Intentional Innovation

How Getting More Systematic about Innovation Could
Improve Philanthropy and Increase Social Impact

EXECUTIVE SUMMARY

August 2008

W.K. KELLOGG FOUNDATION

Intentional Innovation:
How Getting More Systematic about Innovation Could Improve Philanthropy and Increase Social Impact

**Prepared for the
W. K. Kellogg Foundation**

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> "Innovation is often given complex definitions. We prefer the simple one: 'new ideas that work.'"
>
> – Geoff Mulgan, Young Foundation[1]

Innovation is everywhere. From the advertisements on TV to the design of the iPod in your pocket to the social services delivered on the streets of Delhi, people and organizations are always creating new ideas, services, and products and adapting old ones to fit their changing circumstances. This is especially true in the social sector, where the old adage "necessity is the mother of invention" drives NGOs, social entrepreneurs, and others to creatively experiment with new solutions to pressing local problems and intractable global challenges.

So why is it more important than ever for philanthropy and the social sector to take a fresh look at innovation? It isn't just about chasing the latest fad, or about innovation for its own sake. It's about finding new ways to make a difference in the world.

The convergence of a number of dynamic forces—new and emerging technologies, new ways of connecting people and organizing work, and new ideas from around the world and across sectors—is creating exciting opportunities for breakthroughs in how public problems are solved. It is now possible to do old things in new ways, and to try completely new things that weren't possible before.

As these forces accelerate the pace of change in the social sector, there is also a very real danger that by just continuing to do philanthropy the way we do it today, our efforts will no longer match the emerging realities of tomorrow. There is a need to identify and pioneer innovations in practice that will fit the challenges and opportunities of the future.

But not enough funders have a clear sense of what innovation really means, or how to intentionally and consistently make it happen.

The inspirational flashes of creativity that we typically associate with innovation have led to many great advances in almost every aspect of our lives. But in practice, these flashes are unpredictable and often difficult for an organization to manage. Potentially great innovations are routinely squandered or lost because they don't fit, aren't noticed, can't scale, or are too overwhelming to absorb.

A growing body of literature and practice now suggests that innovation does not have to be such an uncontrollable force. Instead, it can be a rational management process with its own distinct set of processes, practices, and tools. In fact, research shows that this type of systematic innovation in an organization typically yields much more productive, scalable, and sustainable ideas over time.

Systematic innovation requires well-managed and repeatable processes, to move an organization beyond a dependence on the lightning-strike of sporadic innovations and to create a more constant and dependable flow of new ideas. According to innovation expert Larry Keeley, "Innovation that works is a disciplined process…. The real frontier is to not think of it as a creative exercise, but to think about it as being disciplined in using the right methods."

Governments and businesses—especially large corporations—have responded to these insights about systematic innovation by improving their research & development teams, using more collaborative design processes, open-sourcing to find innovation and innovators, and restructuring to offer greater incentives. There are a wide range of new methodologies and strategies that have been developed to help foster and promote innovation.

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[1] Geoff Mulgan, *Social Silicon Valleys: A Manifesto for Social Innovation*, Young Foundation (Spring 2006).

Yet in the social sector, where creative thinking abounds and can often mean life or death solutions to critical problems, innovation remains largely episodic. Every day, individuals, social entrepreneurs, and organizations create ingenious solutions to some of the world's thorniest problems, yet many of the innovations are never realized or scaled, and fail to achieve their transformative potential. Piecemeal funding, under-resourced organizations, trailing-edge technology, and structures that are set up for services and advocacy rather than for discovery and scaling are all fundamental elements of a social sector landscape that often limits the impact of breakthrough innovations.

Funders now have an opportunity to take another look at what is happening with innovation in the other sectors—not because philanthropy isn't already innovative—but because there is good reason to believe that we can be even more innovative, and as a result, have a greater impact on the issues we care about most.

This opportunity is what prompted the W.K. Kellogg Foundation to launch an investigation, in partnership with the Monitor Institute and Clohesy Consulting, into innovation in philanthropy. What would it mean for philanthropy and the social sector to develop and manage innovation more systematically? How can you nurture and promote innovation in philanthropy? How can you get innovation to happen more reliably?

To get some answers, we start with three stories, going back to the year 1435!

1. The Medici Effect
Almost 600 years after the Renaissance began, historians are still debating what caused this extraordinary period of creativity and innovation—a 300-year-long "rebirth" that changed the very course of human history. Most researchers agree that the Renaissance began in the Italian city of Florence, which at the time had a post-plague population of less than 50,000. This raises an important question: What could transform a provincial city smaller than Dubuque, Iowa, into the global center of innovation?

