feedback to something that is clearly work in progress. So with honest insight, you can develop the prototype to the next iteration. Failing fast, making changes and asking for input from others is the whole ethos of Open Innovation. Make your new idea visible at the earliest stages, see it as an integral part of the process, just another stage of development.

Prototyping also demonstrates the ethos of learning by doing. You can read about the theory of Open Innovation and the power of the crowd - but I think

you will learn more by being brave and having a go. As part of the Open Innovation Programme, Foodcycle asked for input into their Supper Hero fundraising product from supporting restaurants and companies, saving them time, resource and giving them a better product. The Children's Society went out on the streets of Newcastle to test the public's response to their acquisition idea 'Geordie Magic', which helped refine their ideas and the locally-tailored brand. Marie Curie tested their bingo idea with users and the National Trust tried their Big Family Day Out at a group of properties in the North West region, before making a decision to roll out the programme nationally.

## Getting Better at Failure

Many of the charities on the Open Innovation Programme initially thought innovation was about technology. It may be, but it's not the most important part. For innovation to work it is critical to have the right people. It is the role of the leader to shift the operational constraints of your organisation to plan for a level of experimentation and failure, and in doing so to give teams permission to fail, and even to expect or require a level of failure in order to ensure that genuine risks are being taken. There is bravery and an art to encouraging this approach that is not currently 'normal' in the charity sector.

Through working with the Open Innovation charities and exploring how they worked and developed their ideas, the strongest results came from teams that displayed the following five qualities:

### Five qualities to find:

1. Excellent network builders who restlessly look for opportunities to make connections across a range of industries and sectors

2. They know they don't have all the answers, and that their role is to work with others and together find the answers

3. Infectious enthusiasm, the ability to inspire ideas and enthusiasm in others and communicate to a wide range of different audiences

4. Resilient, they are pragmatic that not everyone will like an idea and they don't take it personally

5. Strategic thinkers who can see the long term picture and keep focused on the end goal

At an operational level, as a leader consider how you can encourage your teams to share and test ideas early on through sharing at team meetings, running ideas workshops, developing project groups, leaving the prototypes out on desks for passers by to look at, or even a volunteer team of customers and end users tasked with giving feedback. Choose whatever method will work for your organisation and make getting better at failure part of your team's every day work.

## ‘The Supporter is King’ - Keep Britain Tidy

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**K**eepp Britain Tidy have had to adapt to funding cuts, having no choice but to develop new sustainable income streams. For the first time, experimentation and risk taking have become business as usual.

As part of the Open Innovation Programme, Keep Britain Tidy began testing and developing a project to make it easier for their supporters to share time, skills, resources, money and take action in their local communities and nationally through the Love Where You Live sharing network.

Keep Britain Tidy put their supporters at the centre of this idea. They toured the UK in March on a series of Regional Roadshows reaching over 500 supporters and sharing the Love Where You Live project vision and a prototype of the platform. Feedback was then incorporated into the next iterations of the site to be shared with the community in June. Again this was tested with supporters and an online feedback platform was setup to gather live feedback to support improvements and bug fixes during in-life development. The site continues to grow and develop with small iterations and changes all the time based on feedback from real supporters.

Gaining internal buy-in was important so internal teams also got to see the site and were invited to feedback. Involving supporters often adds a level of complexity to a project, but the Love Where You Live project is about supporter engagement so it was particularly important for Keep Britain Tidy to ask their supporters what they want and need when developing this project. Sebastian Ailioaie, Love Where You Live Project Manager, summed it up with his comment ‘The supporter is King. If we ignore them we fail’

Shouldn’t supporters be King for every project and for every charity? You can do this easily by opening up and asking supporters to get more involved. This reduces the risk of developing products and services that your supporters don’t want or need, and transforms them into your partners in driving change. That’s a relationship that charities should be striving to develop with each and every one of their supporters.

For more information go to:  
[www.lovwheyoulive.org](http://www.lovwheyoulive.org)

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# Give yourself Time to Develop

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*To the man who only has a hammer, everything he encounters begins to look like a nail.*

Abraham Maslow



The development of technology and digital platforms play an important role as an enabler to reach out to, engage with and build relationships with givers. However the degree of complexity required of these technical innovations varies widely from simple communication tools to supporter engagement touch points to multi-channel gaming platforms.

Before jumping to a technical solution it is important to be clear on why you are using technology, what purpose it will be serving and how it will enable more giving. Through the Open Innovation Programme a number of large UK charities have been supported in helping them understand how open innovation and technology can be used to reach new audiences to increase giving of time, money, resources and assets.

Here are experiences from four charities using technology to enable giving at scale.

## National Trust

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The National Volunteering team developed the Big Family Day Out, an innovative family volunteering proposition combining under-used employee volunteering days with family days out. As part of a pilot they sought out to design and build a web platform to act as a brokerage tool to enable companies and their employees to sign up time to lend a hand at National Trust properties. The team found that introducing even a simple microsite within an organisation can take many weeks of persuasion with internal Digital and IT departments and external delivery partners.

There are many factors to consider when introducing new digital platforms; where the platform is hosted, security considerations and in-life maintenance being just a few. Once up and running, the website scored highly in terms of its ability to communicate the offer. However, take up of the pilot was hampered by its inability to allow employers/employees to easily confirm and register their place, a key process that wasn't factored into the build stage. If the Trust scales up the proposition nationally the technology experience gained along the journey is going to be the enabler in managing relationships and family volunteering transactions.

