LEADING THE WAY:

SOCIAL INNOVATION IN MASSACHUSETTS

CENTER FOR **SOCIAL INNOVATION**
at the Boston College School of Social Work

PROVIDERS' COUNCIL

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FEATURED AGENCIES

The Association For Community Living
Springfield, MA
www.theassociationinc.org

Bedford Youth and Family Services
Bedford, MA
www.bedfordma.gov/index.php/departments
youth-and-family

Berkshire Area Health Education Center
Pittsfield, MA
www.berkshireahec.org

The Bridge of Central Massachusetts
Worcester, MA
www.thebridgecm.org

Carroll Center for the Blind
Newton, MA
www.carroll.org

City Mission Society of Boston
Boston, MA
www.cmsboston.org

Communities for People, Inc.
Boston, MA
www.communities-for-people.org

Community Work Services
Boston, MA
www.cwsbos.com

Doc Wayne Athletic League
Boston, MA
www.docwayne.org

**High Point Treatment Center/
Southeast Regional Network/SEMCOA**
New Bedford, MA
www.hptc.org
www.semcoa.org
www.thesswrc.org

HMEA
Franklin, MA
www.hmea.org

Justice Resource Institute
Needham, MA
www.jri.org

J.F. Kennedy Family Service Center
Charlestown, MA
www.kennedycenter.org

**Massachusetts Council on
Compulsive Gambling**
Boston, MA
www.masscompulsivegambling.org

McLaughlin & Associates
Andover, MA
www.tamclaughlin.net

My Turn
Brockton, MA
www.my-turn.org

Pathways to Wellness, Inc.
Boston, MA
www.pathwaysboston.org

Providers' Council
Boston, MA
www.providers.org

Pine Street Inn
Boston, MA
www.pinestreetinn.org

Roxbury Youthworks, Inc.
Roxbury Crossing, MA
www.roxburyyouthworks.org

Seven Hills Foundation
Worcester, MA
www.sevenhills.org

**Wayside Youth & Family
Support Network's TEMPO**
Framingham, MA
www.tempoyoungadults.org

WORK, Inc.
Dorchester, MA
www.workinc.org

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We are grateful to the members of the Providers' Council who participated in the interviews and who agreed to review sections of this report. Despite the amazing accomplishments made by each and everyone one of these **Master Social Innovators**, they are a remarkably humble group of people who are quick to comment on how much we all have to learn.

We wish to express our thanks to Alberto Godenzi, Ph.D., Dean of the BC Graduate School of Social Work for his support of this project.

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INTRODUCTION: THE STAGE IS SET IN MASSACHUSETTS

Social innovation offers the promise of addressing social problems more effectively and more efficiently. For some agencies, it also creates possibilities for increased financial stabilities associated with diversified revenue streams.

- Have you heard that The Association for Community Living runs Valley Tees, a silk screening business?

- How about Doc Wayne Athletic League, the organization that offers a sport-based therapeutic program working with youth who have faced many challenges in their young lives?

- Do you know that HMEA provides cutting edge technological supports for data management, web presence, and e-communications to Massachusetts non-profits through its Cloud4Causes initiative?

- Are you familiar with training about evidence-based practices provided by The Bridge of Central Massachusetts and by The Berkshire Area Health Education Center?

And these are just a few examples of Massachusetts human service agencies that are leading the way toward social innovation.

Compared to other states, Massachusetts is in a unique position to lead the social innovation movement, in part because it brings significant resources and infrastructure to the social innovation table. For example:

Tradition. Massachusetts has a culture and history of innovation in the social service, health, and education sectors. For example, the de-institutionalization movement of the 1960s/70s, which transformed service delivery systems across the nation, began in Massachusetts.

Associations. Massachusetts has a unique professional association that has made a commitment to supporting social innovation in the Commonwealth. The Providers' Council, with over 220 members representing a broad spectrum of organizations in the human services sector, established an Innovation and Social Enterprise Committee in 2009 which engages representatives from member provider agencies. The Council has also developed an online Innovator Directory to showcases its members' innovations and social enterprises to one another and the general public. The Providers' Council launched the annual *What A Great Idea! Contest* in 2011 to support the development of new social innovations and selected three winning agencies in the first year. The Council is a founding member of the Massachusetts Chapter of the Social Enterprise Alliance.

Policies. Governor Patrick and 40 social innovation leaders signed the Social Innovation Compact in an effort to promote creative responses to social problems and to maximize resources.

Training and Research Supports. Many leading universities in the Boston area — including Boston College, Babson College, and Harvard University to name just

The Leading the Way Project

Faculty at the Center for Social Innovation, located within the BC Graduate School of Social Work, conducted interviews with 23 leaders of organizations that have established/are planning to establish social innovations. All but two of the interviews were conducted in person.

The organizations which participated in the project are all in the health and social services sector. A majority of them have contracts with the state to provide human services to vulnerable populations. Most of the agencies have a non-profit status, although a few have formed for-profit firms as the structure of their social enterprises. The size of their workforces ranges from 2 to more than 3,000.

a few — have developed courses and programs in social innovation and social entrepreneurship. These programs have created opportunities for partnerships between social service agencies and faculty/students.

Capacity Building Resources. Organizations and consultant groups in the Boston area have designed training and development experiences that help human service organizations strengthen their capacities to engage in social innovation initiatives.

Given this cluster of activities and supports, many would contend that Massachusetts is poised to become the 'Silicon Valley' for social innovation.

Understanding that Massachusetts social service organizations have already started to enter the frontier of social innovation, the Providers' Council and the Center for Social Innovation at Boston College were interested in gaining new insights into four important questions:

- What are some of the leading Massachusetts agencies doing?

- How did they do it?

- What helped? What got in the way?

- What recommendations do **Master Social Innovators** have that could help other agencies engage in social innovation?

In this report, we summarize the insights of nearly two dozen leaders recognized as Massachusetts social innovation trailblazers. At the end, we focus on recommendations for strengthening Massachusetts' position as the social innovation capital of America.

Who are "Master Social Innovators"?

In the tradition of guilds, 'masters' are people who have reached a high level of demonstrated competency and who are able to train others in their crafts.

We use the term **Master Social Innovators** to refer to the early adopters who have shaped some of the contours of this field of practice.

For the purposes of this report, we refer to the people who participated in the interviews as **Master Social Innovators**.

CHAPTER ONE: MODELS OF SOCIAL INNOVATION
WHAT ARE MASSACHUSETTS AGENCIES DOING?

It was clear from the conversations we had with the **Master Social Innovators** that agencies in Massachusetts have designed and implemented a range of different types of social innovations. Based on their accounts, we identified four types of social innovation, depicted in Figure 1. [Please see Appendix A at the end of this report for the names of the social innovation projects at the agencies interviews, listed by the type of social innovation.]

Figure 1: Social Innovation Typology

Innovations in Resource Development

Social enterprise initiatives that sell products or services.

Innovations in Products or Services Offered to Clients/Program Participants

New programmatic approaches that produce better outcomes for the participants.

New Organizational Structures

Forming a separate firm owned [partially or fully] and/or managed by the non-profit service organization. Forming contractual relationships with partners that have a social enterprise. Creating new departments that manage the social innovation.

Customizing Existing Service Models for New Populations

Customized models that have been adapted from an existing model that has been used in another setting or community (either a geographic community or a population-based community).

As suggested by the overlap of the arrows in Figure 1, many of the social innovation initiatives discussed in this report have features which would place them in more than a single social innovation category. For example, High Point Treatment Center/ Southeast Regional Network/SEMCOA has partnered with a separate organization, Positive Action Against Chemical Addition, Inc. to create a temporary employment agency. This program could be placed in two of the social innovation categories. While the project is a social enterprise that brings in revenues to support the social innovation [thus putting it into the category of an "Innovation in Resource Development"], the agency formed a new partnership structure to administer the program [putting the program in a second category, "New Organizational Structures"]. As a consequence, this initiative would be placed at the intersection of these two types of social innovations.

We should also note that several of the agencies featured in this report have more than one innovation; those organizations might find their different programs in different categories of social innovation depicted in the figure.

1. Innovations in Resource Development: Changes in the funding priorities of state agencies and private foundations have 'forced' some organizations to seek opportunities for innovations in resource development. Typically, the new funding is found in the marketplace. That is, agencies sell products or services at market value. In some situations, the innovation services [for example, the recreation and arts program available at The Association for Community Living's Inclusive Community Center in Springfield] are offered on a fee-for-service basis to those individuals who can afford to pay for them. In other situations, the services are billable to insurance companies. For instance, Pathways to Wellness, is making holistic health care options available to low income populations and those with specialized health care needs, such as homebound elders.