Author Frans Johansson thinks he knows the answer: the Renaissance was sparked by a foundation… well, the closest thing to a foundation that existed in 14th century Europe. He explains this thesis in a fascinating book called *The Medici Effect: Breakthrough Insights at the Intersection of Ideas, Concepts, and Cultures*.

Starting about 1435, the ruling Medici family started supporting an amazing variety of worthy innovators from all over Europe—artists, painters, sculptors, scientists, inventors and philosophers—who came together from many different nations to debate, discuss and discover new ideas. Art historians estimate that more than one-third of Europe's professional artists lived or worked in Florence at some time during this extraordinary period.

Renaissance innovations gradually made their way around the world, mixing and combining with other cultures in highly creative ways. Great artwork was just the beginning. Dozens of life-changing inventions were introduced during this time that eventually transformed the standard of living for millions of people, including clocks, indoor plumbing, the printing press, eyeglasses, surgical instruments and even such mundane inventions as wallpaper.

So what can we learn from the Medici in the 21st century? Johansson and other scholars cite several major lessons that are especially relevant in today's philanthropic arena:

- **Collaborate.** Forget the normal boundaries and bring together talented people from a wide variety of fields and disciplines to work together and cross-fertilize. Look both inside and outside your existing organization for new types of innovation partnerships.

- **Create an active support system.** Develop a culture that supports, nurtures, and develops innovation in a systematic way. Creativity is only one part of the innovation

picture. A disciplined yet flexible process is needed to launch new ideas and then scale them to the opportunity or problem at hand.

- **Change agents are needed.** Senior leadership support for innovation is important, of course. But an organization also needs specialists who can foster innovation throughout the organization, both on specific projects and in structural ways that impact daily operations.

- **Use new technology.** German scribes mocked the early printing presses as unreliable "contraptions" that would never replace hand-written books. Forward-looking organizations should identify and embrace new technologies that can increase the flow of input from external sources and simplify operational work such as the grantmaking process.

2. Googling Innovation

Fast-forward to today. Many of the same principles that intuitively guided the collective innovation of the Renaissance are now being deliberately and systematically applied within the world's fastest growing companies. Among these businesses, the internet giant Google stands as one of the most innovative. From the corporation's launch in the mid-1990s, Google's founders, Sergey Brin and Larry Page, were trying to push their company to go beyond any existing online search. And Google as a company still aims to continuously innovate to find new ways to organize and present the information that its users say they need and want. New products like GoogleMaps, GoogleEarth, GoogleNews, gMail, and GoogleDocs continue to keep the company at the forefront of the field.

In his book, *The Innovation Acid Test: Growth through Design and Differentiation*, Andrew Jones details a number of the cultural and strategic principles behind Google's exceptional ability to consistently develop innovative solutions:

- **Get everyone involved.** Google expects everyone in the company to innovate, even administrative and finance staff. The source of the innovation matters less than the innovation itself.

- **Promote creative time.** Employees are given "20 percent time" to pursue "pet" projects, unrelated to their core work, that they find interesting. Half of the new launches at Google emerged from this sanctioned time for innovation.

- **Encourage volume, speed, and iteration.** Google pilots products early and often, in small beta tests. This allows people to test out ideas with others, and to iterate and refine the ideas, before launching them more broadly.

- **Embrace failure.** Google staff are encouraged not to worry if an "experiment in innovation" fails. There is often something that can be learned or salvaged from any attempt.

3. Lessons from the Lab

Systematic innovation is now stretching beyond the walls of big corporations and into the social sector. One of the most visible embodiments of this trend is in the emergence of new social innovation "laboratories." The *lab* terminology has grown increasingly popular for describing systematic innovation processes because it signals a willingness to experiment and learn, and conveys the promise of potential breakthroughs. Labs—and their accompanying systematic processes to look for new ideas—can tell us a great deal about what it means to create a workplace that is constantly and openly searching for innovation.

The Civic Innovation Lab, for example, was created by the Cleveland Foundation in 2003 to boost economic development in Greater Cleveland and to recognize and mentor social entrepreneurship. For many, the idea that one of our older cities could be teeming with clever new ideas for the economy and the society seems unlikely. And yet the Civic Innovation Lab has systematically searched for, found, funded, and nurtured more than 30 innovators and innovations that are

changing the economy and the social behavior of Cleveland. Most of the innovators are young and diverse, and they have the profiles of people who typically exit older and transitioning cities. But instead of leaving, these innovators have been identified and attracted through the use of an inspirational message about the future, financial incentives, and a promise to develop their business skills and civic leadership. They are not only staying in Cleveland; they are redeveloping it through a network of innovations strategically identified for their business and civic potential.