## Marie Curie Cancer Care

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Giving behaviour is evolving and we're seeing a shift from traditional models towards those that offer donors a 'return' – whether through rewards, experiences or otherwise. In recognising this, Marie Curie Cancer Care set out to solve two giving challenges. Firstly how to attract a new demographic of donor, who may not otherwise give to charity, by tapping into people's innate competitive nature. Secondly, how to capitalise on the growing trend of using gaming in the not-for-profit sector cost-efficiently, while complying with legislation governing this type of fundraising.

Working with a wide range of open innovation delivery partners in agile mode, they created 'Tickety Boo', a loyalty based data-driven online gaming platform where supporters can play a wide choice of free and paid-for games, including bingo, raffles, lottery and instant win games.

Once the team was clear on the why, what and how, they tested their assumptions with the technology

experts as early as possible to assess feasibility within time, cost and quality constraints. Contrary to an initial assumption that they could build and own the technology, they ended up licensing from a gaming provider as this proved to be a significantly more cost effective solution. By being willing to let go of initial assumptions about how they would get there, the team was able to reach their destination more quickly and effectively.

For Marie Curie the technology component was the most complex and expensive part of their journey, yet the real innovation sits behind the scenes of the gaming portal in the form of data capture. This will allow the charity to manage an interactive and intelligent supporter system to not only increase giving through gaming, but to share these insights with other charities and organisations implementing a Marie Curie owned, white-labelled version of the platform.

## Keep Britain Tidy

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This environmental charity has an active supporter base estimated to contribute over a million hours a year towards its core work. However, the charity didn't log, acknowledge or share this contribution. Nor does it give volunteers the opportunity to donate to the cause.

Using digital innovations from new, key partners, Keep Britain Tidy is making it easier to share time, skills, resources, money and environmental action at a national scale through the 'Love Where You Live' sharing network. This online platform includes a digital mapping application, where supporters can upload images and stories, communicate with each other and inspire others. In return, through the development of a new Keep Britain Tidy reward

currency, supporters earn goodwill credits that can be redeemed towards products and services offered by corporate partners.

The pilot platform is being built using agile development and is also being built at the heart of an organisational and digital transformation programme across the charity, which has amplified the complexity of introducing such an innovation. The platform will sit at the centre of a transformed organisation. Peers will be able to engage with each other and the impact of environmental action will be made more visible. For the technology to be successful in this transformation it is vital that the organisation sitting behind it is also prepared and ready for this change and not just putting up a 'collaborative front'.

## Mencap

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Mencap's income from schools fundraising has dropped significantly over the past seven years. In addition, their donor base is ageing: over 9 per cent of donors responding to their appeals are 45 or above. While digital innovations such as Just Giving have revolutionised the adult sponsorship market, children and schools still use paper-based sponsorship forms. The charity believes that schools are still a viable giving audience and as part of the Open Innovation Programme, Mencap delivered a vision to create 'Kids for Good' – a fun, easy and safe way for children to raise sponsorship from friends and family online.

Bill Gates once said, "Technology is just a tool. In terms of getting kids working together and motivating them, the teacher is the most important." Working with The Giving Lab – an agency that supports

charities to innovate – Mencap applied an evidence-based approach in working with pupils, parents, teachers and Mencap Young Ambassadors to uncover the enablers and barriers to giving in schools. What they discovered was that teachers are the key to achieve buy-in for charity fundraising within schools. Not only that, but schools still used paper-based systems with 90 per cent of fundraising being cash based with cheques being sent to charities.

This demonstrated there was no appetite or demand for a digital giving platform and on this occasion technology was not the solution. Instead, the open innovation process enabled the team to realise the impact Mencap Young Ambassadors can have in engaging with schools and the wider experience is changing the way Mencap approaches innovation from the outset.

## ‘Thing to Consider’ Checklist

As we have seen from the experiences above, combining technology with open innovation can give organisations real rewards if designed and implemented well. These can be reaped at many stages of the innovation process. Also using an agile development approach as demonstrated by Keep Britain Tidy and Marie Curie in the building of minimum viable products allows for fast and quantitative user testing. This approach lets you throw away bad features early on and

improve on the good ones as you mature the solution.

The opposite is also true when turning to technology for the wrong reasons. To help you avoid the pitfalls, you could try following the checklist below as a starting point – but whatever you decide, remember to allow yourself time to develop and iterate as it is unlikely you’ll get to the right solution first time around:

- 1. Why are we doing this? Be clear on the strategic rationale for open innovation.**
- 2. What is the problem we are looking to solve? Uncover the unmet needs. Ask this question several times. Challenge your answers.**
- 3. Does it need a tech solution? Consider all possible ways to solve the problem, include no tech and low tech.**
- 4. Who will use this? Apply a user-centred approach to design, build and test your innovation.**
- 5. Who will help us build this? Partner with users for requirements, external experts for advice and delivery partners for implementation.**
- 6. How will we know it will work? Use an evidence-based approach and build low-cost minimum viable products. Test with both ‘cold’ and known end-users regularly throughout the build process.**
- 7. Have we considered using agile methodologies? Using simple, iterative processes can foster creativity and collaboration, while lowering costs and building usable products.**
- 8. Where will the solution be hosted? Understand the process and infrastructure implications of hosting internally vs. external / cloud-based options.**
- 9. Who will maintain this post-launch? Put plans and service level agreements in place for when things go wrong.**
- 10. How can we scale this? Prepare a portfolio of strategies and business models to ensure your solution is replicable, scalable and can be sustainably financed in the long-term.**

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# Innovation from Scratch

Charities have very well developed fundraising departments with deep expertise in their area. However, the giving 'market place' is changing rapidly. As part of the Open Innovation Programme large charities have been looking at ways of going beyond their own organisations to find external inspiration and partnerships to test out new ways of increasing giving of time and money. Their experiences and learning over an 18-month period, have produced key criteria and stages required to take great ideas for increasing giving to market.