The term 'social enterprise' is often associated with market-oriented approaches to resource development. Anne Wunderli, Director of Social Enterprise at the Pine Street Inn, has observed that social enterprises can help agencies "create their own wealth" and "buffer some of the vicissitudes in funding."

Although typically mission-driven or mission-aligned, these enterprises are established with the expressed purpose of bringing in resources needed to support the organization's strategic priorities, including the sustainability of the agency itself. These new funding mechanisms may complement other more traditional sources of support, including: state contracts, grants, memberships, and donations. The revenues generated either: 1) bring in funds that supplement existing funding streams; 2) fully fund the program connected to the enterprise [reaching the break-even threshold]; or 3) bring in more income than it takes to operate the social enterprise so that additional, less restricted/unrestricted funds are available to re-invest in the organization.

An interesting range of social enterprise examples was discussed during the interviews. While some agencies sell products and services to targeted customers in the market place, others offer services to other non-profits. For example: Cloud4Causes developed by HMEA provides technological supports to non-profits; Communities for People provides sophisticated financial and management supports to other non-profits; and; Berkshire Area Health Education Center offers training in evidence-based practices.

"There are two main reasons [for implementing a social enterprise]. One is that [it] can provide opportunities for the people we support to be gainfully employed or working on something that is exciting, fun, and useful. It can provide them with financial support or meaningful activities... The other is to augment and diversify our financial resources [so we are] not so dependent only on state contracts."

Barbara Pilarcik,
Executive Director,
The Association For
Community Living

Another group of agencies sells products or services that are related to or are the output of job training programs, such as graphic services [e.g., performed by TEMPO's job trainees]; cleaning services [e.g., provided by Community Work Services and WORK, Inc. program participants]; packaging of products for other businesses [e.g., activities of Community Work Services and WORK, Inc.]; and food services/ catering [performed by Community Work Services and Pine Street Inn program participants].

2. Innovations in Services and Service Delivery: Many of the innovations described by the **Master Social Innovators** represent new ways to 'conduct the business' of social services, whether the service innovations are supported by conventional or innovative sources of funding.

As noted in Appendix A, several of the agencies featured in this report have developed new programs that are more efficient and have greater impact than traditional programs. For example, the Shared Living program which HMEA has established in partnership with Alternatives and Nonotuck is a cost effective alternative to supported group living situations. These new programs reflect breakthrough thinking about programs and services.

In most cases, the new services have been supported by traditional funding sources, at least in their initial stages of development. TEMPO initially accessed conventional funding to create an inviting drop-in space where homeless and at-risk youth can address practical challenges, such as doing laundry.

3. Customizing Existing Service Models to Meet the Need of New Population Groups: A number of the **Master Social Innovators** commented that it is important to recognize one type of social innovation which tends to fly 'under the radar': adapting existing models of service delivery so that they can be offered to a population which has not previously received that service. For example, one **Master Social Innovator** discussed plans to customize online peer coaching and support groups for people recovering from substance abuse, an adaptation of in-person counseling services. Pathways to Wellness offers holistic health care options to underserved populations and those with specialized health care needs, such as homebound elders. Similarly, the Massachusetts Council on Compulsive Gambling is in the process of customizing workforce development services for individuals recovering from gambling addictions.

While all of the **Master Social Innovators** who had re-designed services to meet the needs of their own program participants were cognizant of the need to identify funding options to support the services, the emphasis was usually placed on the customization of an effective model.

"In my mind, social innovation is about challenging the norm and being creative and being agile and flexible and having more of an open mind.... Doing whatever it takes but not being afraid to challenge the norm."

David Cohen,
Executive Director,
Doc Wayne Athletic League

4. New Organizational Structures: A few of the agencies interviewed for this project described a fourth category of social innovation: the development of new structures within organizations and, in a couple of cases, the creation of new organizations altogether.

Several reasons were given for structural innovations, including: gaining greater efficiency, which could result in cost savings; supporting staff members who are key organizational stakeholders; and creating appropriate oversight and governance for a social enterprise.

■ A couple of the **Master Social Innovators** explained that they needed to create new departments to implement the new social innovation project or social enterprise. Agencies [such as Community Work Services and WORK, Inc.] that have launched social enterprises often needed to recruit staff with specific business skills and experience, such as sales and marketing and account management.

We should mention, however, that several organizations reported that they were able to meet the functional responsibilities of their new business initiatives within existing organizational structures, although in some cases they added staff to absorb the increase in work. For instance, The Association For Community Living has integrated the Inclusive Community Center [originally an independent initiative] as well as its silk screening T-shirt business into its overall organizational structure.

■ Several of the **Master Social Innovators** interviewed for this report provided examples of innovative structures that offer flexible work options to staff members. HMEA provides technological supports to employees interested in telecommuting/remote working. Mike Moloney, the President/CEO of HMEA, observed that this option often has positive impacts on both productivity as well as employees' quality of life. In addition, he noted that telecommuting can contribute to the organization's on-going readiness for social innovation because the flexibility offered to employees can support the creativity needed for new innovations.

HMEA has adopted a range of supports for its staff, including: financial incentives that can encourage employees to select high quality health care services at lower costs; incentives for participating in biomedical screening and health coaching programs; and assistance with co-pay costs. The agency is in the process of expanding these supports to meet some of their employees' other wellness and financial priorities.

■ During the interviews, three of the **Master Social Innovators** mentioned that they have created new organizational structures. FM&M, a cleaning business, is owned by the WORK, Inc. A different type of structure has been established by High Point Treatment Center/ Southeast Regional Network/SEMCOA. In this case, separate corporations have been established [all under a single governance structure] that support a network of service providers plus some social enterprises, including a consignment store and a temporary employment center [implemented in partnership with another agency, Positive Action Against Chemical Addiction, Inc.]. Finally, the Seven Hills Foundation has established a separate 501(c)3 investment organization that manages resources that are re-invested into agency services.

In the next section of this report, we use these four different types of social innovations to look carefully at the steps that the agencies took to move their social innovation initiatives forward.

CHAPTER TWO: LIFE CYCLES OF SOCIAL INNOVATION
HOW HAVE THE LEADING ORGANIZATIONS 'DONE IT'?

Listening to the stories of these leading-edge organizations, it is almost impossible not to ask, "How did they accomplish this?" and "Could we do something like this?"

The **Master Social Innovators** interviewed for this project identified seven stages of their social innovation initiatives. As expected, the experiences they had during each of these stages varied somewhat from agency to agency, sometimes depending on the type of social innovation developed.

For the purposes of this report, we have depicted these stages in a linear fashion, implying a set sequence of activities. In reality, the sequence as described by the **Master Social Innovators** was more flexible and iterative.

Deciding to Engage → Generating Ideas → Specifying Components → Conducting Research → Pilot Testing → Implementing → Assessing Impact & Improving

1. Deciding to Engage in Social Innovation Planning: The **Master Social Innovators** often began their stories with descriptions of the prompts that brought them to the threshold of social innovation. In some cases, these prompts were more like 'nudges' — either from people inside the organization, potential program participants, funders, or collaborating agencies. In other situations, the prompts were described as 'being motivated.'

Innovations in Resource Development

The maxim that "Necessity is the mother of invention" seemed to resonate with the experiences of many of the organizations which had created social enterprises. Several people observed either that: 1) their organizations had been close to some type of financial mini-crisis; or 2) their environments had radically changed [for example, shifts in their funding circumstances] so that they really had no choice but to innovate.

The demands of the market can also motivate an agency to move forward with social innovation. For instance, as the number of agencies seeking financial management services from Communities for People continued to expand, the agency [now serving eight organizational clients] refined its business model.

Innovations in Products or Services Offered to Clients/Program Participants and Customizing Existing Service Models to New Populations

Master Social Innovators whose agencies had established a service innovation [having either designed a new service or customized an existing model for a new population] typically indicated that their organizations had recognized an unmet need/problem which motivated them to start down the path of planning for a new service. Andy Pond, President of the Justice Resource Institute (JRI) shared an interesting story. The organization was approached by two individuals from Cape Verde who requested that JRI consider adapting one of its programs to meet the needs of children in Cape Verde. Interestingly, although JRI was initially a bit reluctant due to concerns that programs established in the U.S. might not be culturally relevant to Cape Verde,

"I saw a hole in this marketplace to connect kids to employers... [I thought] this is a need we can address and there's a place in the market for this type of service."

Paul Protentis,
Founder,
My Turn, Inc.

community members continued to prompt the agency to move toward this innovation which was specifically adapted for the local priorities and needs in Cape Verde.

