SOCIAL SPACE

PERSPECTIVES
SOCIAL INNOVATION LABS
INNOVATION IN POVERTY ALLEVIATION
ON THE WILD SIDE

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ARE WE REALLY MAKING A DIFFERENCE?

LESSONS FROM NESTA’S INNOVATION LAB

Are public and social innovation labs achieving impact?

Philip Colligan from Nesta’s Innovation Lab looks at how we can answer the most important question of whether labs are indeed making a difference to societies.

Public and social innovation labs have become very fashionable. The idea of applying experimental methodologies to social issues may have its roots in the reformers of the 19th century, but it’s only relatively recently that we’ve seen the explosion of new institutions with the explicit goal of applying structured innovation methods to solve social problems.

One sign of the growing maturity of the field is the increase in volume, quality and formality of the networks that bring together lab practitioners around the world. I’ve attended a few of these gatherings over the years and benefited from the openness with which colleagues have shared their practices, methods and insights.

Stay long enough at any of these meetings and conversations are inevitably drawn to one question: Are we really making a difference?

THE MOST IMPORTANT QUESTION

This question of whether we’re “making a difference” isn’t peculiar to public and social innovation labs. Impact is the hottest topic on the agenda of any organisation concerned with social change. While non-profits and governments don’t have the simplicity of the financial bottom line which commercial businesses use to judge success, there is at least a wealth of research and models that can help them make sense of their impact.

For those of us engaged in the practice of supporting public and social innovation, there is less to draw on. Ultimately, we will be judged on whether our work changed real outcomes that matter for real people. But that is a long-term game and most of the prototypes we develop today will take many years to reach a scale that would allow us to claim anything approaching meaningful impact.

We deal with the future, often creating or supporting very early stage innovations that evolve, iterate and pivot in unexpected directions. How do you set targets when the goals are likely to change? We also know that innovations are cumulative and combinatorial, making it all but impossible to predict now which elements of the ideas we are nurturing will go on to make the biggest difference.

The majority of lab practitioners might be self-aware enough to recognise we are modest actors in complex systems, but still we don’t hesitate to reach for wholesale systemic change. Disrupting established systems takes time and sustained effort from many actors. Even if you could attribute that level of change to the actions of an individual institution, it would be self-defeating to try to claim the credit.

For all these reasons and more, traditional measures of impact just don’t work all that well for public and social innovation labs. That might make it difficult for lab practitioners to set targets and demonstrate how we’re making progress against them, but acknowledging the difficulty doesn’t make the challenge go away. However our activities are funded, there will be plenty of people that rightly want to hold us to account. Asking them to wait a couple of decades or saying it’s all a bit too complicated doesn’t work.

In 2013, Nesta quietly published a paper on our website titled “Performance management and reporting.” At the time of writing this essay, it remains one of our least read or shared documents (at least externally) and yet it was in that paper we first shared our thinking about this balance between the need for accountability now and the uncertainty inherent with trying to create the future. I want to use this essay to explain how we’ve developed our thinking and practice since we published that paper, but first I should explain who we are and what we do.

ABOUT NESTA AND THE INNOVATION LAB

Nesta is the UK’s innovation foundation. We were set up 16 years ago with a simple mission: to support innovation for the public good. We pursue that mission through a combination of research, investments, networks, grant funding and practical support to innovators.

The Nesta Innovation Lab was established in 2009 with a mandate to develop and test radical new solutions to some of the most pressing social challenges. Over the past five years, we’ve run something like 70 programmes on topics from environmental sustainability to opportunities for young people, community responses to the ageing society to open data, digital arts and media to public services reform. We’ve backed over 750 innovations and we’ve worked with everyone from front-line public servants and early stage social entrepreneurs to large non-profits, government departments and commercial businesses.

We’ve evolved and developed our methods over that five-year history, learning from others’ experience as much as we have from our own successes and failures. We now organise our interventions around three distinct approaches: grant funds, challenge prizes and practical programmes, each of which has its own practices and rhythms.