*If you always do what you always did, you will always get what you always got.*



Albert Einstein

## Are You Ready?

This simple diagnostic test can help you assess the relative strengths and weaknesses of your organisational culture, capacity and capabilities.

Using the following scale to discover your readiness level: (1 = Unprepared, 5 = Ready to go!), discover your readiness level:

### 1. The organisational and leadership commitment to embrace a culture of innovation.

Some Chief Executives and Trustee Boards decide that they want the charity to stick at what it does best and not take undue risks. In

an ever changing and competitive landscape, most charities are thinking about strategic innovations to increase the giving of time, money, resources and assets to better serve their beneficiaries. How committed is your organisation to innovation?

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**2. Access to the right skills, capacity, budget and resources to make innovation happen.**

Before your idea is given the green light, you should make a plan around how to navigate internal culture barriers, build the right team, source the right skills, ring-fence the budget and navigate through bureaucracy. How empowered and autonomous are you?

**3. Freedom to take calculated risks and OK to make mistakes.**

No organisation can innovate without taking risks and accepting failures. As Sir James Dyson boldly suggests, "Enjoy failure and learn from it. You can never learn from success." While failing is not a desired outcome, fostering a culture of regularly taking small, smart risks and learning from failures is. How far is it possible to take risks and create tolerance for failure in your organisation?

**4. Innovation processes (idea creation, capturing and using market research & consumer insights, prototyping, business case development, measuring success).**

Innovation doesn't happen in a vacuum. It

requires underpinning processes linking all stages of your giving product or service proposition. While the capabilities exist in different parts of the organisation they need to be linked together to enable value creation to happen. How integrated and connected is your work to the organisation?

**5. Openness to inter-departmental cooperation and collaboration with external partners.**

Open innovation is most effective when you can get the best people in your organisation working with the best outside it. Before achieving this however it is important that this mind-set starts at home. Getting fundraising, marketing, innovation, IT, volunteering and service delivery departments to cooperate is as important as collaboration with external experts, delivery partners, supporters and beneficiaries. How open is your organisation to cooperation and collaboration across departments and with external partners?

**TOTAL**

**B**y now you have a broad sense of what makes a fit and healthy innovation outfit. Many charities score below half using this self-assessment. The reality is that while many charities claim they are innovative, it's not being realised at an operational level. Share the diagnostic test with colleagues across your organisation and work together to raise your score.

In an ideal world you'd develop this capacity before beginning innovation processes. If you are able to find low risk ways of getting people to start working together on relevant areas, then you'll be ready to design more advanced innovation programmes before too long.

# Making Innovation Happen

Drawing from the product development processes used by charities on the Open Innovation Programme, here is a summary of the key stages required to take great ideas for increasing giving to market:

## Stage One - Design

1. **Gather and filter ideas from colleagues and external sources including supporters, volunteers, users, beneficiaries, and even competitors. Conduct market research and capture consumer insights.**

**Foodcycle:** While developing new community fundraising products the charity opened up their idea creation and selection process to corporate partners leading to new insights and partnerships that would not have materialised from a traditional client-supplier operating model.

2. **Arrive at clearly defined problem statements and unmet needs. Validate these with internal and external stakeholders to ensure you are solving the right problems.**

**Mencap:** This step turned out to be a crucial filter in deciding not to proceed with their proposed innovation in giving, 'Kids for Good' – a fun, easy and safe way for children to raise sponsorship from friends and family online. An evidence-based approach demonstrated schools are currently cash based by choice and have no appetite for a digital platform.

## Stage Two - Build

3. **Consider your solution options, make technology choices and map out the giving user journey. Co-design the solution with a shortlisted audience from the design stage.**

**National Trust:** In developing the Big Family Day Out – an innovative family volunteering proposition combining employee volunteering with family days out – National Trust had to decide between hosting the platform internally or externally, whether it was open or closed source and its development approach. The user journey was co-designed with employers and employees informing the user experience for both groups.

4. **Learn about and test out open innovation processes such as co-creation – working from the outset with delivery partners and users. You may wish to borrow from the way many web resources are built using what the tech world calls 'agile' development methodologies. This is a structured process for testing a new idea or product out with users iteratively and improving the idea or product in an ongoing way rather than launching once 'perfected'.**

**Marie Curie Cancer Care:** Adopting an open innovation mind-set from the outset enabled the charity to co-create 'Tickety Boo' – a loyalty based data-driven online gaming platform. Using agile methodologies they regularly tested their assumptions with end users, from insights to branding to final product evaluation.

## Stage Three - Run

5. Organise a launch event to celebrate your success. Tailor your PR and marketing to promote your innovation in giving appropriately. Involve advocates and ambassadors as early as possible. Use social media and tap into your communication networks

**United Response:** The charity used its 40th birthday to organise '4Tea' events across the country and launch its innovation in giving project which included the platform 'Give Where You Live' - intended to enable friends and family of beneficiaries and others to donate money or volunteer time to local projects and causes.

6. Prepare strategies to manage rewards and recognition to donors and volunteers, and to monitor and evaluate post-launch. Also look at strategies to ensure long-term success.

**Keep Britain Tidy:** The environmental charity's 'Love Where You Live' online sharing network is making it easier to share time, skills, resources, money and environmental action at a national scale through an online platform includes a digital mapping application, where supporters can upload images and stories, communicate with each other and inspire others. In return, through the development of a new Keep Britain Tidy reward currency, supporters earn goodwill credits that can be redeemed towards products and services offered by corporate partners.