A different sort of laboratory, *HopeLab,* was created by Pam Omidyar (wife of eBay co-founder, Pierre) as a way of combining rigorous research with innovative solutions to improve the health and quality of life of young people with chronic illnesses. HopeLab began pursuing its mission by developing a video game that motivates young cancer patients to comply with the requirements of treatment. The resulting product, Re-Mission, plays like a commercial video game built for fun, but also has proven health benefits. Positive results of HopeLab's randomized controlled trial of the game reveal that Re-Mission improves treatment adherence in patients who play, and these findings have been a major contribution to the growing evidence-base for the emerging field of "serious games." So-called "serious games are now becoming a recognizable part of the gaming landscape. HopeLab also created Ruckus Nation, an international, online idea competition to get kids moving and prevent harmful sedentary behavior. The competition stimulated new thinking about how to motivate physical activity in kids, generating new product ideas from 37 countries. Innovators *as young as 6 years old* and as old as 82 submitted entries, and winners were announced in March 2008.

These types of labs are teaching us a great deal about social innovation by reaching beyond traditional organizational boundaries:

- **Open up the innovation process.** Rather than choosing a select set of "fellows" or finding innovators through a regular grantmaking process, the Civic Innovation Lab and HopeLab attempt to open up the innovation process to attract talent and ideas from people everywhere, across geographies and sectors. Prize money and aspirational social visions help attract applicants and creativity.

- **Provide a full range of support for innovators.** Social innovators often need more than just capital. The Civic Innovation Lab surrounds its innovators with a wide range of supports, including mentorship, information and advice, connections and networks, and public visibility.

- **Tap the creativity of "lead users."** HopeLab intentionally engages young people—its target constituency—in the development of ideas. This type of "lead-user innovation" encourages individual consumers and end users to modify existing products and services or to create entirely new ones that meet their specific needs.

Translating Stories into Resources for Innovation

This report draws lessons from these types of systematic innovators in order to translate best practice from business and government, internalize academic ideas and theories, lift up some of the gems of social sector innovation, and suggest how philanthropic institutions can both become more innovative themselves and play a critical role in transferring systematic innovation practice to the social sector.

The report offers four new resources to help philanthropic organizations deepen their understanding of innovation and find ways to capitalize on the strategic advantages of systematic innovation:

- A composite framework for innovation that builds a basic model for what it means to "do" innovation. The framework introduces the fundamental elements of successful innovation processes and explores the classic reflection/action pattern of "think, do, improve, and diffuse."
- A schema for understanding the different opportunity spaces where philanthropic institutions can innovate, along with a collection of examples of the innovations and experiments in philanthropic practice that are going on across the country and around the world.
- A set of archetypes for the different innovation roles that can help an organization beyond random or episodic innovation in order to cultivate innovation.
- A series of helpful resources and links to help readers explore specific areas of innovation theory and practice that interest them in greater detail.

## A FRAMEWORK FOR THINKING ABOUT INNOVATION IN PHILANTHROPY

In many people's minds, innovation is a mysterious force—a serendipitous phenomenon that occurs in the brains of an elite class of brilliant, creative geniuses. The problem with this way of thinking is that such miraculous breakthroughs are by nature uncertain and irregular, making them incompatible with the normal flow of an organization.

But literature and practice on innovation over the last decade reveals that it is, in fact, possible for an organization to be more systematic about innovation. We are discovering that what was once thought to be an art is actually more of a science, and the general outline of what it takes to successfully manage innovation is beginning to come into focus. Following intentional, repeatable, processes can allow an organization to more effectively develop, test, implement, and share new ideas.

To clarify these methods, innovation specialists have developed a number of valuable models and typologies that help elucidate successful innovation processes. We have pieced these various schemas together into an integrated framework to help structure thinking about the larger concept of innovation in philanthropy.

This composite conceptual framework for innovation includes five main stages that are held within a "culture" of innovation, depicted graphically in the diagram on the following page:

- *Setting the conditions* required to support innovation
- *Identifying the problem or opportunity* about which you want to innovate
- *Generating ideas* to solve the problem or capture the opportunity
- *Experimenting and piloting those ideas* to test how well they work in practice
- *Sharing the innovations* with a broader set of stakeholders