Indeed, a few of the agencies, not just programs *within* the agencies, were founded as the social innovation. That is, the new agency became the solution-focused response to an unmet need. Whole Children, originally an independent agency but which is currently administered under the auspices of The Association For Community Living, was created because a group of parents of children with special needs wanted to be sure that their children had opportunities to participate in the performing arts. As a result, the parents started Whole Children, which operates on a modified fee-for-service basis. Eventually, enrollment was opened to all children. A second situation is also illustrative. Findings from a series of needs assessment activities that identified unmet needs of homeless and vulnerable youth prompted Wayside Youth & Family Support Network [the parent organization for TEMPO] to move toward social innovation. In a third case, Paul Protentis [a business leader who wanted to hire community youth] found that there were no well-structured pathways to employment for youth who anticipated completing education at the high school level. So, he founded My Turn, Inc.

New Organizational Structures

The agencies which had created new organizational structures typically described the innovation as a solution to an administrative or management issue /challenge that could be addressed with the new structure.

▼ **Challenges Related to the Decision to Engage in Social Innovation Planning**
It can be difficult for agencies to recognize time-sensitive opportunities to develop market-based products and services unless they are specifically looking for them.

While impending financial difficulties might prompt some agencies to develop a social innovation, this can become a 'high stakes game' because social innovation inherently involves some risk — something that vulnerable organizations are not likely to be able to tolerate.

▲ **Opportunities Related to the Decision to Engage in Social Innovation Planning**
Well-managed agencies may be able to leverage planning activities, such as strategic planning and different forms of needs assessments, so that they recognize signs suggesting that it is an appropriate time to develop a new service or that the agency should consider a new organizational structure.

Several **Master Social Innovators** noted that the leaders of some state agencies had encouraged them to develop new services; this support had a positive impact on the agencies' decisions to pursue the design of new services.

"There are agencies that are picking up the mail and praying there is a check inside. This is not a time when you can jump into something else."

Joe Leavey,
President,
Communities for People

2. Generating Initial List of New Ideas: By definition, all social innovations start with ideas; however, the genesis of the ideas varied across the different projects.

Innovations in Resource Development

Ideas for social enterprise often — but not always — started with market demand; that is, a potential customer made a request of the agency, such as, "Do you think you might be able to do this for me?" In other situations, the **Master Social Innovators** indicated that they had almost stumbled on the idea of starting a social enterprise once they realized that there was marketable output from the services they offered to program participants, principally the output of job training programs.

Innovations in Products or Services Offered to Clients/Program Participants

A couple of the agencies that designed new service models purposefully sought input from potential program participants, often using different types of needs assessment techniques. For example, TEMPO, which has established innovative ways to anticipate and respond to the needs of homeless and at-risk youth, went directly to the 'customer' before program components were designed.

Customizing Existing Service Models to New Populations

The **Master Social Innovators** who customized existing service models to meet the needs of their target populations were often inspired by program examples, sometimes introduced to them in reports, at conferences, or during association meetings.

Master Social Innovators often have an uncanny ability to see the new possibilities and new applications of existing models. For example, the GIFT program at Roxbury Youthworks, Inc. offers life coaching to victims/those at risk of commercial sexual exploitation rather than relying solely on more traditional therapeutic approaches. In the case of the Bedford Youth and Family Services, Director Sue Baldauf got the idea for a parenting calendar after seeing a similar publication that a local printer had published for a different agency.

New Organizational Structures

Preliminary ideas for the new organizational structures typically emerged from a solution-oriented staff or board member who figured out that a new organizational structure was the innovation needed.

▼ **Challenges Associated with Generating the Initial List of New Ideas**
Several of the **Master Social Innovators** noted that competing priorities — for example, fulfilling existing commitments — made it difficult for them to take the first steps toward a social innovation and start the process of generating new ideas.

▲ **Opportunities Associated with Generating the Initial List of New Ideas**
Most social service organizations have the capacities to generate new service ideas, or to recognize someone else's good ideas and then creatively apply those ideas to their own program participants. **Master Social Innovators** talked a lot about steps they had taken to make ideation a valued competency in their organizations.

"In the midst of changing and turbulent times, innovation helps us consider how we can best fulfill our mission, what we should do today, and how that differs from what we should do tomorrow."

Rachel Lurie,
Manager of Education and Partnerships,
Providers' Council

3. Specifying the Primary Components of the Social Innovation: After someone in the organization 'catches the innovation bug,' the next step is often the articulation of a model or prototype of the idea so that it can be explained well to others. The **Master Social Innovators** indicated that their agencies engaged in a number of different processes to ideate, consider and then evaluate possible 'pieces to the puzzle'.

Innovations in Resource Development

The agencies which established social enterprises used a range of approaches to articulate the possible components of their new initiative. Oftentimes, a staff or board member with business background or experience starting a business took the lead.

Innovations in Products or Services Offered to Clients/Program Participants

Once the preliminary ideas for program innovations had been generated, the agencies that had developed new programs often delegated the initial program design tasks to a group of staff, volunteers, and sometimes members of the board of directors. The **Master Social Innovators** typically described the ideation activities as an iterative process, with the ideas cycling back between staff, program participants/potential program participants, and members of the board.

Customizing Existing Service Models to New Populations

Although the agencies which customized an existing service approach had some type of a program template that guided the program design, it was often necessary for the lead person at the agency to engage the creativity of different people so that the model 'fit' well with the new population group. The approaches adopted by the agencies varied, and seemed to reflect the culture and structure of the agencies.

A few agencies worked directly with a partner organization that had originally developed the innovation. For example, HMEA worked with two partners, Alternatives and Nonotuck, to expand the shared housing model for program participants from all three agencies. These close collaborations facilitated the specification of the desired program components.

New Organizational Structures

The refinement of ideas for new organizational structures seems to typically emerge from staff members who are intimately familiar with relevant organizational policies, processes, and procedures. A couple of the **Master Social Innovators** mentioned that they used consultants at this stage, seeking outside experts for some assistance.

"I believe in collaborations and working together. We did a guide for block parties related to one coalition. We did a teen website to help kids find things to do in Bedford. We have Bedford-In-Motion and are working on a healthy community planning grant. This has led to further collaborations that have [in turn] encouraged community partnerships, people getting together, and working together, and living better together."

Sue Baldauf
Director, Bedford Youth and Family Services

▼ Challenges Associated with Specifying the Components of the Social Innovation
A few of the **Master Social Innovators** mentioned that it was difficult for them to have a clear vision at this early stage, and suggested that it was a bit uncomfortable not knowing exactly where they were going.

▲ Opportunities Associated with Specifying Components of the Social Innovation
Many **Master Social Innovators** indicated that staff involvement in design-thinking had a positive impact on the specification of program components.

| Deciding to Engage | Generating Ideas | Specifying Components | Conducting Research | Pilot Testing | Implementing | Assessing Impact & Improving |

4. Conducting Background Research: Most of the **Master Social Innovators** interviewed for this report indicated that they needed to develop new knowledge so that they were able to implement the social innovation in a quality fashion. The type of research tended to vary depending on the type of innovation pursued.

Innovations in Resource Development

The background research conducted by agencies which established social enterprises usually entailed a combination of: 1) market analyses; and 2) the writing of a business plan that specified pricing strategies and revenue, as well as cash/flow projections. As a result of its background research, WORK, Inc. found it necessary to establish agreements with unions before its FM&M, Inc. cleaning business was launched.

There was significant variability in timing of the business plan development. In several cases, formal business plans were not prepared until the agencies had pilot tested and experimented with the new businesses for a period of time, and there was evidence that the agencies had a good chance of making the businesses successful.

Innovations in Products or Services Offered to Clients/Program Participants

The **Master Social Innovators** who developed new services had to locate 'bits and bytes' of evidence relevant to different facets of their new programs. Sometimes, there was limited information available that could guide their decisions. Several agencies had engaged in benchmarking to identify characteristics of 'best-in-class' elements of the new programs. For instance, Communities for People gathered extensive data about non-profit needs and preferences before finalizing the data management platform used for tracking program participants' experiences.

By necessity, these agencies had to move more quickly into pilot testing because they had to build a new evidence-base as they moved forward.

"They were building a hotel and... I followed the labor market research [indicating] that they were opening a lot of hotels... We started to do some research ... [and developed] more of an understanding of customer service."

Serena Powell,
President and CEO,
Community Work Services

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Customizing Existing Service Models to New Populations

Oftentimes, the organizations that adapted existing models were able to access a robust evidence-base as part of their background research activities. The background research conducted by these organizations typically focused on the identification of new funders.