If you're ready to go on an open innovation journey bear in mind that sometimes the journey and changing ways of working to increase capability is just as important and impactful as the project itself.

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- Kim van Niekirk is a specialist in income generation for the charity sector, networking and coaching individuals in non-profits to become high performance leaders. She worked as part of the 100%Open team to support charities on the Open Innovation Programme.

## Open up minds to open up funding

When the same old problems crop up at work, it's easy for them to become ingrained in our actual working patterns, an accepted obstacle to work around, much like the office furniture. In coffee breaks, comments like; "I guess that is just how it is", or "You know, the same old, nothing changes" can often be heard. These conversations provide some insight into the 'corporate mindset' of an organisation.

Charities, just like all organisations, find it difficult to get to the root of their problems and find the right remedy. "We are struggling to hit targets", "donors are giving less", "there is a recession" are all familiar comments in the current economic cycle, while individuals and departments feel disconnected from the challenges facing the organisation. Staff themselves can feel there is little they can actually do to change the usual ways of working.

Open innovation forces charities to better understand why these issues exist by getting new perspectives on old problems. The method requires staff to stop and think about what the root causes are and how they might break down and solve these challenges with the help of others.

Taking part in the Open Innovation Programme provided participating charities with the time to reflect on their challenges. One such organisation was United Response; one of the largest UK charities, but one that was facing many of the fundraising challenges of a smaller start up charity. Having once delivered almost all of their services from public sector contracts, they had had little need to build up a household name for public fundraising. Now, with

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*When you prohibit failure, you kill innovation. If you kill innovation in fundraising, you can't raise more revenue. If you can't raise more revenue, you can't grow. And if you can't grow, you can't possibly solve large social problems.*

Dan Pallotta

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the challenge of reduced public spend and wanting to have greater flexibility around what kind of projects they run, the fundraising team have a clear challenge to grow support for the charity.

## Unpacking the Challenge

Innovation can be used to unpick these challenges. Tools such as ‘why laddering’, where the question ‘why?’ is repeatedly asked, help to reflect on what is really standing in the way, uncovering invaluable revelations. Initially the team had been aware that not being a household name was a challenge to fundraising with the public, but when they reflected on the structure, processes, skills and knowledge of fundraising across the organisation, they realised that there was a far bigger challenge: an internal culture that was just not familiar with asking people for money.

Having clear objectives related to strategy then enables staff to frame their challenge in a question of ‘how do we get there?’ For United Response the question became, “how do we make our staff across the country feel more comfortable about fundraising?” For The National Trust it was, “how do we get more people volunteering?” and Marie Curie wanted to know, “how do we reach out and engage new audiences with giving?”

Open Innovation is a way of working beyond organisation or department siloes to tackle these fundamental problems. It is about looking across sectors and finding unexpected partners to help solve such knotty problems for mutual benefit. For United Response, looking for wider input changed the focus of their idea development sessions with stakeholders and helped them to design a project that celebrated the organisation with a 40th birthday party and initiated community fundraising activity across the country. The project has begun to change attitudes towards fundraising internally by showing what is possible with a bit of creative thinking and the encouragement to test an idea out in practice before it is ‘perfected’. Tackling this internal challenge in a positive way has shown how fundraising opportunities can be unlocked in the future now that community fundraising ‘is already happening’ as part of United Response’s activities.

## Maintaining Focus and Direction on Funding

Another benefit of clearly defining your problem at the beginning is that it helps you to stay on track when you move into generating ideas. Ideas can come thick and fast when you involve lots of different stakeholders and people from a wide range of sectors. As part of the programme, the National Trust spent a good chunk of time understanding the problem they really needed to solve. They set very clear targets and were able to keep focus all the way through their idea generation phase by asking themselves, ‘Does this decision help to solve our problem?’

External funding was seen to be absolutely essential to encouraging open innovation and the charities on the Open Innovation Programme had a number of ideas that could encourage more openness and innovation in the third sector:

- **Develop diagnostic tools to help charities see the need for, and opportunity to use, open innovation. Lack of experience in the**

**sector was seen to hold back organisations in understanding how and when innovation methods could be used.**

- **Avoid pressuring charitable organisations to be ‘perfect’. By not expecting perfect solutions, charities feel more comfortable about opening up internally to focus on removing barriers and tackling the real challenges.**
- **Understand and back ‘open’ innovation. A funder can give a stamp of approval which will help win people over internally to trial this new way of working. WWF and Scope, who worked in partnership, said it would have been very difficult to find a way to partner on a ground breaking project to test ways of increasing people’s philanthropy without backing from an external funder.**

- Encourage a culture of learning through maintenance of a learning diary for the project to record the development of projects and reflect on where there are opportunities to learn and what things could be done differently next time for the next innovation phase.
- Consider phased funding and support to find better outcomes. Phases, with timescales relevant to individual charities, could be:
  - To help understand challenges clearly and network with others to find shared problems.
  - To explore ideas with partners from across all sectors and generate an idea to pilot.
  - For piloting and results collaboration.
  - To help with understanding scaling up pilot projects and moving on.
  - Think about influencing other funders and support bodies and persuading them to use these helpful practices.
  - Develop awards around using open innovation including risk management and partnership development.

It is fair to say that being open with innovation is not natural for the charity sector. The sector needs help evidencing how open innovation can work and collaboration with funders is a significant part of that process. The future will likely see some

great initiatives come about, and at the heart of the solution, I imagine there will be a diverse cross-sector team breathing life into the ideas supported with appropriate and innovative funders.

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- Lucy Gower is a consultant, coach and trainer specialising in innovation and fundraising. She has a wealth of experience in the charity sector and regularly speaks on innovation in the sector. She worked as part of the 100%Open team to support charities as part of the Open Innovation Programme.