Creating A Culture for Innovation
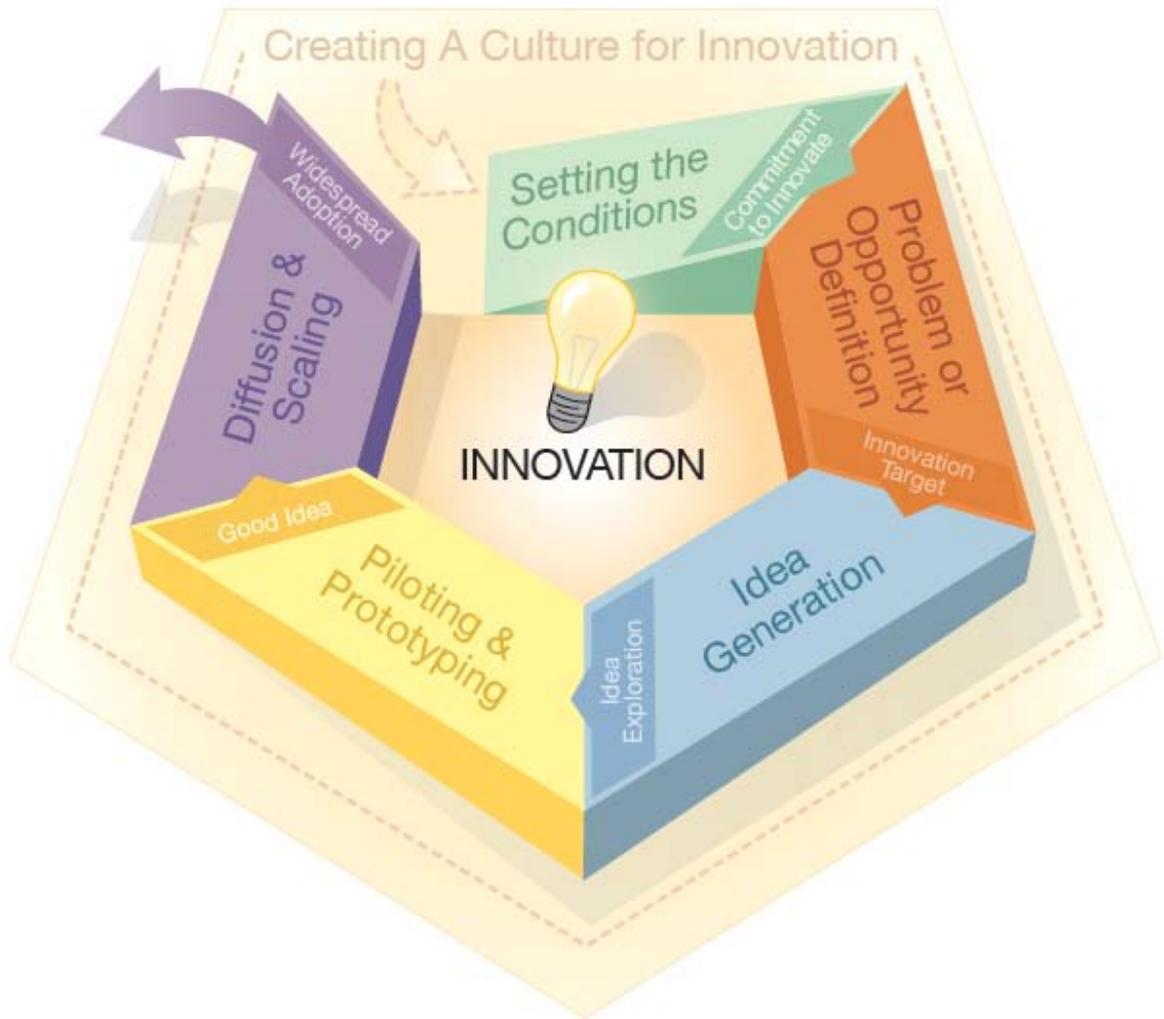
Although many of the elements of the framework will feel familiar—activities that are relatively commonplace in organizational planning and design—our research suggests that there is much to be gained by putting them together and being intentional about applying such a disciplined framework to help nurture innovation within an organization.

The simplicity of the framework (and the broad use of the term "innovation" more generally) also belies the complex set of ideas and methods that lie beneath each step in the innovation process. In the full report, we look more deeply into each element of the framework—to identify many of the key ideas, choices, and stakeholders involved, and to provide an overview of the new tools and methodologies that are now available.

It is possible to enter the framework at any point—and certain stages may be skipped or used out of order in some cases—but the most effective systematic innovation efforts usually begin by intentionally **setting the conditions and culture for success**. Leaders of successful innovation communicate that their organizations are committed to supporting innovation, beginning with building a culture that genuinely supports experimentation and risk-taking. The **creation of a culture that is supportive of continuous innovation** within the organization underlies all other elements of the innovation process.

An enabling culture helps an organization begin to **define the problems or opportunities** for innovation. Where is innovation needed? What are the key problems that need to be solved? What

new opportunities are emerging? The problem and opportunity definition stage of the process is about clarifying the target of your innovation work, whether the focus is on the products and services you create, the processes you use to create them, or even the entire business model for your work. At this point, you can also be thinking about the degree of change you are hoping to create. Are you trying to produce incremental improvements, or to entirely retool things with a radical innovation? Your choice and intentions will ultimately influence the methods and tools you choose to use.