New Organizational Structures

Finally, agencies that had either created partnerships with other organizations or had established separate for-profit corporations owned by the non-profit had to invest time to research the legal options. Liabilities and risks were of primary concern.

▼ **Challenges Related to Conducting Background Research**
While conducting background research, agencies may have to face the fact that social innovation often entails more risk-taking than incremental program planning or the replication of evidence-based models. For instance, Yolanda Ortiz, the TEMPO Program Director, mentioned that there are no eligibility criteria for TEMPO other than age (17-24 years). This is a departure from the way that most other service providers operate; so, although the organization has met with substantial success, TEMPO was venturing into some unknown territory.

Some of the **Master Social Innovators** who went down the social enterprise path commented that they 'didn't know what they didn't know.' Although common, this experience is usually unsettling. As Mia Alvarado, Executive Director of Roxbury Youthworks, Inc., said "... due diligence is important... I really believe you have to do your research... [but] don't expect to have all the answers up front. [You have to develop the attitude that] we're going to try it out, we're going to see, we're going to talk about it all the time."

In retrospect, a few of the **Master Social Innovators** indicated that the launching of their social enterprises might have been stronger if the organizations had prepared a solid business plan at the very beginning.

A couple of the **Master Social Innovators** indicated that they conducted competitive analyses as part of their background research. In some cases, the non-profits encountered some resistance from for-profit organizations that were selling similar services and products. The social enterprises needed to reconcile how they wanted to compete with existing small businesses.

▲ **Opportunities Associated with Conducting Background Research**
A **Master Social Innovators** described their background research activities as being similar to trying on a coat before you buy it. The research phase helped the agencies to pause — even for just a moment — and be sure that the members of critical stakeholder groups understood what the social innovation entailed and that they were all still supportive of the endeavor.

Kathleen Jordan, Senior Vice President and CPO of the Seven Hills Foundation, stressed, "... what's really important is due diligence. Don't just look at five years of statements but talk to the staff, talk to the CPA firms, and dig out those numbers... You have to know your trends."

5. Pilot Testing: Two types of pilot testing experiences were described by the **Master Social Innovators**: projects that could be pilot tested on a small scale with limited up-front investment, and projects where it was necessary to have some seed money to launch the initiative, even on a pilot basis.

The pilot testing experiences did not seem specific to any of the four types of social innovations depicted in Figure 1 above.

Most of the pilot testing was done on a small scale. For example, Pathways to Wellness, which offers holistic health services to underserved populations, started with one particular population group before full implementation and expansion to other population groups. Similarly, Communities for People initially piloted its financial and management services with a single agency before offering these supports to other agencies.

▼ **Challenges Related to Pilot Testing**
This pre-launching stage can be more complicated than it seems at first.

Point 1: All of the agencies indicated that they were ready for a lot of hard work.

Point 2: Most of the **Master Social Innovators** had anticipated that some aspects of the innovative programs would be successful and other parts of the pilot might not work as well.

Point 3: Despite the fact that the **Master Social Innovators** had prepared themselves for the challenges of pilot testing, their descriptions of this stage suggest that pilot testing can be very stressful.

▲ **Opportunities Associated with Conducting Background Research**
All of the **Master Social Innovators** who discussed their pilot testing experiences did so with enthusiasm. There was a genuine commitment to "making improvement with each new experiment" which, in turn, energized staff.

Many of the agencies were able to slowly build up fee-for-service models [training, consulting, etc.]. This made it possible to take the first steps without having to put too much at risk.

Several of the **Master Social Innovators** indicated that they built their exit strategies during the pilot-testing phase. That is, they established criteria [such as break even points, market saturation, and impact on program participants] connected to specific benchmarks. Then, if the new initiatives did not meet expectations, the agencies were more or less prepared to end the project. For example, the Seven Hills Foundation has explicit expectations about the timeframe when they anticipate seeing a return on their investments. In situations where this does not happen, they re-invest in a different opportunity. Rather than seeing these terminations as failures, the **Master Social Innovators** described the exit transitions as having been learning experiences.

"I would argue that the non-profit sector is inherently an innovation sector... We prototype programs, ideas, and solutions."

Tom McLaughlin,
McLaughlin and Associates

6. Implementing the Innovation: In general, during the implementation stage, most of the agencies were able to apply program management competencies that already existed at the organization.

Innovations in Resource Development

Many — but certainly not all — of the agencies that had launched a social enterprise indicated that the implementation of their business required that they had to adjust some strategic priorities, procedures, and practices which were in place at the agency to accommodate the needs of the new enterprise. In some cases, the agencies needed to train staff members so that they could understand and appreciate the business orientation that was needed to support the success of the venture [for example, embracing the need to sell the service or product].

Innovations in Products or Services Offered to Clients/Program Participants and Customizing Existing Service Models to New Populations

The agencies that offered innovative services to clients already served by the organization were able to leverage their knowledge and social capital to implement the new program.

New Organizational Structures

As described by some of the **Master Social Innovators**, the implementation of the new organizational structures quickly moved from 'pilot testing' to 'auto pilot' unless the new structure was not working as anticipated.

▼ **Challenges Related to Implementing the Innovation**
The launching of a social enterprise often requires that non-profits adopt new management paradigms. For example, rather than focusing on 'outreach to people in need,' the social enterprise may 'market to customers who are willing to pay.' Similarly, rather than calculating a budget to 'cover the costs,' most social enterprises need to set a 'pricing strategy that will maximize revenues.' Truly, this is more than semantics. Even though the organizations' missions shape the purpose of both the service delivery programs and the social enterprises, some staff and board members find it a bit difficult to move back and forth between these different program management perspectives.

▲ **Opportunities Related to Implementing the Social Innovation**
The enthusiasm expressed by virtually all of the **Master Social Innovators** about the implementation of their initiatives indicates that the agencies are able to re-cycle the positive energy that a successful social innovation can generate.

During this stage, several of the agencies began to brand/re-brand their organizations as 'agencies that have the commitment and capacity to design and implement a social innovation.' They became known as successful and innovative agencies, which in turn helped to attract new partners and funders.

"It is important to always be looking for growth opportunities. In the human service field, sometimes opportunities come out of left field and then you have to move more quickly to analyze the opportunity to see if it's a fit.

Terry Kennedy,
Executive Director,
The J.F. Kennedy Family
Service Center

7. Measuring Impact and Making Continuous Improvement: For several decades, social service agencies across Massachusetts have routinely reported metrics to their funders which indicate the scope of services provided as well as the impact which programs have had on individuals, families and communities. While the **Master Social Innovators** agreed that it is relatively easy to measure outputs, they all expressed a strong commitment to the more-difficult-to-measure outcomes [short and long term].

Bedford Youth and Family Services has been able to use a 'customer demand' indicator as a metric of success. After the publication of its parenting calendar, a counselor at one school [the 'customer'] took the initiative to write a grant so that additional copies of the guide could be printed and distributed to every parent with a child in the school.

Although each of the **Master Social Innovators** recognizes the power of metrics, the type of metrics used was a bit different among those with a social enterprise compared to the other three types of social innovation. For social enterprises, the revenue generated was a critical success indicator, of course in addition to the impact and outcomes for the program participants if they were directly involved in the social enterprise.

Across all the types of social innovation, agencies indicated that that they had been able to use data for continuous improvement.

▼ **Challenges Related to Measuring Impact and Making Continuous Improvement**
The **Master Social Innovators** reported few challenges with steps associated with continuous improvement. However, a couple noted that it was difficult to measure the social impact of some aspects of their innovations. For example, while the social enterprises contributed funds which strengthened the organization's ability to provide quality services to program participants, not all of the social enterprises were designed to have a direct impact on participants' well-being.

▲ **Opportunities Related to Measuring Impact and Making Continuous Improvement**
Several of the **Master Social Innovators** noted that measurement — whether metrics related to profits or impact on clients — opened new doors for sustainability.

In the past 3 years, the number of people who have accessed Providers' eAcademy®, the Providers' Council online learning management system, has doubled. While recognizing this success, Rachel Lurie [Manager of Education and Partnerships] observed that the Providers' Council has continued to "… modify the system in response to changing needs."

CHAPTER THREE: BARRIERS AND FACILITATORS
WHAT HELPS AND WHAT GETS IN THE WAY?

In this chapter, we summarize some of the barriers and facilitators to social innovation.

The **Master Social Innovators** identified some facilitators and barriers that were relevant to all four types of social innovation, which we call universal facilitators and barriers.

▲ Universal Facilitators

- *Agency status as thought leader.*
  As noted by Joseph Abely, President of the Carroll Center for the Blind, being recognized as a thought leader in an area related to the innovation is a key facilitator of the success of virtually any type of innovation.