Grant funds

Our grant funds are designed to support a portfolio of innovations that work towards a common goal. A good example is the Digital Makers Fund. It backs innovations that get young people involved in activities like coding. It is part of a much wider effort by Nesta and a group of partners who are committed to transforming the way that the UK prepares young people to live in a digital society and economy.

We looked for organisations that had practical ideas for getting many more young people involved in digital making, worked with a big pool of potential grantees to develop their ideas and then selected a small number of the most promising for financial and practical support. One of the initiatives we’ve backed through the Digital
Makers Fund is Code Club, a network of after-school coding clubs for children aged nine to 11, run by volunteers.13 With support from Nesta and our partners, Code Club is already in over 2,000 primary schools across the UK and we’re working with the team to develop a plan to reach many more young people over the next few years.

Over two years of the Digital Makers Fund, we’ve made awards to 14 organisations like Code Club totalling £520,000. Financing—whether early stage or to fuel growth—is an important part of our grant funds, but it’s never just about the money. We also work with our innovators to provide them with practical support.

For Code Club, we matched the team with one of our experienced business mentors who helped them restructure the business and strengthen their governance. We also introduced them to policymakers and other funders, worked with them to improve their evidence of impact and we’re helping develop the plan for the next stage of growth.

It’s a similar story across all of our grant funds, although to be honest, it wasn’t always the case. It’s only as we’ve developed our own experience, confidence and networks that we’ve been able to provide an offer of non-financial support that we know adds value.

Challenges start with intensive research and engagement to ensure that the problem is clearly articulated and responds to a real need. Once the challenge opens, teams respond with their ideas and the most promising are invited to a “creation weekend” where the three best are selected for a small grant, incubation support and the chance to compete for a £40,000 prize. The winner of the education challenge in the Open Data challenge series was Skills Route,14 an online tool that uses open data on the post-16 performance of schools and colleges in different subjects to give young people their personalised expected grades at different higher education institutions.15

What we’ve tried to do with our approach to challenge prizes is adapt the most proven practices for open innovation to tackle social problems. It’s a work in progress, but last year we published a practitioners’ guide to challenge prizes to share what we’ve learnt.16

Innovation programmes

The third approach is innovation programmes, where we bring together cohorts of similar organisations and support them through a structured process to develop and implement new products or services.

People Powered Health was a programme that focused on developing new approaches to helping people manage long-term health conditions.17 Over 18 months, we worked with teams of doctors, hospitals, community organisations and patients in six locations to design and implement new approaches that actively engaged patients, communities and social networks in managing conditions like diabetes.

The solutions ranged from social prescribing to group consultations and peer support networks, all simple methods for mobilising people’s networks and wider community resources to support better health. Not a replacement for drugs and clinical interventions, but an important complement to them. Our research showed that if these interventions were adopted at scale, it would save the health economy in England £4.4 billion each year.18

In programmes like People Powered Health, we work directly with front-line public services or non-profits, using methods like ethnography and prototyping at the early stages of innovation and supporting them to develop business models and scaling strategies in the later stages. A big part of that is developing innovation skills, and for the participants (and the Innovation Lab team), it’s a process of learning by doing.

Systemic change and combinations of method

Much of the Innovation Lab’s earlier work suffered from being too narrowly drawn and failing to engage with the wider systems in which we were trying to bring about change. That’s not to say it was bad work, but we’ve learnt that we can achieve much more when we think about the wider system, combining a range of methods and mobilising coalitions towards a bigger goal.

The People Powered Health programme always had the goal of trying to get beyond a series of interesting prototypes to influence wider systems change. Alongside the work with front line health practitioners and patients, we analysed the systemic challenges—like finance, technology, evidence and workforce development—and engaged key policymakers in those efforts.