Once you have selected the target space for innovation, you can begin the process of **generating new ideas** for addressing the problem or opportunity. Rather than diving directly into an unstructured creative process, it is helpful to begin generating ideas with a set of questions about who should be involved: Who are the right stakeholders to come up with new ideas? Do you open the process broadly or invite a smaller set of experts? Do you keep the process internal to your organization or do you invite people from outside? Identifying the desirable or needed stakeholders allows you to then determine what approach makes the most sense for developing new ideas. Which tools and methodologies, of the wide range that are now available, would work best with the stakeholders you have selected? The ideas you generate in this stage become the raw materials for the rest of the innovation process.

After you have developed a number of ideas, you can identify the most promising options and begin the iterative process of **piloting and prototyping** to take the ideas into reality. New tools for rapid prototyping now allow us to quickly obtain and integrate feedback to improve ideas early in their development (before it becomes too costly to change them), while slow prototyping approaches allow us to test and improve more complex, long-term social change strategies over time.

Once an idea has been vetted through repeated testing, the next step is to **diffuse and scale** the innovation, as appropriate, to others who might benefit from adopting it. Just because a new idea is an improvement over existing ones doesn't ensure that it will be spread to all who need it. Fortunately, a great deal of research is beginning to clarify the different strategies available to help share, grow, and replicate ideas.

In many ways the innovation framework is just a version of the familiar action-learning cycle. *What is new is the fast pacing and expansive reach that are now possible through new technologies and deliberate innovation processes.* New social technologies like wikis and blogs now allow us to engage and connect with more people, regardless of geographic distance; to access a greater diversity of perspectives and expertise; and to facilitate accelerated learning and on-demand access to information—all while reducing the costs of coordination. These new "Web 2.0" tools are allowing us to rethink how we develop, test, and share ideas, with the potential to do them in bigger, better, faster, and cheaper ways than ever before. As the social technologies become commonplace, they in turn are driving the development and use of a wide range of new methodologies and tools that can facilitate systematic innovation processes.

OPPORTUNITIES FOR INNOVATION IN PHILANTHROPY

In the past decade, innovations in philanthropic practice ranging from mission related investing to online giving have been fundamentally changing the way donors and foundations go about their work. More than ever before, new technologies and new ways of organizing are creating exciting opportunities for breakthroughs in public problem solving

Funders are beginning to act as laboratories for pioneering new practices that take advantage of emerging opportunities. But a vague and generalized desire to innovate and create new approaches seldom leads to real breakthroughs in strategy and process. Breakthroughs most frequently occur when an organization focuses on a small number of bold initiatives by systematically vetting innovative ideas and choosing to develop those that are most promising or relevant.

So when thinking about the philanthropic process, where should foundations concentrate their attentions?