▼ Universal Barriers

- *Resource constraints.*
  Resource limitations [staff time, expertise, and funding] were perceived as barriers across all four types of social innovation.

- *The pace of external change.*
  In a paradoxical way, the hyper-turbulence of the organizations' environments propelled them toward innovation but also made it difficult to plan and execute a social innovation.

"Starting a new venture is really tough in terms of... where do you get the capital, staff, or time?.. How do you find time to launch something big, or even small...?"

Marlene Warner,
Executive Director,
Massachusetts Council on
Compulsive Gambling

The **Master Social Innovators'** perceptions of some facilitators and barriers were connected to the type of the innovations implemented.

Innovations in Resource Development

▲ Facilitators of Innovations in Resource Development

- *Staff expertise [whether or not relevant business expertise has been accessed for existing programs].*
  All of the organizations that established social enterprises indicated that someone at the agency had at least some relevant prior experience with a related business.

- *Agency reputation for quality.*
  Reputational capital is essential for establishing relationships with potential/ existing customers. The J.F. Kennedy Family Services Center has been able to leverage its expertise with its Headstart program to operate a fee-for-service child care center.

▼ Barriers to Innovations in Resource Development

- *Insufficient funds for start-up and expansion.*
  In some cases, limited access to business competencies, including business-planning, market analysis, and the development of market strategies, made it difficult to locate investors. Non-profits interested in establishing social enterprises need better access to capitalization.

- *Isolation of non-profits.*
  Leaders of non-profits have limited opportunities to develop natural relationships with for-profit organizations. Stronger relationships with businesses as potential suppliers and customers could accelerate the success of social enterprises.

- *Risk/benefit imbalance.*
  The **Master Social Innovators** raised questions about 'who takes the risk' ["Who has to invest time, intellectual capital, and up-front funds?"] and 'who reaps the short and long term benefits' ["Who gets patents, copyrights, proceeds from ownership?"]. Agencies that launch social enterprises may feel that they are shouldering most of the risk of a social innovation, but there are often limited protections of the benefits they accrue.

  The risk/benefit imbalance can also be felt at the employee level. As Barbara Pilarcik, Executive Director of The Association For Community Living observed, the compensation and benefits structures established at most non-profits can constrain the incentives that can be offered which would counterbalance the entrepreneurial risks that staff involved in social enterprises may need to take.

- *Reluctance to adopt the 'passion for profit' paradigm.*
  When the enterprise is started by social service staff, it can be difficult for them to shift their focus from a singular focused on client outcomes to the dual agenda which includes growing a strong and profitable business.

- *Vulnerability of state contracts.*
  A few of the **Master Social Innovators** worry that their state contracts may be reduced if they bring in funds through their successful social enterprises.

- *Conflicting stakeholder priorities.*
  Social enterprises need to add customers and potential customers to their lists of agency stakeholders. In some cases, the priorities of the different stakeholdergroups might not align perfectly.

"[The social enterprise] really puts us [and our program participants] in the community in a different way. [Customers] don't care [about ability/ disability] if they are looking at a product that is good."

Barbara Pilarcik,
Executive Director,
The Association For
Community Living

Innovations in Products or Services Offered to Clients/Program Participants

▲ **Facilitators to Innovations in Products or Services Offered to Clients/Program Participants**

  ■ *Support of funders.*
  Funders who recognize the need for transformative improvement can help agencies to move a good idea into pilot testing. The **Master Social Innovators** shared a number of examples of private and public funders who offered support for the launching of new programs which had the promise of greater impact.

  ■ *Staff engagement.*
  Staff members who are closest to program implementation often have innovative yet practical ideas. Engaging them in the planning for the social innovation can contribute to effective ideation.

▼ **Barriers to Innovations in Products or Services Offered to Clients/ Program Participants**

  ■ *Lack of existing models.*
  Agencies that are early adopters may have to experiment a lot to get the program model to work effectively and efficiently.

  ■ *Difficulties securing funds for planning and pilot testing.*
  While private funders often express enthusiasm for distinctive and innovative approaches, funders in both the private and the public sectors want to maximize the chances that their investments will produce the best return-on-investment. Requests for proposals typically leave little room for innovation because the funder has already identified the intervention of choice.

  ■ *Unanticipated competition.*
  Small businesses might see the products and services offered by social enterprises as competition rather than viewing social enterprises as strengthening the vibrancy of the market place. A few of the **Master Social Innovators** had some ambivalence about how they should respond to this challenge.

Customizing Existing Service Models to New Populations.

▲ **Facilitators of Customizing Existing Service Models to New Populations**

  ■ *Evidence of practice.*
  Data about the expected efficacy that a particular approach might have with a different population helped to reduce the risk.

"I always say that everyone is a customer. We have funders, we have programs participants [our ultimate customer], and we have business customers."

Serena Powell,
President and CEO,
Community Work Services

▼ **Barriers to Customizing Existing Service Models to New Populations**

■ *Staff time constraints.*
Staff members often need to be trained or [re-]trained in the new program methods.

■ *Limited opportunity for customizations.*
Protocols that are tightly defined may leave little room for creative customization.

New Organizational Structures

▲ **Facilitators of New Organizational Structures**

■ *Support of partners [as needed].*
Several of the **Master Social Innovators** who had established formal relationships with partners observed that the support of collaborators was a significant success factor.

▼ **Barriers**

■ *Staff resistance.*
In some cases, veteran staff members who have worked 'under the old system' express reluctance to change.

CHAPTER FOUR:
BUILDING ORGANIZATIONAL CAPACITIES
WHAT WOULD HELP OTHER AGENCIES?

We asked the **Master Social Innovators** about the knowledge and skills they had or needed which helped them to move their social innovations forward.

These capacities clustered into three groups: values and commitment, organizational abilities, and people readiness. [See Figure 2.] While many of these capacities were germane to all four of the types of social innovation, some of the organizational capacities were particularly important to one or two of the types of social innovation.

Figure 2: Organizational Capacities
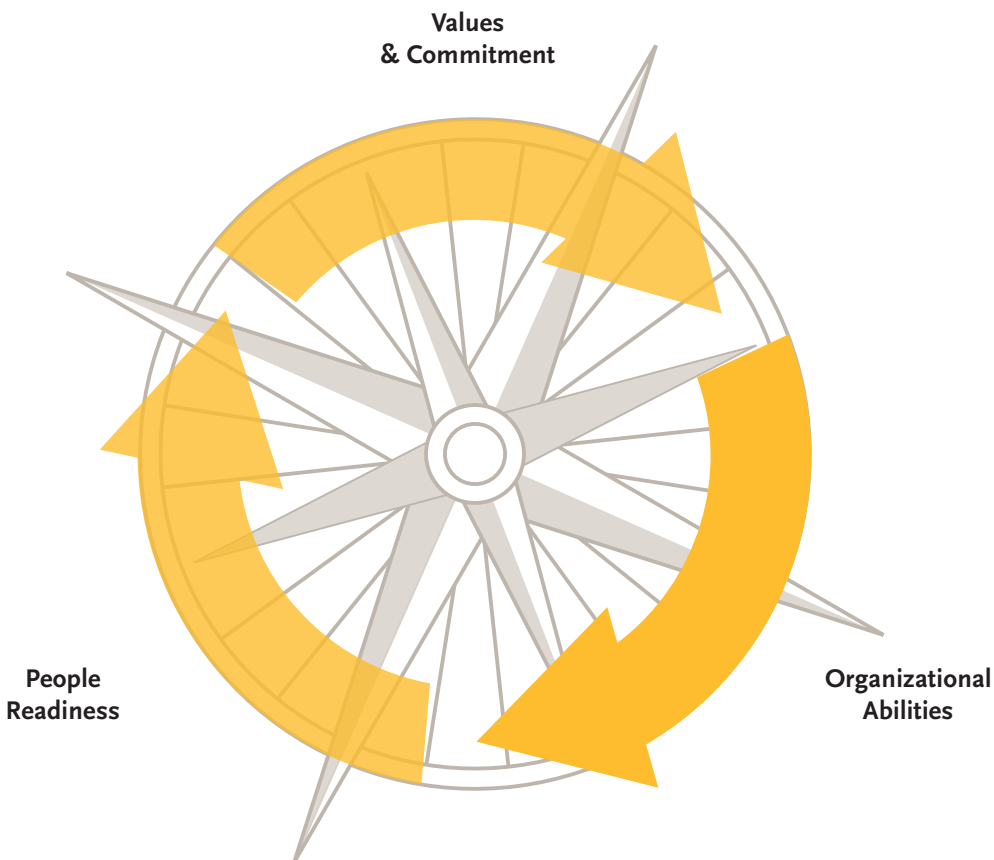
Perhaps one of the first steps for organizations that want to be ready for social innovation is adopting the perspective that Tim Diehl, Executive Director of the Berkshire Area Health Education Center, Inc. described as becoming "...the agency that can."