## Sharing the risks and rewards

Charities exist to change something for their beneficiaries. Making that change happen is challenging, and if an initiative is new then it is also often assumed to have a far higher chance of failure than something that has been tried and tested. Given that the job of charities, more than perhaps other types of organisation, is to drive change for the better – a mission which inherently involves managing risk of the unknown – it is ironic that charities are prone to risk aversion.

Working with ten large national charities as part of the Nesta and Cabinet Office backed Open Innovation Programme, charities confirmed it was a big challenge to get agreement for innovation projects. In one instance a pilot had just a 2 per cent chance of gaining negative publicity, but still required

considered internal negotiation to get the go ahead green light.

The lesson for the sector is the great need to get better at communicating, managing and actually taking real risks if it wants to reap real rewards.

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*Go out on a limb. That's where the fruit is.*

Jimmy Carter

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### A Quick Tour of Charity Risk

A great way of starting to assess and take risks more effectively is to share risk and reward with partners, and that's where an open innovation approach can bear fruit. Working with partners can be perceived as risky, but the reality is that a more open approach to innovation enables both the risk and the reward to be shared and because stakeholders

are involved from the beginning the risks are in fact minimised.

Developing partnerships and networks that share risk and reward is essential for open innovation to be successful. These are partnerships built on clear benefits for all involved, relationships with a high degree of trust and understanding. However, this can

be more complex and strategic than it might appear on the surface.

It's worth observing one of the characteristics of open innovators; they are exceptional networkers. They approach their networking from the perspective of how they can add value to others. They are also looking for connections that can help them solve their problems, or introduce them to someone else or another organisation that can help, but their fundamental question is 'how can I add value?'

During the Open Innovation Programme many relationships morphed into more traditional supplier/client relationships where the more collaborative part of a relationship comes second to a lead partner's requirements. If you are paying someone to deliver projects and services without collaborating with them it is just a contractual agreement that usually doesn't allow the space for creativity and innovation to bubble up through the relationship. Having said that, there are many suppliers who are working in partnership with the charity to help them engage more supporters or raise more money; it is still a contractual agreement.

Open innovation is essentially a form of partnership with all parties bringing different skills and

knowledge to the table to achieve a shared goal or goals. There may be an agreement or contract setting out how different parties are going to work and what they bring to the project, but there is no exchange of payment for sharing these skills and experiences. And to be really clear it is also different to decision by committee.

There are many risks around a project not working, but from the Open Innovation Programme the biggest barrier for charities to being successful at Open Innovation is fear.

- Fear of being criticised for not having the answers
- Fear of being seen to waste donor's money
- Fear that any negative press will mean donors stop giving
- Fear of a new and different way of working that might not deliver results

You simply cannot be successful at open innovation unless you experience some degree of fear. Somehow you have to find a way to move beyond the fear and manage the risk.

## Minimising risk and maximising awards for all partners

The Open Innovation Programme very deliberately brokered relationships between the charities involved as well as charities not taking part in the programme, entrepreneurs, social innovators and corporates with an interest in increasing the market for giving – whether money, time or resource.

The importance of building networks before you need them quickly became apparent. Many of the initial introductions failed to develop because they were networking with a view to building a funding application for the programme in a relatively short timescale.

Many of the initial open partnerships in the programme were either scaled back or defaulted to old-fashioned contractual relationships during the development stage or fell through because the relationship and the joint objectives were not robust or developed enough. The Children's Society had hoped to work with a big entertainment company to develop real time

feedback, the National Trusts corporate partner pulled out and by the end of the programme the majority of charities were working contractually with suppliers.

The partnership between Scope and WWF was a brave project involving the application of social psychology insights to mobile giving. This is a high risk and high reward partnership because Scope are asking their donors to support WWF and WWF are asking their donors to support Scope. This cross-sell of each other's cause is counter intuitive and challenges many assumptions that charities make about donors. If donors give to the other charity as well as the one they currently support this could have a huge impact in the sector to grow the market for giving. If it doesn't work both charities are effectively giving away their donors that could make a big impact on their income and the work they are able to do, whether it's helping people with disabilities or working to protect wildlife on the planet.

Through the projects in the programme a great deal has been learned about the importance of face-to-face meetings and being really clear on roles, responsibilities and expectations up front. This may sound obvious but with multi-disciplinary projects involving a large number of people from different backgrounds, speaking different jargon, time spent face-to-face at the beginning of the project, ensures clarity, builds trust, buy-in and

the opportunity to refine and share learning along the way.

The complexities of the projects also set out the importance of keeping all partners focused on the end goal. The shared goal for all projects was an aspirational step change in giving. The detail of operational conversations often meant the inspiration and excitement around 'if this works what it could mean for the sector' became lost.

## Build Networks to Innovate

So if you are going to do open innovation you should start building your networks now so you can explore opportunities and options when you need them. When the project becomes active, you have to be really clear on roles and responsibilities and agree a project plan and timescales up front. Sometimes those conversations will be difficult. Sometimes they may result in a project not going ahead if they cannot be agreed, but that is preferable to a disjointed project with disgruntled teams that will lack both momentum and inspiration.

Finally, everyone underestimates the capacity needed to develop new ways of working and new ideas. When it comes to open innovation, allow time at the outset and throughout the project to ask "are we working well as a team" and to have the difficult conversations and build relationships because when you encounter setbacks (which you will) your network will be ready to work with you to get back on track.