The diagram below provides an outline of the different opportunity spaces within the philanthropic process where innovation might be possible. At the core of the figure are a number of different **program opportunities**: spaces where a foundation can think about doing its core work differently, from the program strategies it uses to the way it learns from and evaluates its efforts. But it is also important for foundations to understand that innovation is possible in every aspect of their operations, and there are a wide range of **structural, financial, and administrative opportunities** for foundations to improve the way they function.
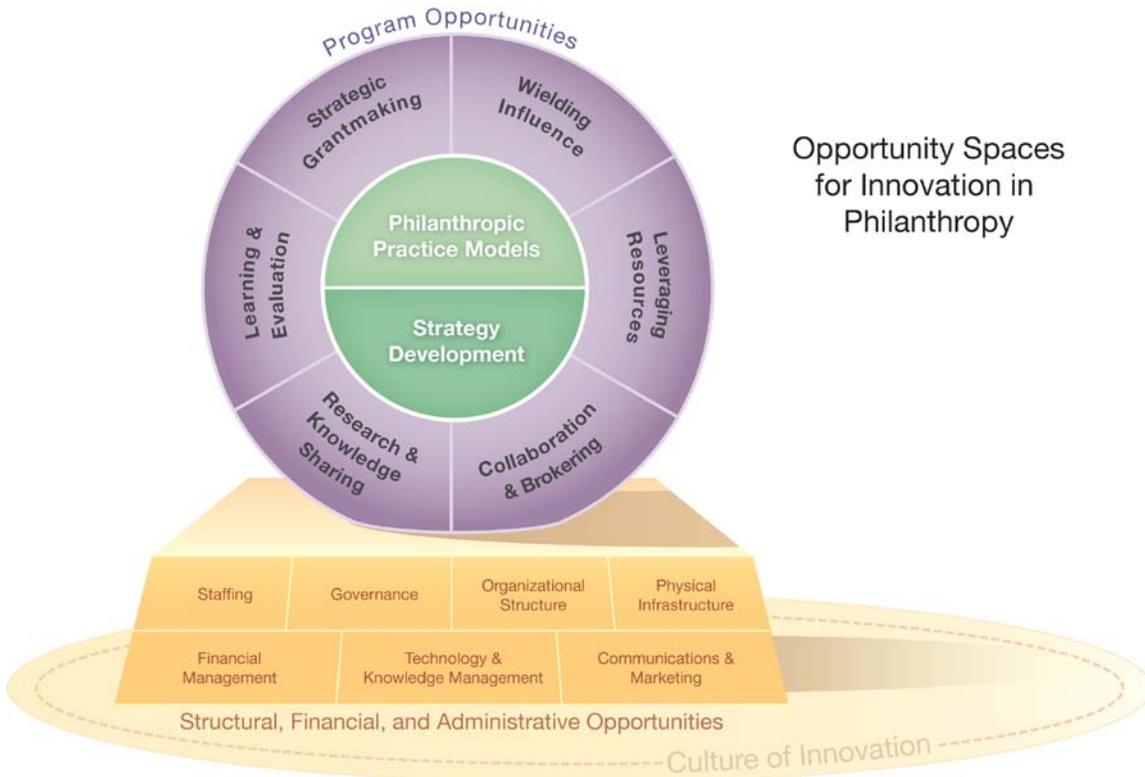
Throughout philanthropy, funders are experimenting in many of these different areas. The full report documents many of the exciting new innovations that are being tried in the field. Some of the innovations are relatively small—incremental improvements to the traditional mechanics of philanthropy, like the way the Frieda C. Fox Foundation in Studio City, California is developing a "virtual site visit" program that will allow foundations with Board members all over the country to make a site visit without leaving their home. Others may represent much larger breakthroughs to a funder's entire organizational strategy, as seen with the Robert Wood Johnson Foundation's "Pioneer Portfolio," which uses a part of the foundation's grantmaking to seek out high risk, high reward efforts that could fundamentally change health systems.

And many of the innovations are not entirely new. Several are modern twists on old ideas—like the "Network Effectiveness" program being developed at the David and Lucile Packard Foundation, which expands the foundation's established "organizational effectiveness" grantmaking to support collaborative grantees that are working together to accomplish their goals. Some have been part of the repertoire of funders for years, but are drawing new interest and getting wider attention, like the program and mission driven investing that funders like the Kellogg Foundation are using to produce both social benefit and financial returns.

These examples are just a few of the many experiments that funders are testing across the country and around the world. Many of the innovations cited in the report could be replicated or adapted at other foundations. But more importantly, the cases aim to stimulate thinking and provide inspiration to help you develop innovations tailored specifically to your unique circumstances. The innovation framework laid out earlier in this paper can provide guidance for generating and implementing innovations within your organization.

The opportunity spaces diagram is not intended to draw clear distinctions between different areas of innovation. Many innovations don't fit neatly into just one category. Instead, the schema is intended to serve as a tool for helping a funder to see their institution from a 360-degree perspective, to notice patterns and identify areas in need of innovation, and to quickly understand how external innovations might fit into their own activities.

ROLES IN THE INNOVATION PROCESS

The entire chain of innovation from discovery through development and diffusion requires people to take on a variety of roles and responsibilities. If an organization and its leaders believe in innovation as a high priority for helping to find solutions and new options, then it is important to think about the intrinsic nature of those roles and how they might be covered appropriately.

The roles range nearly as widely as the creative new ideas they help to catalyze; and they vary in their intensity and manageability. Ultimately the chosen roles need to be an appropriate "fit" for the organization's aspirations, institutional size, and resources, as well as the level of commitment to being more systematic about innovation.

Sometimes an organization might choose to create an innovation "unit" or team that is the home-base and main facilitator for any and all roles and functions related to innovation. While this works for some it is not widely recommended as "best practice." Instead organizations are urged to look at the core archetypes of roles and functions and to decide which of those roles are important and how they can be assigned or acquired. Any organization can tailor one or several roles to their particular circumstances and organizational dynamics. Leaders can mix-and-match among possible roles to find the combination that complements their specific goals.

To help understand the range of roles, we have identified six primary archetypes:

- **Scout (Internal and External).** Scouts for innovation—whether focused internally on identifying effective ideas within the organization, or externally on new ideas developed outside the organization's walls—are responsible for identifying innovation practices and good ideas that can be valuable to a team or to the organization as a whole for solving a specific problem or pursuing an opportunity.

- **Innovation Broker.** The innovation broker actively links an institution to interesting and applicable knowledge and players in the innovation space. While a scout mostly scans, captures, and disseminates information and opens possibilities, a broker acts as a more dynamic filter and hands-on matchmaker of ideas.