We also worked with partners to create the Coalition for Collaborative Care,19 which brings together mainstream health organisations to maintain momentum and advocate for policy changes.

The Digital Makers Fund is another example where we have used combinations of interventions to achieve a wider change. It started the Next Gen Skills Review,20 which made the case for a change to the national curriculum to include computer science. The argument was that kids should learn how to “create” the digital world, not just “consume” what was on offer. Initially an economic argument, the UK creative industries faced a huge skills gap in a massively competitive global market, it quickly evolved into an argument that was as much about personal agency. Young people need to understand the basics of computer science in order to successfully navigate a world that is increasingly shaped by it.

The Next Gen Skills campaign quickly gained momentum and it wasn’t long before the Secretary of State announced the change in the school curriculum that we and others had campaigned for.21 Getting policy changed was a big achievement, but we knew that it wasn’t sufficient. In order to realise our vision, we knew we would need a wave of innovators to create the products and services that would get kids involved and a way of helping teachers, parents and children to make sense of what was on offer.

That’s why we launched the Digital Makers Fund and the Make Things Do Stuff campaign and website.22

A FRAMEWORK FOR UNDERSTANDING OUR IMPACT

At the heart of all of our practice at Nesta is a simple model of innovation. The stages of innovation model, or spiral, describes seven distinct phases of innovation from the opportunities and challenges that provide the prompts for innovation, through the generation and testing of ideas, to making the case, implementation and scaling and ultimately changing systems. (See Figure 1).

Of course, innovation doesn’t follow a linear process and the purpose of the model isn’t to suggest that it should. What it does is help us think about what stage of innovation we’re currently in and provide a prompt for checking that we’re using the right approaches and methods.23 Ultimately we want to see progression of innovations through the stages, but more often than not, that journey involves loops back to earlier stages as ideas evolve and iterate.

Nesta’s model of the stages of innovation also provides the framework against which we now think about the impact we want to have and whether we’re on track.

Two years ago, we introduced the concept of Theory of Change into the Innovation Lab and since then all of our interventions use that as a way of articulating their logic and assumptions clearly.24 Although it seems obvious now, it was a significant moment in the development of our craft. Just the process of articulating what you’re doing and why within a structure that forces you to confront your assumptions and the gaps in your logic is a powerful thing.

"HOWEVER OUR ACTIVITIES ARE FUNDED, THERE WILL BE PLENTY OF PEOPLE THAT RIGHTLY WANT TO HOLD US TO ACCOUNT. ASKING THEM TO WAIT A COUPLE OF DECADES OR SAYING IT’S ALL A BIT TOO COMPLICATED DOESN’T WORK."
It’s not a one-off exercise and we regularly revisit our theories of change to check whether they still stand up. It’s always a collaborative effort and it’s not unusual to find team members huddled around whiteboards debating and challenging the logic behind their work. We also insist that all innovations we support have their own validated theory of change.

While the Theory of Change methodology made a huge difference to our practice, we still needed more clarity about how we want to achieve impact and the goals against which we monitor progress. What we’ve developed is a framework with five categories of impact:

- Generating useful knowledge
- Creating novel ideas
- Promising innovations reaching and benefiting more people
- Influencing policy and systems change
- Strengthening innovation capabilities and skills

**Generating useful knowledge**

Like all public and social innovation labs, the Nesta Innovation Lab is fiercely practical. We do things and that’s where the team draws its energy. It’s what I’ve often referred to as a “bias to action” and it’s what sets labs apart from traditional policy teams and think tanks who work through the medium of words, not actions.

The downside is that often we’re so focused on getting things done that we neglect the value of the knowledge we generate in the course of our work. We’ve had to work pretty hard to counter that tendency.

