

#1: INNOVATING FOR SCALED IMPACT

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THE LANGUAGE, THE FRAME

SCALING is about narrowing the gap between our current efforts and the total size of the problem(s) we are trying to solve. The goal is not to grow an organization but to scale the **IMPACT** to match the size of the need. We have a [short video](#) explaining scaling impact (and another describing [common pathways](#)).

INNOVATION is a tool that we can use to scale. Innovation doesn't need to be a new invention, a shiny new thing... but it's also not just incremental improvement (although that is important too!). One helpful framework to think about innovating to scaled impact is [Bridgespan's Engine 1/Engine 2 framework](#):

- **ENGINE 1:** Your core, existing model with continuous improvement and incremental innovation.
- **ENGINE 2:** The space where disruptive innovation happens – building on your core assets to test something different, which could include new approaches or pathways to scale.

Examples: [One Acre Fund's farmer bundle](#), plus training government officers, influencing seed markets, etc. [Hill Learning Center's direct teaching and tutoring programs](#), plus [HillRAP edtech program](#).

THE WHY: YOUR BASIS FOR INNOVATION

Innovation takes resources and entails risk so it is critical to be clear on **WHY** you want to innovate – which is often some combination of factors, including factors such as:

- **MORE IMPACT:** reach more people; deepen impact for a key population; fill a gap, etc (*for Hill, a desire to reach many more students than they could through their direct service model*).
- **MORE MONEY:** increasing revenues, attracting new funding sources, etc (*for Hill this was also a key driver, to bring in more revenues to support and strengthen their core direct-service programs*).
- **ADAPTATION:** responding to a policy or regulatory change, or a political or climate-related crisis.
- **OPPORTUNITY:** taking advantage of a new partnership or a shift in the competitive landscape.

LESSONS LEARNED

- **ASSESSMENT.** Some common criteria for assessing which innovations to move forward: Impact (will it create better and more impact than other alternatives?). Demand (will people actually want to use it?). Feasibility (can we make it a reality? i.e., do we have the right people? reasonable path to funding?).
- **ITERATION.** Innovation is not a lightbulb moment; it's a long process of systematic experimentation, thoughtful learning, iteration. Iterate around the **WHAT** (*for Hill, testing and refining the reading program*) and the **HOW** (*taking small steps like the evolution from pro bono software partners to short-term contractors to in-house software developer*) while always staying true to the WHY.
- **RISK.** Actively manage and communicate risks – including with your Board – and have an exit strategy (or “soft landing”) ready. Make peace with the unknown, and be clear on what you will NOT do.
- **PEOPLE.** Ensure you have the right people in the right roles – both internally and externally through collaborators – to support innovation, and be sure that you are aligning the whole organization around a shared vision that includes both the core programs and the innovations.

Thank you to [Hill Learning Center](#) for their work and to Executive Director Beth Anderson for her insights!

Find more resources on scaling impact on [CASE's website](#) and on [ScalingPathways.com](#).

#2: CREATING AN INNOVATION CULTURE



YOUR PEOPLE & CULTURE CAN DRIVE – OR DETER – INNOVATION TO SCALE

As a leader, your job is to attract, align, and empower the right people in the right environment to scale the impact you seek. These people include your **staff** and your **board**, plus any **volunteers**, external **partners**, or others critical to accomplishing your mission. To foster innovation, your “people work” falls into two main buckets: **creating an enabling environment**, and then **supporting implementation**.

CREATING AN ENABLING ENVIRONMENT FOR INNOVATION

1. Set A Clear & Compelling Vision.

Rally Around A Galvanizing North Star. Center your team on the larger problem you want to help solve so they are motivated to think big, push the limits of what is possible, and not get stuck centering the current solution.

2. Cultivate Curiosity & Learning.

Openly Discuss the Evolution. Model and foster a learning culture by discussing the organization’s evolution openly, celebrating successful pivots *and* learnings from efforts that failed. Encourage “What If...?” questions.

Innovation ≠ Invention. Encourage your team to learn about other models and initiatives in your region or impact area as a way to spark ideas. *Cara leveraged a “copy + paste, then edit” approach to launch their first social enterprise: looking at other models around the country and adapting for their unique needs.*

3. Strategically Structure Staff & Board.

Create Structures to Embrace Diversity & Build Trust. Innovation requires diversity of lived experience and expertise so hire for that, celebrate it, and create the space for relationships and trust to be built (e.g., cross-functional working groups, time for new employees to develop relationships across the org, etc.).