1. Values and Commitment

The **Master Social Innovators** spoke about different value orientations that provided a critical foundation for their social innovation activities, including: organizational mission, recognition of the value of social innovation, and an orientation toward the future. A fourth value — comfort with the marketplace — was discussed by organizations with social enterprises.

- Each of the agencies which contributed to this report has a powerful mission; all of the **Master Social Innovators** discussed the links between their missions and social innovation. Many noted that the compelling nature of their missions almost compels them to consider social innovation as a key strategy. For some organizations, the mission transforms taken-for-granted paradigms. Challenging these assumptions is at the core of their innovations. As June Cooper, Executive Director of the City Mission Society of Boston stated, "The innovative part is the redrafted mission: prevent homelessness, youth empowerment, and community engagement."

    The mission orientation not only provides the rationale for embarking on the social innovation but it also offers a sense of strength when the agencies hit a 'bump in the road.'

"I think that hits on why City Mission has gone on for 200 years. It is nimble enough in terms of its funding and its ability to look outside of itself, to take cues from the environment..."

June Cooper,
Executive Director,
City Mission Society of Boston

- Many of the **Master Social Innovators** spoke at length about the importance of having shared values that support innovation, itself. Having a belief in the possibilities of innovation can help organizations to 'stay the course' when they encounter challenges and transitions [needing new space; selling to an unfamiliar market; responding to new regulations, etc.]. The commitment to innovation entails having an organizational tolerance of risk-taking, embracing experimentation, staying 'nimble,' and establishing norms about learning from mistakes.

- Several of the **Master Social Innovators** talked about their agencies' commitment to imagining and anticipating the future. Certainly, all planning is oriented toward the future. However, the design and implementation of a social innovation seems to make it particularly important that organizational stakeholders gain a good grasp of possible future scenarios so that the innovations established are relevant to circumstances anticipated to unfold in the future. When engaged in social innovation, it does not seem sufficient to only 'peek' at the future, as organizations do during strategic planning.

- The **Master Social Innovators** who are leading social enterprises noted that their agencies needed to appreciate the fact that the marketplace offers the possibility of having more control over the resources needed to ensure the sustainability of quality services provided to program participants/clients. The success of the investment strategy adopted by the Seven Hills Foundation, which contributed resources to the agency that increased nearly 20-fold over the course of a decade, is a testament to these possibilities. Clearly, agencies that are uncomfortable in the business world would find it difficult to operate a successful social enterprise.

2. Organizational Abilities

Several of the **Master Social Innovators** alluded to the fact that they had to more or less figure out on their own how to 'do' social innovation. As expected, they reported that their agencies seemed to get better at the 'doing' of social innovation the more they actually engaged in social innovation tasks. A few of the **Master Social Innovators** noted that their agencies found it important to 'create space' for innovation and to practice innovation tasks so that they became a routine part of the way that the organizations do business. For example, one of the agencies instituted a modified book club where interested staff members came together to discuss new/different ideas and practices that might be relevant to their programs. The Justice Resource Institute has established a staff development committee which acts as an intellectual incubator that assesses new ideas and opportunities.

Three sets of capacities were mentioned often by the **Master Social Innovators**: leveraging expertise in the social sector; exploiting appropriate uses of technology; and augmenting business savvy.

■ Most of the **Master Social Innovators** talked about the importance of leveraging knowledge and skills already existing at the agency. For example, human service agencies begin their social innovation initiatives with a deep understanding of the population groups with whom they work and familiarity with the most recent developments in service delivery. Furthermore, when social service agencies consider launching an enterprise that provides services and resources to other agencies, their insights about the everyday experience of non-profits are intangible assets which could not easily be replicated by a for-profit which offers similar services. Cloud4Causes, an initiative operated by HMEA, and the financial and management services offered by Communities for People are good examples of this competitive advantage that non-profits might bring to a social enterprise. In addition, if the services of a social enterprise are sold to other human service agencies, the organization sponsoring the social enterprise can capitalize on existing relationships with non-profits.

Leaders of social innovation need to foster "...a culture of critical thinking and problem solving."

Rachel Lurie,
Manager of Education
and Partnerships,
Providers' Council

■ Many, but not all, of the **Master Social Innovators** spoke about the role of technology in various activities associated with the design, implementation, and/or assessment of their social innovation initiatives. Some noted that technology has enabled them to offer a service that would otherwise not have been available. Joseph Abely, President of the Carroll Center for the Blind which provides resources and training to individuals with visual impairments, noted that technology "...makes virtually everything possible" for populations that either have certain types of capacity limitations or do not have access to some traditional resources. High Point Treatment Center/Southeast Regional Network/SEMCOA, an agency which provides a continuum of services to people in recovery from addictions, offers memberships to One Health, an online peer support network to its program participants.

Technological advances and customizations were at the core of several social innovations: a matching service linking shared living residences with people with disabilities [established by HMEA], financial management services provided to other non-profits [offered by Communities for People], and technological supports offered to other non-profits [for instance, HMEA's Cloud4Causes]. Oftentimes, non-profit agencies are the early adopters of new technologies. The Providers' Council, for instance, pioneered online training in 2005, well

before other professional associations and even most universities designed e-learning opportunities.

For other agencies, the power of technology was harnessed for participant/client data management, the agency's own financial management, and/or for a range of communications activities. Technology may also change the agency as a workplace, offering staff opportunities for remote work which could help them to be more creative and feel more connected to program participants as well as colleagues.

Recognizing that technologies often increase the efficiency of social services, Mike Moloney, President and CEO of HMEA, discussed how technology can empower program participants, staff and the members of other stakeholder groups. He stated, "We know that technology furthers the mission." Roxbury Youthworks, Inc. has found innovative ways to use technologies, such as texting and accessing carefully monitored Facebook profiles to foster consistent interactions between their program participants and life coaches. Technology makes it possible for the Roxbury Youthworks' GIFT program to provide 24/7 services. Furthermore, technology supports the explicit missions of many organizations.

> As Demie Stathopolos, Executive Director of Pathways to Wellness said, "People need to understand what their profit margins are in each program area in order to know what they need to subsidize and what is generating excess."

■ Almost all of the interviewees shared some observations about the important role that strong financial and management skills played at their agencies. However, the agencies which had developed social enterprises focused a lot of attention on the need to have business acumen that complements traditional non-profit management competencies. These agencies recognized the necessity of having so-called 'hard' business skills, like preparing business plans and modeling revenue projections. A few of the **Master Social Innovators** mentioned that organizations pursuing a social enterprise need other business skills as well, such as market analysis, marketing, and total quality management.

Stressing the importance of being a business, Jim Cassetta, CEO of WORK, Inc., suggested that organizations might not even want to use the term 'social enterprise' or 'social innovation' in marketing materials so that customer attention is focused on the value proposition of the product or service being sold.

3. People Readiness

The third set of organizational capacities discussed by the **Master Social Innovators** focuses on the knowledge, skills and competencies that individuals and groups bring to the social innovation experience. This readiness was relevant to leaders, employees, volunteers, board members, and strategic partners.

■ There was unanimous agreement that organizational leaders — at all levels —should develop the skills needed to practice social innovation. Stephen Murphy, Director of Business Development at The Bridge of Central Massachusetts, shared a comment which was echoed by many of the other **Master Social Innovators**, saying, "The key element of our experience... is that our Executive Director is so fanatical about this mission...he is a very mission-driven guy." This type of leadership invites the rest of the organization to view innovation as being mission-relevant.

While many of the social innovation leadership competencies are similar to 'general' good leadership skills, a few people noted that leaders should have honed abilities to: synthesize/ de-construct/reconstruct ideas; model how to 'be on the quest' for solution-focused innovations; and nurture idea-making as part of professional practice.

Most of the **Master Social Innovators** seemed to take it for granted that agencies starting down the path of social innovation need to have some staff members with expertise in the innovative product or service, itself. For example, some employees at the Berkshire Area Health Education Center already had significant training expertise before the social enterprise was launched. However, different opinions were expressed about the extent to which employees need to develop competencies so that they are able to participate [either directly or indirectly] in some social innovation activities [during the planning, implementation, and/or assessment].