- **Innovation Facilitator.** An innovation facilitator helps and coaches an institution's leaders and teams to apply innovation tools (e.g. brainstorms, gallery walks) to their everyday work. The facilitator draws on a repository of knowledge about innovation processes to provide information about strategies for acting more innovatively, and helps to guide internal teams in using the innovation methodologies.

- **Innovation Champion.** The innovation champion is responsible for embedding a culture of innovation into the "DNA" of the organization by finding both small and large ways to integrate innovation into the regular activities and processes of the foundation.

- **Innovation Incubator.** While many of the other roles are focused on concepts and planning, the Incubator is about implementation. The Innovation Incubator utilizes a venture model of identifying or selecting new and inventive ideas and developing these ideas with the appropriate resources and research. The core of the incubator should be its ability to take an innovation from concept to prototype, and on to launch and scale-up.

- **Innovation Aggregator/Accelerator.** The Innovation Aggregator and Accelerator role is based on the idea that there is a benefit to trying to develop collections of related innovations together as a group. An accelerator would help to facilitate or incubate a number of innovations individually, while also working collectively across the projects to try to build a synergistic effect that goes beyond the impact of any of the individual innovations themselves.

In the full report, we lay out each of these roles in greater detail, with examples and an assessment of the key capabilities that would be required to play the role.

CONCLUSION

The research done for this report drives us toward a simple, but important insight: being deliberate about innovation can ultimately produce more and better ideas for positive social change.

In the business world, the mandate for innovation is inescapable. If a company doesn't adapt to fit changing realities, it risks losing its position in the market. But foundations—buffered by endowments that can soften the effects of external shifts and ensure institutional survival regardless of performance—often seem insulated from change and slow to respond.

At the same time, new technologies and new ways of organizing are opening up exciting possibilities for how we can address pressing social, economic, and environmental problems; and philanthropy has a real opportunity to increase its impact by examining and rethinking the way we work. It will not be enough for any of the sectors to continue to do things as we always have or to just wait and hope for innovation to emerge.

This report largely deals with the work of philanthropy itself, and the success that is possible when funders adopt intentional innovative processes to transform our everyday work. But philanthropists also have an opportunity to spread systematic innovation far beyond the walls of our own institutions. A great deal of innovation takes place at the edges and margins, as people and organizations faced with the greatest obstacles (and often the smallest resources) use ingenuity to improvise solutions and find the power to change the world around them. Foundations and donors have the unique positioning to help seed and spur these ideas, and to help them go to scale.

Our deepest hope is that this paper and the assumptions made to do the research and writing will intrigue every reader to think more deliberately about innovation—within our institutions and beyond—and to add to a new knowledge base that could be developed with and for the social sector.

Through it all it will be worth remembering that innovation is not a game for its own sake but a way to change the world for the better…for all of us.

If innovation and the increasing need for "ideas that work" are on your mind too, we hope you will share your thinking by leaving a note at innovation@wkkf.org.

How we embrace and promote intentional innovation—inside our own walls, in our partners and grantees, and out in our communities—will be critical to our ability to grow our impact on the issues we care about most.

SELECTED RESOURCES

The literature on innovation these days are growing by the reamful. The pages of magazines like Business Week and the Harvard Business Review are full of stories about how cutting-edge companies are experimenting with new innovative products and processes. But for all of the buzz, there are actually far fewer resources that look deeply at the subject to help us understand what innovation really is, and how it can be systematically promoted within an organization. We have selected here a handful of the pieces that we found most helpful pieces in our work.

General Introductions to Innovation
"Something New Under the Sun: A Special Report on Innovation," *The Economist* (October 13, 2007).

Tom Kelly The Art of Innovation: Lessons in Creativity from IDEO, America's Leading Design Firm (Currency, 2001).

Readings on Innovation in the Social Sector
Geoff Mulgan, Social Silicon Valleys: A Manifesto for Social Innovation, Young Foundation (Spring 2006).

Resources Focused on Problem and Opportunity Definition
Doblin, Ten Types of Innovation.

Rosabeth Moss-Kanter, "Innovation: The Classic Traps," *Harvard Business Review* (November 2006).

Resources Focused on Idea Generation
Andrew Hargadon, How Breakthroughs Happen: The Surprising Truth About How Companies Innovate (Harvard Business School Press, 2003).

Henry Chesbrough, Open Innovation: The New Imperative for Creating and Profiting from Technology (Harvard Business School Press, 2006).

Chris Ertel, *Models of Open Innovation: Four Pathways*, Global Business Network (2007).

Satish Nambisan and Mohanbir Sawhney, "A Buyers Guide to the Innovation Bazaar," *Harvard Business Review* (June 2007).