At the start of any intervention, we undertake a scan of what innovation is happening in the UK and internationally that we can learn from. In the past, we kept that information in house—a big mistake and a huge loss of value. Now we always publish it. Sometimes that takes the form of reports,10 more often we create what we call living maps that catalogue hundreds of examples of innovations we’ve been inspired by. In the past year, we’ve launched “living maps” for innovations in ageing,11 jobs12 and parks.13 We also publish any background research that we use in designing our interventions.14

Once we’re into the practical phase of our work we are constantly generating insights and lessons that we know are useful to others. We publish feedback of open calls for proposals and selection processes, which is how we find ideas and decide which ones to support15 and members of the team use Nesta’s blog pages to share what they’re learning in real time. That practice of sharing real time learning is a really important part of the craft of all lab practitioners, but we also need to formalise learning and make it accessible and useful to innovators. For People Powered Health for example, we published a suite of documents including practitioners’ guides, a business case and plan for systemic change, all of which had input from practitioners and policymakers to ensure they would be genuinely useful. We also used videos and animations to make output more engaging.

Our experience of commissioning external evaluations is mixed, but where we do have a formal evaluation we will always publish it. The truth is that we have found it more useful, cost-effective and quicker to publish our own honest accounts of what we’re learning.16

And finally and perhaps most important of all, we are increasingly supporting innovations to build their evidence of impact through trials and we are committed to publishing the results of those so that others can learn from their practice.

That’s a lot of activity, but how do we measure the impact? The answer is “with some difficulty.” We monitor numbers like readership, downloads and so on, but that is just reach and doesn’t tell us anything about impact. We try to measure how our knowledge has influenced others’ practice and one example of that is the annual Digital Culture survey of a thousand cultural and arts organisations that we use to assess the impact of knowledge generated through our Digital Arts R&D Fund.17

Less formal tracking matters too. We were delighted that when the People Powered Health and Well-being coalition was launched in Scotland, they told us that they were inspired by our work and were drawing on the lessons from it.

**Creating novel ideas**

A lot of our practical work is about generating and testing new solutions. The challenge is how to assess how well we’re doing when most new ideas take a very long time to show whether they’re successful. We wouldn’t claim we’ve got this right yet, but we’re using measures like the diversity and volume of solutions generated, novelty and adaptation of previous innovations, plausibility of theories of change and results from initial prototyping.

There’s no getting away from the fact that selecting which ideas to back and which ones not to back involves a lot of judgement. Challenge prizes are all about creating new solutions to clearly-defined problems and while the best challenges are those that have clear objective measurement criteria, the reality is that assessing the most promising innovation from a batch of great ideas often involves complicated judgements about multiple criteria.

Promising innovations reaching and benefiting more people

Another category of impact is where we are supporting promising innovations to grow or scale. In many ways this is the easiest to translate into clear metrics, but it still requires a nuanced understanding of how innovations grow.

One way to understand impact is simply to extend the reach of a promising innovation, helping a new product or service get from X number of people to X + Y number of people. Setting those kinds of goals requires an appreciation of the addressable market, and in our experience, social innovators often set their sights too low.18 For the Digital Makers Fund and Make Things Do Stuff campaign, we’ve been tracking the impact in terms of the numbers of young people taking up opportunities to experience digital making. So far, we’ve helped to create over 100,000 such opportunities. The goal for the next few years is to make that millions.

Reach is important, but not sufficient. We also need to help innovations increase the evidence that they are having the desired impact. Too often in social policy, services are allowed to grow without any real confidence that they work or even that they aren’t causing harm.19 Nesta developed the Standards of Evidence (Figure 2) as a framework to help us assess the degree of confidence about whether a product or service achieves its intended outcome. The Innovation Lab invests heavily in supporting innovators to generate the evidence they need to move up the levels and one of the ways we monitor our own impact is through the number of innovations that improve their level on the Standards of Evidence.
The third component is financial sustainability. Whenever we are supporting an innovation to grow, we include metrics designed to track whether we are helping them achieve financial sustainability or not. That can include shifting the balance of revenue from grants to earned income, increasing sales or reducing demand and generating savings in other services.

