

THE J.W. MCCONNELL FAMILY FOUNDATION

Comments to Meeting of Foundation Partners

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My purpose here is to explain the origins of the Foundation's focus on social innovation. To do so, we have to go back ten years or so. The Foundation's Trustees had set the Foundation the mandate to fund *nationally* rather than mainly in Montreal; the new orientation sought to take a longer-term view, helping Canadians to respond to the challenges of rapid change, and to be, as an early document stated, "a *lubricant for change, not fuel for [charities'] everyday operations.*"

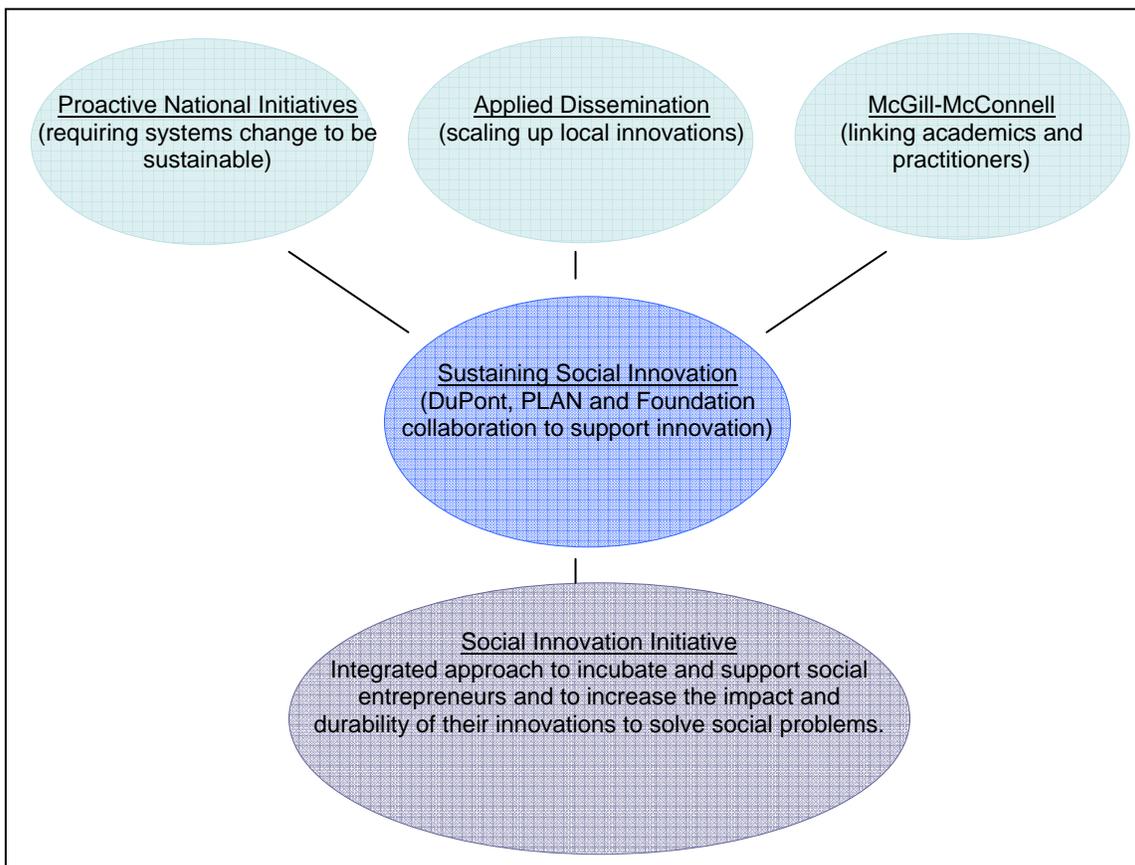
National programs were first initiated by the Foundation in the fields of community economic development (the Community Economic Development Technical Assistance Program, housed at Carleton University), the arts and education (ArtsSmarts), and home-based caregiving. Each was innovative in its approach, in the new type of relationship established between funder and grantee, and in the creation of intermediary organizations – often with policy direction by the local partners – to manage the programs. Other national initiatives followed, in fields as varied as environmental education (Green Street), community leadership and youth engagement.

A year or two later we began making grants for what we called "applied dissemination," that is, to scale up projects that had shown the potential for wider success of local innovations. Nez Rouge (Operation Red Nose in English), PLAN, and Volunteer Grandparents were examples of interesting and innovative activities that had begun to generate interest from other communities, leading to requests to innovators to share their approaches. We codified some of the lessons learned through these grants in a booklet titled *Should You Sow What You Know?* In the intervening years, more than twenty applied dissemination grants have been made by the Foundation.

A third stream that contributed to our evolving focus on social innovation was the McGill-McConnell Program, a national leadership development program for voluntary sector leaders which led in turn to a series of focused workshops and seminars on issues identified by the participants. Growing out of that program was a year-long seminar between some of the faculty of the McGill-McConnell program, Dupont Canada, and representatives of the community sector on the topic of social innovation (culminating in the 2006 publication of *Getting to Maybe*).

In 2004 these three streams coalesced into a new program called “Sustaining Social Innovation,” a collaboration between Dupont Canada, PLAN Institute, and the Foundation. It had three major programmatic components: Al Etmanski and Vickie Cammack of PLAN undertook an open-ended exploration of social innovation and innovators across Canada and elsewhere that were tackling transformational change; Dupont funded a series of workshops led by Michael Quinn Patton to develop a new approach to evaluating complex long-term change-oriented programs; and the Foundation funded a number of social entrepreneurs, convened regular meetings as a “living lab” in the practice of social innovation, and consulted with others in the philanthropic sector on examples of “big picture” change.¹

We are now entering a new phase, to consolidate and integrate what we have done to date.