On one hand, several people agreed with Andy Pond, President of the Justice Resource Institute who said, "[It is]...important to develop leadership within the organization... to support the younger more entrepreneurial types and give them what they need to get the job done." The underlying philosophy of this perspective is that it is necessary for an organization to be nimble if it is going to engage in social innovation; and, a nimble organization depends on staff members who are prepared for innovation activities. As a consequence, most of the **Master Social Innovators** indicated that they encouraged staff participation in planning activities. A few of the agencies featured in this report have taken steps to ensure that most, if not all, employees have some exposure to principles of social innovation. For example, the Berkshire Area Health Center, Inc. sent a staff member to training on positive deviance [one approach for identifying innovative practices that might already exist but which deviate from the formal and 'accepted' practices]. When back at the agency, the staff person presented the information about how positive deviance can promote new ways of thinking that go beyond evidence-based practice.

As observed by Tim Diehl, Executive Director of the Berkshire Area Health Education Center, Inc., boards of directors can have a significant impact on whether an idea moves forward to implementation. He said, "[the idea of moving ahead with the social innovation] was very risky and a difficult process... but the board of directors was very adamant about supporting this as the direction to go."

On the other hand, several **Master Social Innovators** noted that most staff members need to focus on work related to the 'already established' services.

Based on the information gain during the interviews, it seems fairly common that agencies form a small, core group of employees who focus on innovation tasks [at least at the beginning].

It appears that **Master Social Innovators** consider the scope of the social innovation initiative[s] before they decide whether it is necessary for *every* employee to have two sets of professional skills [social service skills and social innovation/business skills].

■ Several of the **Master Social Innovators** commented on the important role that board members can assume for the planning of a social innovation. Board members can:

Help scan the external environment and identify opportunities that might not be visible to agency staff.

Bring specialized skills [for example, market analysis] to the planning tasks.

Connect agency staff with consultants who might contribute to the planning.

■ Many of the **Master Social Innovators** noted that the board's primary responsibilities – keeping a strategic focus on the agency's mission and monitoring financial sustainability – may urge the board to head down the path toward social innovation. However, while the board needs to keep looking ahead, it also assumes the role of being 'risk manager'. None of the interviewees portrayed their boards as having been resistant to efforts toward social innovation. [Of course, agencies whose boards objected to ideas about social innovation are not likely to have launched such initiatives and, therefore, would not have been contacted for this report.]

It is understandable that some board members raised hard questions about the capacity of their agencies to successfully launch a social innovation initiative. It was the common wisdom of the **Master Social Innovators** that moving a social innovation forward has to be built on a foundation of trust between the board and the agency's management team.

■ It is important to note that the success of some social innovations depended on the readiness and willingness of a number of external partners. According to several of the **Master Social Innovators**, these important partners assumed a number of functions. Partners may:

Deliver important services to same target population, elevating the importance of coordination. Collaborations have been critical to the efficacy of the TEMPO program, for example.

Provide important resources and supports needed for the planning and launching of the social innovation.

Be a full partner in the planning and implementation of the social innovation, with each agency responsible for that part of the innovation which taps into that organization's strengths and experiences.

Take the lead in the implementation of the social innovation [possibly as a sub-contractor], while the prompting agency assumes more of an oversight role.

"And this [new] model allows you to really leverage your resources... you increase efficiency... [and] you are getting a more clinically effective model by reducing the price so people can afford to come in more frequently so they can really get results."

Demie Stathoplos,
Executive Director,
Pathways to Wellness

Undoubtedly, collaborations add a layer of complexity to the social innovation initiatives. However, one of the **Master Social Innovators** made the following observation: While it is necessary to invest time to build the innovation capacities of the partner agencies so that they can make the maximal contributions, the organization can also reap the benefits of the partner agency's new ideas for additional innovation. The potential for relationships to spawn new innovations can be augmented when the partners have opportunities to interact on a more frequent basis.

A few **Master Social Innovators** noted the importance of establishing cross sector partnerships. Over the course of many years, HMEA developed a relationship with the corporate social responsibility [CSR] department at a high tech company headquartered in a nearby community. After a complicated and planful relationship-building process, the two organizations had opportunities to get to know one another, and the CSR department subsequently championed and supported one of the HMEA social innovation projects.

CHAPTER FIVE: RECOMMENDATIONS AND CONCLUSIONS
WHAT HAVE THE MASTER SOCIAL INNOVATORS SUGGESTED?

The **Master Social Innovators** painted a picture of social innovation that is both complex and nuanced. Furthermore, their insights suggest that the practice of social innovation by Massachusetts agencies has an expansive scope, encompassing a range of initiatives.

Based, in part, on the interviews conducted for this report, the Boston College Graduate School of Social Work has adopted the following definition of social innovation:

> Social innovation is a new response to social problems, both problems that are new problems as well as problems that have been with us for some time but have been difficult to address effectively and/or efficiently.

> The response could take various forms such as: a new [adapted] service, a new organization, a new product, a new structure [such as a new mode of service delivery or communication], a new paradigm, or a new approach to resource development.

> In order for the new response to be considered a social innovation, it should have the potential to transform the problem, the possibility of being sustainable and replicable, and the promise of enhancing social justice.

The **Master Social Innovators** generously shared their ideas so that other health, education, and social service agencies in Massachusetts can join the social innovation community. We have built on these ideas and have created a list of recommendations that might be usual to **Social Innovators In-the-Making.**

Practice Social Innovation Often

Agency leaders can embed the practice of innovation in both formal and informal ways. You never know when a good idea will present itself.

Unless you practice 'doing' social innovation, "...you can lose your ability and capacity to move quickly, to be flexible and adaptable" said Andy Pond, President of the Justice Resource Institute.

1. Consider ways to get new ideas at unexpected times [for example, starting a staff meeting with an idea basket].

2. Try working with partner agencies to generate new ideas. Hold an 'idea swap' party.

3. Experiment with using technologies, such as crowd sourcing to elicit new ideas.

4. Establish a way for people to share 'half-baked' ideas and then invite others to add to, adapt, or change the original idea.

Be Ready

As in politics, timing can be everything. Aspiring social innovators have to be ready to see opportunities and then act on them.

1. Periodically scan your agency's environment with an eye toward new opportunities for social innovation.

2. Take an audit of your organization's policies, practices, competencies and capacities, resources, and organizational culture. Anne Wunderli, Director of Social Enterprise at the Pine Street Inn, suggested that organizations carefully assess the agency's readiness for a social innovation initiative.

3. Train staff in social innovation processes so they can effectively engage when the time is right.

4. Train the members of your board. Board members may not only be a great source of new ideas but they may also be your best [and, therefore your most valuable] critics. Board members of The Bridge of Central Massachusetts received training provided by Community Wealth Ventures.

Consider Small Changes as Well as Big Ideas

It can be intimidating to try to come up with the 'next big idea.' In fact, most innovative designs are built on previous models. Echoing the wisdom of those in the design field, Anne Wunderli, Director of Social Enterprise at the Pine Street Inn observed, "Small innovations can have a tremendous impact."

1. Agencies should resist the temptation to dismiss modest ideas. Sometimes, small ideas are better than the 'most awesome ideas which can take your breath away.'

2. Start small [with as little up-front investments as possible], then grow the innovation as customer demand grows. This approach can help you to limit the high start-up costs.

3. Don't expect 'big successes' right away.

4. Be proud of innovations that are new ways of combining 'tried and true' components.

"Go out and talk to... organizations [and explore] how you can put a model together that is mutually beneficial and is a collective win."

Serena Powell,
President and CEO,
Community Work Services

Build on Strengths...but Consider Moving Outside of Your Comfort Zone

It is common sense, but agencies need to have some relevant competencies before engaging in social innovation. However, sometimes social innovators might want to move a bit out of their comfort zone. For example, High Point Treatment Center/ Southeast Regional Network/SEMCOA [which provides services to people recovering from addictions] decided to launch a housing social enterprise because affordable, permanent housing was needed by the clients. In this case, the agency brings substantial business expertise and experience with this population group, even though it had not managed housing before.

1. Several of the **Master Social Innovators** recommended that agencies should leverage existing expertise and strengths [either of the organization, overall, or the experiential capital of specific staff members]. As summarized by Stephen Murphy, Director of Business Development of The Bridge of Central Massachusetts, "If you want to do a social innovation, you want to do something that you are really, really good at or that you are absolutely committed to becoming good at." Both Murphy and The Bridge's Executive Director, Barent Walsh, had deep expertise in both specific content [evidence-based practice] as well as experience with training.

2. If you have a solid idea for a social innovation but you have only some of the skills and knowledge needed to be successful, find a good partner [either a non-profit or a for-profit collaborators].

Get and Give Help

Recognizing that social innovation is a new planning method, it is to be expected that most agencies will want to consider seeking assistance.