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# The Net Works

Charities inhabit a complex space in civil society. They rely on the generosity of the public and the attention of funding bodies, but want to be independent enough to make the right decisions for their beneficiaries. They know that there is value in working with others but historically mistrust the corporate sector and see each other as competition for funding. On top of this there is an intense scrutiny about how funds are spent, who they accept money from and increasing judgement about how they raise money. Considering all of these factors, it is no wonder charities think twice about venturing to explore their networks for new collaborations and resources.

The Open Innovation Programme set out to challenge this position, aiming to encourage more productive, open partnerships between charities and other sectors. But there are very real obstacles. The large national charities on the programme often had very well resourced in-house functions allowing them to feel quite comfortable about working independently with a track record of success in launching new projects without partners. There was no clear drive to search for organisations to share risk and reward with others, or an impetus to build their networks and look beyond their own organisation for ideas. The risk to brand or instinct to protect donors often overrides potential, uncertain outcomes that could be gained through working in partnership.

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*Chance favours the connected mind.*

Stephen Johnson

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Within the programme, the example of shared risk and reward that most resonated with me came from WWF and Scope who partnered on a direct marketing fundraising project. Each charity invited their own donors to give to the other organisation with the aim of better understanding and tapping into philanthropic behaviours. Both organisations agreed that this remarkable partnership would have been very difficult between charities in the same sectors and without the encouragement of the Cabinet Office and Nesta support programme.

But if we are to see more collaboration, what lessons can we take from the charities who took part in the Open Innovation Programme? Well, one of the most valuable insights from the programme was the message from the charities themselves, that they would welcome more to be done to support charities in developing stronger networks and increasing their confidence in working collaboratively across them.

Here's a summary of their collective ideas for creating more effective partnerships going forward;

- Funding bodies were seen to have a useful bird's eye view that might afford them the opportunity of instigating collaboration in their networks. This included brokering formal opportunities for collaboration and skill sharing across charities and enterprises by funders where a natural fit could be seen.
- Hosting a forum for discussion and networking of charities around shared problems. One of the interesting observations was that the group did not start their journey together clearly knowing the problems they wanted to focus on. Because charities were often internally focused, groups saw value in putting a spotlight on how networks could be used to develop great collaborative projects.
- Potential was seen in developing opportunities for exchange, where staff from different sector charities are placed

in each other's organisations or in private sector organisations to gain new insight and develop their networks. They saw this as a great opportunity to build better bonds, break barriers and foster collaboration. An example of this happening already is with Legal & General, who have been taking part in a scheme called SMART where they place rising stars in trustee roles in charities. This builds the governance skills of their staff and networks them better across the charity sector, which is a crucial part of their CSR agenda.

- The charities reported that they would not have been as likely to ask their peers for advice and involvement if they were not part of the Open Innovation Programme. The funding process in itself brought charities together under one programme and supported them to innovate as a cohort rather than in isolation of each other, leading to much better networking, feeling less competitive and making more of the opportunity to share tips experiences and advice.

It also became clear that charities need to be braver about networking and working in partnership. Foodcycle recognised by the end of the programme that giving up control centrally forced them to turn to broader networks that lead to more insight and opportunity for their project. There was agreement that setting KPIs for networking and collaboration would help to loosen central control and change processes that fostered isolating behaviour.

Networks can cause ideas to connect and cross-pollinate to form more innovative solutions to problems. They can also lead to finding the 'missing puzzle piece' that may make an impossible project possible. But networking and brokering needs to be gently facilitated in the charity sector, because acting alone, there is not enough impetus for individual organisations to overcome perceived risks, and make

it happen. Through the programme, we worked with the National Trust who reported that working as part of a cohort helped them to really experience and see the practical value of using networks and working in collaboration. Their experience is likely to impact upon the way those teams work, but there needs to be higher expectation of collaboration by donors and charity support bodies to encourage a wider movement towards collaboration across the sector.

Learning by doing and connecting with peers is a powerful way of exposing people to new ways of working; it was one of the things that charities we worked with reported as being most rewarding. The seeming simple act of encouraging network expansion across the sector provides a real opportunity to raise levels of readiness for open innovation within charities of all sizes.

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- Jogesh Limbani, formerly Head of Open Innovation at Orange, is an open innovation expert and has first-hand experience of leading and delivering innovation together with the charity and voluntary sector. He worked as part of the 100%Open team to support charities as part of the Open Innovation Programme.

## What does it take to break the mould?

Open innovation brings challenges. One of the greatest is for innovation practitioners and delivery managers to begin by breaking their own mould, before changing their organisation's traditional ways of working. There is, as the saying goes, 'no gain without pain.'

Open innovation brings with it a toolbox of methods and processes to inspire a new way of delivering innovation. We have been testing some of these with charities through the Open Innovation Programme. There is clearly reluctance for innovators in the third sector to break the rules. But it is happening all around us in other sectors. Apple challenged conventional user experience norm and re-invented simplicity, Amazon broke the rule that books were meant to be read in hard copy. Private sector organisations can provide inspiration for charities when it comes to embracing and successfully implementing open innovation.

This is not about reckless experimentation or changing things for the sake of it, but more about a process of discovery within the organisation to understand where the boundaries and flows exist between internal innovation and external intervention. The objective is to identify where the gaps exist and then create a strategy to close them. Successful open innovation happens when you make the most of the best people, skills and capabilities inside your organisation and those outside it.

Clearly it's not quite that simple. There are many challenges to be found on your doorstep. You will need to communicate across internal silos before building bridges with the outside and challenging the

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*It's a good idea to obey all the rules when you're young just so you'll have the strength to break them when you're old.*

Mark Twain

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'not invented here' syndrome that can stop external ideas being taken up. There are common situations and barriers in most organisations that hold us back from making the most of external expertise, whether private, public or charity.