**Policy and systems change**

One of the lessons of the past five years for the Innovation Lab is that we can achieve much more when we focus on influencing wider system change alongside supporting specific innovations to be developed, tested and grown.

Sometimes we are able to set ourselves very clear and specific policy goals, like getting the curriculum for schools changed to include computer science. On other occasions, we set ourselves a broader goal for systemic change, as we have with our work on People Powered Health, where we want to see a healthcare system that works with patients and communities to co-create good health outcomes. That necessarily involves lots of smaller goals from changing the financial incentives to developing enabling technologies and influencing the way that professionals are trained.

Crucially, we know that we can’t achieve systemic change by acting alone and that puts a sharper focus on building meaningful coalitions, which is another way we measure success by acting alone and that puts a sharper focus on building meaningful coalitions.

We don’t claim to have solved this problem, but we are trying to make a contribution by learning as much as we can from our own practice and that of others around the world. Supporting public and social innovation is a field dominated by craft knowledge and, wherever we can, we’re trying to codify that knowledge and make it available and useful to organisations and individuals engaged in innovation efforts.

One way we do this is through practice guides, toolkits and instructional videos. We also work directly with innovators in workshops or one to one, and we pioneered an approach to innovation or ideas “camps” that is now being replicated and adopted by others. We’ve become pretty good at counting the number of people reached, using surveys and getting qualitative feedback on whether they find it interesting and helpful. Where we want to get to is a more sophisticated approach to assessing capability and application of learning.

We don’t expect all of our interventions to have goals in every one of those five categories; in fact we’re working pretty hard to build the tendency to chase too many goals and focus on the ones which matter most for each of the fields we’re working on. What it does provide is a framework within which we can understand our impact in a more structured way and start to answer the question of whether we’re making a difference.

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**Nesta’s Standards of Evidence**

- **Level 1** You can describe what you do and why it matters, logically, coherently and convincingly.
- **Level 2** You capture data that shows positive change but you cannot confirm you caused this.
- **Level 3** You can demonstrate causally using a control or comparison group.
- **Level 4** You have one or more independent replication evaluations that confirm these conclusions.
- **Level 5** You have manuals, systems and procedures to ensure consistent replication.

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**Endnotes**


3 Ruth Puttick, Peter Basch and Philip Collignon, *i-teams: the teams and funds making innovations happen around the world,* (June 2014).

4 See e.g., *Innovation Labs: A do-it-yourself-guide,* www.unicefinnovationlabs.org/?page_id=32


7 See e.g., “NPC’s Four Pillar Approach,” NPC, www.thinknpce.org/publications/npcs-four-pillar-approach/


9 For a collection of resources on systems change see “Changing Systems,” www.nesta.org.uk/develop-your-skills/Changing-systems


11 For more information about Nesta see www.nesta.org.uk/about-us/our-history

12 See www.nesta.org.uk/project/digital-makers, the Digital Makers Fund is a partnership between Nesta, the Nominet Trust, Autodesk and the Mozilla Foundation.

13 Code Club, www.codeclub.org.uk/


17 Skills Route, www.skillestroute.com


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22 The Coalition for Collaborative Care, http://coalitionforcollaborativecare.org/


25 Make Things Do Stuff, http://makethingsdostuff.co.uk/


28 Living map of ageing innovators — BETA, http://aginginnovators.org/

29 Living map of jobs innovators — BETA, http://jobsmartinnovators.org/


31 See e.g., “Five Hours a Day,” Nesta, www.nesta.org.uk/publications/five-hours-day-or www.nesta.org.uk/publications/making-it-work


33 “How to run a Lab: making better funding decisions,” Nesta, www.nesta.org.uk/blog/how-run-lab-making-better-funding-decisions


36 For an engaging account of the perils of scaling initiatives that don’t work, see Timothy Wilsen Redclift, (London: Allen Lane, 2011).