Larry Huston and Neil Sakkab, "Connect and Develop: Inside Proctor & Gamble's New Model for Innovation," *Harvard Business Review* (March 2006).

Resources Focused on Prototyping and Piloting Innovations
Stefan Thomke, Experimentation Matters: Unlocking the Potential of New Technologies for Innovation (Harvard Business School Press, 2003).

Eric Von Hippel, *Democratizing Innovation* (MIT Press, 2006).

Resources Focused on Diffusion and Scaling of Innovation
Everett Rogers, *Diffusion of Innovations*, 4th edition (The Free Press, 1995).

Bhaskar Chakravorti, The Slow Pace of Fast Change: The New Rules for Bringing Innovations to Market in a Connected World (Monitor Company Group, 2003).

Greg Dees, Beth Battle Anderson, and Jane Wei-Skillern "Scaling Social Impact: Strategies for Spreading Social Innovations," *Stanford Social Innovation Review* (Spring 2004).

Other Innovation Resources Worth Checking Out

Morten Hansen and Julian Birkinshaw, "The Innovation Value Chain," *Harvard Business Review* (June 2007).

Clayton Christensen, The Innovator's Dilemma: When New Technologies Cause Great Firms to Fail (Harvard Business School Press, 1997).

Web Resources

Innovation Network (http://www.thinksmart.com/)

Young Foundation (http://www.youngfoundation.org.uk/)

Changemakers (http://www.changemakers.net)

Strategyn (http://www.strategyn.com/)

Innosight (http://www.innosight.com/index.html)

Jpb.com (http://www.jpb.com/creative/index.php)

Movement Vision Lab (http://www.movementvisionlab.org/)

Social Innovation Exchange (SIX) www.socialinnovationexchange.org

Future Think (http://getfuturethink.com/)

About the Innovation in Philanthropy project
In early 2007, the W.K. Kellogg Foundation (WKKF) formed the Innovation and Design (InD) team to explore what the foundation could do to promote greater innovation inside its walls and with its partners and grantees. The effort was rooted in a hunch about the potential value of understanding innovation processes and how they might increase the impact of the foundation.

While acknowledging that innovations can and do come from people everywhere, WKKF observed that systemic and intentional approaches to innovation (rather than sporadic and passive) were producing important results in the corporate sector, and Kellogg wanted to explore whether those successes might translate over into social sector work. So the InD team contracted with the Monitor Institute and Clohesy Consulting to: (1) undertake a scan of innovation that drew on existing knowledge and literature across sectors and fields to broadly understand innovation and innovation processes; (2) explore innovation that is occurring in the philanthropic space; and (3) help the InD team understand the potential roles and next steps for an innovation unit within a large institution like Kellogg.

The Innovation in Philanthropy team includes Gabriel Kasper, Katherine Fulton, and Niles Lichtenstein from the Monitor Institute; Stephanie Clohesy, Joan Boysen, Stacy Van Gorp, and Pam Hickman from Clohesy Consulting; and Tom Reis, Karen Whalen, Huilan Yang, Tony Berkley, Jacquelynne Borden-Conyers, and Patti Wilson from the Kellogg Foundation. This report was developed from the tremendous thinking and contributions of all of the members of the team.

About the Monitor Institute
Monitor Institute works with today's most imaginative leaders to surface and spread best practices in public problem solving and to pioneer *next practices*—breakthrough approaches to addressing social and environmental challenges. The Institute provides consulting, undertakes initiatives, conducts research, and develops long-term partnerships to help innovative philanthropists, social entrepreneurs, businesses, and government agencies worldwide develop and implement strategies that fit the challenges and opportunities of today—and tomorrow. We leverage the resources of the Monitor Group, a global professional services firm, to help social innovators grow their impact and transform existing systems for addressing society's most pressing problems.

Clohesy Consulting
Clohesy Consulting is a strategy and organizational development firm offering a broad band of planning, research, and design and decisionmaking services to philanthropic individuals and foundations and to national and international nonprofit institutions seeking equitable and sustainable solutions to major social issues. In support of its consulting and coaching services, Clohesy Consulting designs and creates tools and visual prototypes for engaging clients in their own assessment and problem-solving. Stephanie Clohesy is the founder and principal. In addition to a research, graphic design and administrative team, Clohesy Consulting encompasses a small network of independent consultants.

W.K. Kellogg Foundation
Established in 1930, the W.K. Kellogg Foundation supports children, families and communities as they strengthen and create conditions that propel vulnerable children to achieve success as individuals and as contributors to the larger community and society. Grants are concentrated in the United States, Latin America and the Caribbean, and the southern African countries of Botswana, Lesotho, Malawi, Mozambique, South Africa, Swaziland and Zimbabwe.