# Building Bridges to Extend Networks

If you want to make the most of open innovation it will involve building bridges to encourage coordination and collaboration between many different departments within and beyond an organisation. By operating in silos, departments inhibit their capacity to leverage the power that networks can bring. Yet, the most innovative ideas are often formed at the fringes where these networks intersect. So it is important to begin by building bridges internally and then connecting these to the outside world to create your own innovation network.

Be clear on what you are setting out to achieve and then sell this vision internally to build advocacy amongst key stakeholders. Once you have them on board, communicate your offer outside your organisation by inviting supporters, beneficiaries and open innovation delivery partners into the innovation process. Your role is not limited to building these bridges; you have to get people to walk on them too.

## Not Invented Here

There is often unwillingness to accept ideas and innovation that have originated externally. Maximising the impact of open innovation requires this mould to be broken and for agents inside an organisation to change their view on external contributions. We need to recognise the truth of Bill Joy's, Sun Microsystems co-founder, famous quote "No matter who you are, most of the smartest people work for someone else." This is true for all organisations; recognising it and being empowered to draw from that wealth of external expertise is vital in creating this transition. Here are six steps to create a culture of 'proudly found elsewhere':

**1.** Begin by identifying gatekeepers and decision makers and gauge their appetite to work on new ideas with people outside their organisation.

**2.** Explain to them problems and unmet needs that open innovation can solve and fulfil for the organisation by providing fresh perspectives or applying new methods to longstanding challenges.

**3.** Demonstrate the value creation that opens innovation brings in terms of giving of time, money, resources and assets by opening up to new forms of expertise and insight using networks, rather than focusing only on existing problems.

**4.** Open up your innovation process early; invite external participation, foster collaboration and be prepared to respond openly and constructively to challenges or new insight.

**5.** Establish credibility and capability within the organisation by testing prototypes in public and build momentum and interest in innovation by showing how it can make a difference.

**6.** Re-define what success looks like for an innovation project – it often goes far beyond the creation of a new product or service, highlighting factors such as new intelligence about what doesn't work, internal culture change, network creation that brings new skills, contacts or income.

## Organisational Antibodies

**A**ntibodies exist within organisms and organisations. Used by the immune system to identify and neutralise foreign objects such as bacteria and viruses, in organisations these agents can sometimes cause harm by killing off good ideas too early in the process. They become known by peers and across departments for protecting territories. This antibody effect can also be observed when organisations are subject to major transformational change, creating a state of uncertainty and crippling decision-making. While you may not be armed with a full set of immunisations to stave off harmful antibodies, here are three steps to help you neutralise them as an organisation evolves:

1. Operate under stealth mode to begin with; don't over claim on behalf of your project,

begin working on subtle changes to working processes such as introducing prototyping. This helps with finding a champion inside the organisation who will support you with an initial budget, time, resource and tolerance of risk.

2. Invite external expertise to share what they would do if they were in your shoes and then use this new knowledge to inform and exercise your decision-making.

3. Understand key internal processes to effectively critique or change them, learning how to better navigate your way around organisational antibodies or convert them to become advocates through involving them in making changes.

## Follow the Evidence, Wherever it Leads

**A**s part of the Open Innovation Programme, Mencap delivered a vision to create 'Kids for Good' – a fun, easy and safe way for children to raise sponsorship from friends and family online which would transform giving within schools. The project received an early set back when the delivery partners – a leading UK online sponsorship company – wasn't sure the innovation would bring them sufficient return on investment and decided to focus on a market they knew well.

The Mencap innovation team went back to the drawing board, this time with the aid of The Giving Lab, an agency that supports charities to innovate. Together they faced internal hurdles with the 'Not Invented Here' syndrome and organisational antibodies surrounding an existing digital product that 'Kids for Good' was perceived to compete with.

Instead of backing away they set out to breakdown the value flows and discovered that the existing product was a loss leader and a new approach to innovating was required. Using an evidence-based approach, The Giving Lab worked with pupils, parents, teachers and Mencap Youth Ambassadors to uncover the enablers and barriers to giving in schools. A fundamental insight was uncovered: schools are cash based by choice, there was no appetite for a digital platform.

Mencap looked at various ways to tackle this. They quickly realised the insight meant returning to the drawing board on their tactic to increase giving in schools, and step back from the programme to re-group; a courageous and ethical decision. Through the open innovation and evidence gathering process they were also able to stop further losses from an existing digital innovation.

Along the way, they discovered a raw diamond in appreciating the impact Mencap Young Ambassadors can have with regards to engaging with schools. This serendipitous discovery is now paving the way to build bridges internally and externally, while changing the way Mencap approaches the innovation process from the outset.

They would never have found this insight without looking beyond organisational boundaries; first with a delivery partner that didn't work out, secondly with the innovation agency The Giving Lab, creating an aspiration for their future work.

Through the example of Mencap we can see that working with and understanding those both inside and outside your organisation is a crucial first step to building an open innovation culture. Although the product wasn't developed, this was a successful process of learning and network creation. So be brave, break the mould, and enjoy building your next big idea.

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- Lucy Gower is a consultant, coach and trainer specialising in innovation and fundraising. She has a wealth of experience in the charity sector and regularly speaks on innovation in the sector. She worked as part of the 100%Open team to support charities as part of the Open Innovation Programme.

## Why do Open Innovation?

In a competitive environment it's difficult to stay ahead of the game. Open Innovation can help. In the corporate world major companies have been working with outside organisations to innovate, creating value through developing new insights into their products and services. With tightening funds in the third sector, it is appropriate to look for new resources in new places, and to remember that you won't find all of the answers you're looking for in-house.