1. Consider having a staff and/or board member become an apprentice at another agency that has planned and implemented a similar social innovation.

2. Serve on the boards of other agencies to get new ideas and fresh perspectives as you contribute to the work of that other agency. For example, June Cooper, Executive Director of City Mission serves of the board of the Justice Resource Institute [another socially innovative organization].

3. Partner with universities on specific tasks such as conducting market research and completing a business plan. For example, The Association For Community Living received a grant from the Davis Foundation and worked with Common Wealth Ventures to develop a business plan at an event at Babson College.

4. Find a social innovation mentor. Tim Diehl, Executive Director of the Berkshire Health Education Center, commented on the importance of establishing a relationship with a master social innovator.

5. Develop collaborations so that you can focus on what your agency does best.

"Peer support and peer agency support have made a huge difference in getting innovations off the ground."

Rachel Lurie,
Manager of Education
and Partnerships,
Providers' Council

Create the Community

Communities offer formal and informal resources. Lone social entrepreneurs may miss critical opportunities for efficiency and effectiveness.

1. Become part of a community of social innovators, such as the Massachusetts Chapter of Social Enterprise Alliance. There are a number of emergent associations. Remember to contribute what you can. It can be particularly helpful to share the stories of experiences that did not work out.

2. Educate the business community about new alliances they might form with social service providers.

3. Create social innovation 'sub-cultures' within existing professional associations [connecting people interested in social innovation].

Stay Centered

Many people describe the initial stages of a social innovation initiative as both energizing and chaotic. It can be challenging to avoid the pitfalls of dis-orientation when moving from prototyping to pilot testing.

1. Start with your mission and come up with good ideas.

2. Start with good ideas and observations and link them to your mission.

Design the Program for the Innovation

As the specific project components are identified and then refined, it is important to remember that the success and eventual sustainability of a social innovation initiative will depend on the attention that is given to the details of the plan. This is the time to 'structure the chaos.'

1. Staffing is important. If current staff members do not have the skills and knowledge needed to do the job well, consider bringing in someone new or train existing staff members.

2. Once the key components have been identified, look for agencies [in the for-profit, not-for-profit, and public sectors] that have best practices for the different components [for example, best practices for marketing].

3. Know when to stop. Before implementation, clarify what the agency will do if specific red flags are identified.

"[A social innovator] needs to balance the mission centered piece with the ability to talk about resources, outcomes and priorities. You need to be able to straddle these two worlds."

Demie Stathoplos,
Executive Director,
Pathways to Wellness

Get Ready for Cascading Social Innovation

Social innovation can be contagious. Once an organization has been successful with one social innovation initiative, the entrepreneurial spirit can spread throughout the agency.

1. Structure conversations about social innovation so that all staff members feel informed about possible organizational transformations.

2. Create mechanisms so that it is easy for staff members to make suggestions for additional innovation. Then, create processes so that new ideas can be considered by an innovation committee.

3. It is possible that the business approach adopted for a social enterprise approach to social innovation may spill over into other programs and services, further strengthening the financial health of the organization. Anne Wunderli, Director of Social Enterprise at the Pine Street Inn, has found that the social enterprise culture has had a positive effect on other programs. However, the social enterprise model is not a good fit for all programs. Programs that continue to support their services with conventional funding models should be recognized for the important value that they contribute to the agency's mission.

 "I think you have to have some courage to do these things..."

June Cooper,
Executive Director,
City Mission Society of Boston

Be Bold

Social innovation is not for the faint of heart.

1. Celebrate your courage.

2. Have a willingness to change; a willingness to make mistakes.

3. Develop the ability to look at the strengths and weaknesses of existing programs and then have the courage to consider radical approaches for addressing weaknesses while also holding onto strengths. As Mia Alvarado, Executive Director from Roxbury Youthworks, Inc. said, "You [need to let] go of things that don't work; give yourself permission to not do that anymore, and try doing something different."

Above all else, remain open to ideas about new and more effective ways to get your important work done.

APPENDIX A. PROJECT BY INNOVATION TYPE

Social Enterprise [30]	New Service/Product to Program Participants or Clients [8]	Service/Product to New Population [14]	New Organization [4]
The Association For Community Living. (1) Inclusive Community Center (2) Valley Tees Berkshire Area Health Education Center. (1) Education and Training Program (2) Public Health Initiatives Program The Bridge of Central Massachusetts. (1) Bridge Training Institute Carroll Center for the Blind. (1) Store with Adaptive Products for People with Visual Impairments (2) Consulting about Accessibility for People with Visual Impairments Communities for People. (1) Fiscal and Management Services to Non Profits Community Work Services. (1) Cafeteria operating at a fellow non-profit (2) Commercial cleaning services (3) Commercial production: Packaging and assembling (4) Catering Doc Wayne Athletic League. (1) Training Clinicians, Youth Workers, and Youth Organizations about *do the good*: Therapeutic Sports Program High Point Treatment Center/ Southeast Regional Network/SEMCOA. (1) Boutique (2) Apartment Rentals (3) Laundromat (in pilot testing phase) HMEA. (1) Cloud4Causes J.F. Kennedy Family Service Center. (1) Child Focus Program Pathways to Wellness. (1) Share the Care™ Model of Holistic Health Services Pine Street. (1) iCater (2) Boston HandyWorks Providers' Council. (1) Providers eAcademy® Seven Hills Foundation. (1) Equity Ownership [business investment] TEMPO. (1) Marketing graphic services by trained youth (in planning) WORK Inc. (1) FM&M, Inc. Cleaning services (2) Facilities management and maintenance (3) Packaging and assembling (4) Mail room services (5) Courier services (6) Food services	Doc Wayne Athletic League. (2) *do the good:* Therapeutic Sports Program HMEA. (2) Shared Living with the Shared Living Connector [Online Matching Service] Justice Resource Institute. (1) Programs for Children in Cape Verde McLaughlin & Associates. (1) Work with non-profit clients. Providers' Council. (1) Providers eAcademy® Roxbury Youthworks, Inc. GIFT. (1) Gaining Independence for Tomorrow Seven Hills Foundation. (2) Global Outreach [8 additional countries] TEMPO. (2) Young Adult Resource Center	The Association For Community Living. (1) Inclusive Community Center Bedford Youth and Family Services. (1) Parenting Calendar (2) Social Services Resource Guide (3) Parent Education Program (4) Bedford Families Unplugged (5) Bedford-In-Motion Carroll Center for the Blind. (3) State-of-the-Art Technology and Computer Training for People with Visual Impairments City Mission Society of Boston. (1) Lift Up for Single Mothers The J.F. Kennedy Family Services Center. (1) Child Focus Program Massachusetts Council on Compulsive Gambling. (1) Job Placement McLaughlin & Associates. (1) Work with non-profit clients. My Turn. (1) School to Work Program Pathways to Wellness. (2) Holistic Health Services to Low Income Population (3) Community Acupuncture	HMEA. (3) Comprehensive Staff Supports High Point Treatment Center/ Southeast Regional Network/SEMCOA and PAACA. (4) Collaboration for Temporary Work Seven Hills Foundation. (1) Equity Ownership [business investment] WORK, Inc. (1) FM&M, Inc. Cleaning services

ABOUT THE PROVIDERS' COUNCIL

The Massachusetts Council of Human Service Providers, Inc. is a statewide association of health and human service agencies. Founded in 1975, the Providers' Council is the state's largest human service trade association and is widely recognized as the official voice of the private provider industry.

The Council's mission is to promote a healthy, productive and diverse human industry. Working to accomplish this mission, the Council offers high quality public policy research, advocacy, communication and information, education and training, and cost savings programs to add value to our members and help them meet their objectives. Its core values of fairness, respect and dignity for the disenfranchised
are the cornerstones to its history of community-based solutons.

ABOUT THE CENTER FOR SOCIAL INNOVATION
AT BOSTON COLLEGE

The Center for Social Innovation [CSI] promotes "innovation from within." Our mission is to foster effective, sustainable social innovations that enhance social justice. We strive to build capacity within the social sector by preparing tomorrow's social service leaders, promoting the capacity of existing social service agencies to respond to current and future social issues, and building the evidence-base for social innovation. The CSI aims to be a premier resource, for practitioners and scholars, by:

- providing training, resources and supports to leaders in the social service sector;

- conducting cutting-edge research that will open new avenues for the rigorous study of social innovation;

- collaborating with social service agencies to design and implement transfor-mational responses to social problems;

- supporting a practice and learning community for social innovation leaders;

- offering opportunities for students to deepen their understanding of and connection to social innovation through events;

- promoting and supporting the MSW Program in Social Innovation + Leadership.