Bring in Board Talent with Entrepreneurial Mindset. You may not have funding to hire new staff focused on innovation, but you can ensure your Board represents the expertise and mindset you need.

SUPPORTING IMPLEMENTATION OF INNOVATION

1. Enable Experimentation & Manage Risk.

Embrace Experimentation ... With Guardrails. Experimentation is the best way to learn, regardless of if it succeeds or fails. Manage risk by creating clear go/no-go metrics with timelines; *for Cleanslate’s experiment with a used book business, it set a timeline to create a certain number of jobs and to break even.*

2. Evolve Team To Meet Demands.

Find Strategic Partners To Accelerate The Learning Journey. When entering new territory, be humble enough to know where your current expertise and network ends – and where bringing in a strategic partner provides a critical complement and learning opportunity. You can evolve your capabilities over time: *the Hill Center used a pro-bono tech agency, then hired a consultant, before investing in a full-time in-house technology officer.*

When Bringing In Outside Talent, Keep Your Mission Central. For many organizations, it’s not just what you do, but also *how* you do it. When bringing new subject matter experts into the organization, ensure they are able to honor and respect the community and culture around your mission.

3. Bring Everyone Along.

Change Moves At The Velocity Of Trust. Think early and often about ways to bring in voices across departments and organizational layers, and to create a structure for information to flow back through to staff and Board. *As Maria said, “Sometimes you have to move slow to go fast. Change moves at the velocity of trust.”*

Thank you to REDF President & CEO [Maria Kim](#) for sharing insights from her work with both [REDF](#) and [Cara Collective](#).

For more resources: [“People Matter: Evolving Talent to Drive Impact at Scale”](#) and on [CASE’s website](#)

#3: FINANCING NEW APPROACHES TO SCALE



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4 COMMON STRATEGIES TO FINANCE THE RESOURCES REQUIRED FOR INNOVATION

Innovative ideas are great ... but without the money to back the people and “things” needed to design and test them, they can’t go very far. Here are 4 common ways that social enterprises tackle the money challenge:

1. BUILD A RESERVE OF FLEXIBLE CAPITAL

Ideally, an enterprise would have access to flexible capital – funding not tied to pre-determined actions and outputs – to allow it to test new approaches as it innovates to scale. Tactics to maximize it include:

- **Build R&D line item into grant proposals.**

Some enterprises have built a line item into grant proposal budgets (e.g., ~5%) which they label as R&D to continue to iterate and innovate. While the use is restricted to R&D, it can be flexible within.

- **Fundraise around a dedicated R&D or Innovation Fund.**

Water.org did this with their “New Ventures Fund,” which they created and ran to support R&D around new innovations. Key to their fundraising strategy was sharing a clear vision for leveraging innovation to scale and providing examples of past innovation efforts and learnings. Read more in [Financing Scaled Impact](#).

2. USE LOW-COST DESIGN & TESTING APPROACHES

- **Start Small: tinker, MVPs, leverage existing resources.**

Find examples in Ann Mei Cheng’s [Lean Impact](#) book or this article: "[Twin Engines for Propelling Social Impact](#)".

- **People: leverage pro-bono opportunities, Board advisors.**

From corporate executive “fellowship” programs to MBA consulting programs, many opportunities exist to find free or inexpensive talent and capacity. And don’t forget the expertise and resources on your Board!

3. BRING IN NEW FUNDING – FROM EXISTING OR NEW SOURCES

- **From Existing Funders: build on established trust with a pitch; ask for connections to other funders.**

Be clear on your "why" for experimentation, the hypotheses (with clear targets) you are testing, and how the innovation builds upon core competencies. Address risks and trade-offs, if any, for your core model.

- **From New Funders: find those aligned with new element of your innovation, or specialized funds.**

Find funders aligned with new aspects of your innovation; e.g., Hill Center was newly able to target edtech funding when scaling through its tech-enable reading program.