¹ Reports on these activities can be found on the Foundation’s website: Pearson, Katharine, *A Summary of Lessons from Applied Dissemination Grants*, 2006; Pearson, Katharine and Vickie Cammack, *Accelerating our Impact: Philanthropy, Innovation and Social Change*, 2006.

We have chosen to intensify our work in Social Innovation, both because Einstein's dictum that we cannot find new answers by asking the old questions remains valid and because we believe there is a need to make innovation in the social sphere as "normal" and efficient as it is now in the fields of science and technology. We are not alone: Stanford University publishes the respected Journal of Social Innovation, the Skoll Centre in Oxford is offering training courses on social entrepreneurship, the recent BC provincial budget set aside funds for a *Pacific Centre for Social Innovation*, etc. It is perhaps a reflection of our rapidly changing world that the new, only slightly ironic, dictum is "When it works, it is obsolete"!

A recent IBM Global CEO Report stated along the same lines that for business, innovation is no longer just about changes in products and processes, but increasingly about changes in the business model itself, that is, in the basic structure or financial model of the business. In the world of philanthropy the dominant paradigm has assumed distinct roles for practitioners, researchers and funders, each working in near-isolation and according to its own logic. Thus, researchers conceptualize theories and models, practitioners – often operating on intuition – develop new approaches and manage programs, and funders establish the "rules of the game" and judge outcomes.

The new paradigm changes this "business model": grantmakers move away from project funding, from addressing symptoms, from trying to change "others" and from power flowing from control of resources. Instead they engage in a process of collaborative inquiry (learning journeys, in the words of Paul Born of Tamarack Institute) that engage funder and change-agent, theoretician and practitioner, facilitator and subject in a joint effort to understand and to solve problems. We don't know – any of us – how exactly to reach our goals, but we do share a common commitment to explore, to test, to learn, and eventually to find solutions.

Change agents, in turn, can stop pretending that they have a blueprint which, if followed, will produce the transformation they seek, and that the process is risk-free. Obstacles and dead-ends can be acknowledged candidly so that plans can be adjusted and lessons learned. The all-too-common "dance of deception" between funder and practitioner shifts to a tango of collaboration.

Margaret Wheatley has written "all change arises from a change in meaning, *when we change our understanding of what is going on.*" The new paradigm involves just such a "change in meaning," which is the real sense of innovation that has transformational potential. Without that, innovation can be just novelty, because systems are resistant, new ideas spawn antibodies, and no single agent can bring about transformation alone.

If change is about us, and not just others, we have to ask ourselves, how do we feel about change? Do we feel threatened by it, or engaged in it? Do we truly believe that social injustices can be overcome, that the global environment can continue to sustain

us, that Canadians can be *leaders* in creating a better society? If we don't believe these things, what will sustain then, what will make us persevere on that learning journey, with its inevitable switch-backs, dead ends and blind corners?

Let us admit that changing roles can be uncomfortable – perhaps especially for funders. For the McConnell Foundation, it means that our own work becomes an ongoing inquiry into the priority issues we have taken on, challenges that are necessarily complex and long-term and that we can only hope to address by collaborating closely with others, with researchers, practitioners and other funders. If we look at our work in applied dissemination, for example, we see slow progress from a simple (simplistic as it turns out) growth model to a deeper understanding of the role of innovation in spurring systems change – wherein a policy component becomes a critical success factor, as does a strong learning orientation and an understanding of the potential for youth to be levers for change. It means also, for all of us, a shift from a “scarcity mentality” to an “abundance mentality,” to a culture of possibility. A new way of framing the problem to be tackled, a new set of questions, suddenly throws into relief resources and capacities previously unseen.

The challenge for funders, for us, is to accept that we share accountability, and to document and communicate what we are learning (and in doing so to create a safe space for creative problem-solving). It is also to innovate in our own practices rather than just exhort others to change. In embarking on this next phase of our social innovation work I cannot promise that the Foundation will be able to respond to everything you ask for, but I can promise that we will collaborate, engage, and share what we learn, and remain committed, with you, to be as innovative in supporting your efforts as you are in addressing some of the pressing challenges facing Canadian society.

This next phase of our exploration of social innovation is designed to bring together everything we have learned to date, using as our conceptual framework the panarchy model laid out by C.S. Hollings and developed in *Getting to Maybe*².

Economic entrepreneurs benefit from a widespread understanding of the fundamental importance of innovation to our prosperity and competitiveness, and from a whole suite of supports to assist budding entrepreneurs to raise capital, access training, and eventually to “go public”. The Foundation wants to make social innovation as widely understood and supported, through a program that integrates training, leadership development, investment and strong links to academic research for the purpose of identifying, testing, and documenting relevant lessons so that our understanding of social innovation can be further developed.

² Westley, Frances, Zimmerman, Brenda, and Patton, Michael Quinn, *Getting to Maybe*, Random House, 2006

In an article in the November 2006 Harvard Business Review, Rosabeth Moss Kantor warns about the “classic traps” that stifle innovation in the for-profit sector. These can be avoided, she advises, when companies “*widen the search for new ideas, loosen overly tight controls and rigid structures, forge better connections between innovators and mainstream operations, and cultivate communication and cooperation skills*”³. This advice can be applied as well to the not-for-profit sector, with the added concern that, absent an IPO as an end-point, managers face an even greater obstacle to justifying the investment of scarce time and resources in unproven approaches. It is up to funders, and especially private foundations with their greater flexibility and tolerance for risk, to actively help our social entrepreneurs by welcoming promising new ideas, giving them the time and resources to test their efficacy, and helping to link them to funders, investors, policy-makers and partners so that innovation powers social progress no less than economic prosperity.

³ Kantor, Rosabeth Moss, *Innovation: The Classic Traps*, Harvard Business Review November 2006