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*Not all the smart people work for you.*

Bill Joy

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However, there are few instances of open innovation taking place in the charity and voluntary sector; yet the potential rewards are the same.

If done well, a more open approach to innovation could enable charities to reach a new network of skills, expertise and experience. Smaller charities often look outside their organisations to draw in skills and resources out of necessity. The Open Innovation Programme explored how to encourage this type of

behaviour in much larger charities that naturally feel protective of their donor base, and competitive with other charities for funds and volunteers.

Like any new initiative or change programme, developing Open Innovation requires hard work and changing culture. To be successful leaders must understand the risks and rewards of open innovation, including how to plan for failure and managing real risk.

When working with charities to 'do' Open Innovation there are three fundamental things to clarify before getting started:

1. Clarity on why you are developing an Open Innovation strategy; what impact are you seeking? Is it primarily about fundraising, or brand building or trying to meet an unfulfilled need?
2. What resource do you have available? What capacity, skills and experience do you have? If you don't have adequate resources then get some.
3. Finally, ask yourself if your organisation is prepared to let go of some 'control'? You have to be prepared to be open and trust your partners and your teams to experiment and develop in a way that is different to how you 'normally' do things.

## More than buzzwords

**B**ut, as one of the charities who took part in the programme said; “Innovation is often a buzzword...isn't Open Innovation just two buzzwords?”

Let's take a closer look to get past the jargon and understand how working in a more open way can add real value to a charity's work.

### 1. Make a clear case for Open Innovation

It's important to be clear what you want to achieve from the outset. This may sound obvious, but in the initial cohort of 28 charities in the Open Innovation Programme, the majority of initial ideas did not actually meet the charities strategic objectives. They were interesting ideas, but not focused clearly enough on core 'business' goals. Making 'Innovation' into reality instead of jargon means that you must focus on a task that is not just a 'nice to have'. Unless you are clear in understanding why it's strategically important and you communicate that across all stakeholders, it is likely that your projects will just be seen as marginal efforts.

### 2. The right resource - capacity and skills

Open Innovation doesn't just happen by itself. It requires time, effort and resource. It might take more effort to facilitate a group

of partners to come together but the results have far greater potential than working up ideas behind your own four walls. For small charities like Foodcycle, they are working with volunteers and corporate partners in order to fundraise locally to develop their own volunteer hubs to provide healthy meals for local communities. By involving their stakeholders from the beginning, it has delivered faster results, because involving people from the outset means they have a bigger interest and stake in making the idea work.

### 3. Let go of control in the traditional way.

Asking for help can be perceived as a weakness. Instead, grow networks before you need them, get out from behind your desk and attend events where you get the opportunity to meet new people and share some of the challenges or opportunities you are currently faced with. And by taking that first step, and by asking your network for their help, they will help you to come up with better, cheaper and faster results. In a fast moving networked world it will be those organisations that are gaining insight from their networks and responding quickly that will survive and thrive.

## The National Trust – Big Family Day Out

**T**he National Trust developed their Big Family Day Out concept through an Open Innovation approach aiming to bring together several elements that had been tested in different ways before combining into a new concept for increasing volunteering and brokering new relationships with corporates. The idea was a 'family volunteering

day' aimed at large corporations who have CSR commitments to staff volunteering. Let's take a look at how this project put an 'open innovation' methodology into practice to get a pilot project successfully off the ground.

## The case for open innovation

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The National Trust began by considering their organisational objectives and being really clear on the most important goals that they needed to reach. They agreed that in order to get new volunteers and visitors to their properties, they needed to explore new audiences. Their success was measured by current internal targets rather than inventing new measures or something that sat outside of current

core work. They identified that compromising on family time was a barrier preventing people from volunteering. So the problem to solve became linked to creating more family time. The idea evolved to use employee-volunteering time as an opportunity to volunteer with your family. The idea was called the 'Big Family Day Out'.

## Right resource capacity and skills

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The team realised it would be impossible to drive a project forward without a dedicated project manager. Big Family Day Out was developed by two specialist project managers. One had an external track record of working on volunteer management programmes and the other with internal knowledge

of the Trust and properties. This combination of skills and experience helped to broker relationships across the organisation. Engaging people, as is the case with all projects, was key to success. The project managers also started planning to scale up the project before the pilot took place.

## Let go of control

At first there was some hesitation to go outside the organisation to develop the Big Family Day Out. The National Trust, as a large sophisticated organisation, is confident developing its own projects. When an initial approach to a sole corporate partner didn't materialise, however, the team had already really understood the benefits of being 'open'. They quickly hosted two workshops for corporates to contribute to a 'what do you think and are you interested?' session to explore another corporate partnership. The feedback improved the design of the product and resulted in 10 organisations signing up for the pilot rather than just one, breaking down internal assumptions that had been made about partnerships being about exclusive relationships along the way. Multiple corporates were pleased to be given the opportunity to work with the Trust and together this gives more opportunity for the Trust to take the Big Family Day Out from strength to strength.

For the National Trust, the open innovation journey was a challenge. For their organisation and for other charities, it is clear that by not allowing Innovation to become 'a buzzword' is achieved by focussing it towards core business goals. The National Trust maintained interest and support while the project itself extended beyond normal project partnerships both within the organisation and externally. Those extended relationships became part of the pilot project success as more people and organisations committed to supporting it. Change in this instance was achieved through taking a measured set of risks and opening up to new possibilities and partnerships at an early stage – these are all transferrable lessons that many charities can benefit from if they use innovation methods to tackle what really matters to them, rather than allowing it to drift towards becoming jargon at the margins.

# Nesta...

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