Be strategic about who you target; ensure they are aligned with your impact area, stage, funding amount. Common sources of innovation funding include high-net-worth individuals, crowdfunding, accelerator programs, prizes, and specialized funders like the [Studio at Blue Meridian](#) and others.

4. GENERATE SOME OF YOUR OWN REVENUE

- **Ensure alignment with mission and core competencies.**

Boys & Girls Clubs of the Crescent Region knew that they offered superior afterschool programming and that demand existed for this service among families who could afford to pay market rate. Entering this market helped to cross-subsidize and fuel growth for the Clubs’ offerings in lower-income areas.

- **Proceed with caution: it’s a powerful tool, but not a panacea.**

Deploying an earned revenue approach requires much trial and error, org infrastructure changes, tensions between mission and money, and often takes more effort than you expect.

Find more earned revenue examples and lessons in [Financing Scaled Impact](#).

Thank you to [Meg Rudy](#), [DRK Foundation](#) and [Carter Clark, Boys & Girls Clubs of the Crescent Region](#) for their insights

For more: "[Financing Scaled Impact](#)," [Scale Stories repository](#), and [CASE's website](#)



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#4: USING DATA TO POWER SCALE

1. USE DATA TO: IDENTIFY THE OPPORTUNITY FOR INNOVATION

- **Change the Framing Question – and Thus the Opportunity.**

When Habitat for Humanity calculated that it would take over 1,000 years to achieve their vision of ending the housing challenge with their current model, they reframed their driving question **from “How many houses can we build?” to “What would it take to meaningfully reduce the housing challenge in every geography?”** This new frame opened their minds to new approaches, including advocacy, market development, and more.

- **Look for Gaps in Impact, Reach, & Critical Adjacencies.**

Use both quantitative and qualitative data to better understand your gaps in impact and reach: are there certain populations you are not serving well, are there areas in which your impact is not as deep as your aspirations, or are there factors that are getting in the way of your efforts having their intended impact?

- **Prioritize Client/Beneficiary Input.**

[Meaningful client/beneficiary input](#) and insights are often best gathered by listening – which many organizations miss as they put too much value on quantitative metrics. When Habitat for Humanity of Forsyth County spoke with leaders in one large neighborhood, they realized that what the community wanted was broader neighborhood revitalization – not just new or rehabilitated houses – which led Habitat to test a more holistic partnership effort with public and private sector community partners.

2. USE DATA TO: CONDUCT TESTS AND DRIVE DECISION-MAKING

Example: [One Acre Fund’s Scale Innovations process](#).

- **Start Small to De-Risk and Form Hypotheses to Test.**

Use desk research and conversations with key stakeholders to gather initial insights and identify analogues from which you can learn.

- **Set Key Success Criteria.**

Establish parameters for measuring success, including those that monitor the balance between impact, reach, and feasibility (including costs and capacity needs). Habitat of Forsyth County identified two key success criteria for the community: young families moving in and crime decreasing. These criteria, alongside the organization’s own feasibility criteria, drove both test design and evaluation metrics.

- **Establish Early Indicators of Success.**

Many target outcomes and success criteria will only be known over the long-term, so establish early indicators that will help you learn if you are on the right path or need to adjust. These indicators can provide evidence you are addressing perceived barriers. For example, for Habitat, this could be early indicators that borrowers are paying back housing microloans on time.

OVERARCHING DATA PRINCIPLES:

- **Collect [data that drives action](#).**
- **Ensure [metrics center your beneficiaries](#).**
- **Consider what key stakeholders want to learn.**
- **Evidence of impact is nothing without evidence of feasible implementation.**

BONUS!

Axioms shared by Jonathan Reckford

“The only thing worse than partnering... is not partnering.” *Partnering can be a challenge, but it is essential for long-term change.*

“One person’s innovation is another person’s heresy.” *Remember that change will always disrupt some people – so be thoughtful in managing that change.*

“Be religious about your principles, but not your tactics.” *Principles and values must frame your effort, but tactics can be changed.*

“If there’s mist in the pulpit, there’s fog in the pew.” *Ensure there is a shared clarity and theory of change around what you are trying to accomplish.*

Thank you to Jonathan Reckford, CEO of Habitat for Humanity International, for his insights.

For more: [“Using Data to Power Scale,”](#) [Scale Stories repository](#), and [CASE's website](#)