How Government can Use Social Innovation Labs to Solve Complex Problems

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Table of Contents

Executive Summary

3

1

Background	4
What is a Social Innovation Lab	5
The Case for Social Innovation Labs	5
Sample Process for Running a Social Innovation Lab	6

2

Clear Yet Flexible Governance

Governance	8
Competing Interests to Govern	9
Lab Team	10
Lab Participants	12

3

Actions to Help Navigate Governance Tensions	14
Preparation	15
Inspiration	17
Ideation & Prototyping	
Building & Implementing	18

4

Conclusion 19

About Davis Pier 20

Executive Summary

Complex societal problems that have evaded solutions for decades require experimental approaches to find new paths forward. Problems like poverty, homelessness, health care, climate change, and social inequity are uncertain, nonlinear, and often siloed and ownerless. Social innovation labs can be an effective way for addressing these challenges because these labs:

- Help us to understand multiple dimensions and contexts about a problem
- Require teams to work differently, accepting uncertainty about ideas as they unfold
- Gather diverse perspectives and context from those who are affected and closest to the issue
- Support the gathering of inspiration and generation of ideas
- Test concepts early, often, and iteratively to find solutions that have the most impact

Governments charged with solving these complex problems are leaning in—labs have been setup across the country at all levels of government¹. Labs work differently by moving power for solving problems from government to society. This raises a key tension to resolve, and the focus of this paper—

How can governments simultaneously establish labs that distribute control of problems and solutions to society, without dominating the process and outcomes?

If governments want to use social innovation labs, they need to set the conditions for success and then be prepared to let go. The insights in this paper come both from conducting research on social innovation and from leading extensive social innovation work on the East Coast of Canada. As our firm, <u>Davis Pier</u>, began supporting government work in social innovation, it was easy to access theory on the subject, but there was a shortage of practical guidance on how governments could launch these labs without controlling them. This paper provides insight on how to do that, including governance best practices that help create real buy-in from participants and that support evidence-based government policy creation. Key highlights include:

- The difficult balance required for government to run innovation labs that involve community and other stakeholders. This includes looking at how the strict processes government must adhere to, and the unique nature and power dynamics of government-to-community relationships, can limit the creation of solutions.
- How governance structures with a defined role for government can help maintain the balance of authentic solutions generated by society, and solutions that government can support.
- Methods for bringing needed, non-government participants to the table in the right roles.
- How to ensure expectations are realistic participants and governments should not expect instant resolution of problems that have existed for decades.

To be clear, fostering government alignment is a background consideration, secondary to supporting members of society, especially those with lived experience, in exploring problems and generating solutions. However, if government's buy-in is not planned and cultivated along the way, it is unlikely the solutions will have the institutional support needed to succeed.



Background

What is a Social Innovation Lab?

A social innovation lab, in our view, is a project or organization established to deploy a specific set of social innovation approaches (discussed below) to address a complex societal issue. Social innovation labs come in a variety of formats and structures, but all use experimental methods to address societal issues. They often have a relationship to government, whether contained in the public service or as an independently structured organization with funding from government or other sources. They also usually act with some autonomy from government but under terms and conditions agreed by government.

Characteristics that make social innovation different from traditional approaches to improving public services or policies include:

- Partnership and collaboration with citizens that have lived experience associated with the topic of the lab;
- Use of design thinking and human-centred design approaches to help fully understand an issue before converging on possible solutions;
- A belief that it is okay to explore solutions that would not normally be considered;
- Use of prototypes to collect feedback on concepts prior to large-scale investments;
- Establishment of a highly diverse team, including members who bring different expertise, experience, and mindsets, as a model for multiperspective and cross-sectoral collaboration;
- Partnerships with different sectors, including the private sector, in a collaborative process aiming to build consensus around the ideas that are more likely to succeed;
- Lighter and less traditional governance models that allow for agile approaches; and
- Shared ownership of process and results.

A social innovation lab does not need to refer to a specific, physical space, it can be virtual in nature. It is simply about creating an opportunity for unstructured collaboration and thinking amongst a group of individuals that would not traditionally have the opportunity to do so. The way individuals are participating is significantly more in depth than in other approaches. These individuals are not being consulted for their opinion the way traditional engagements have occurred. They are becoming deeply immersed in exploring the problem, generating solutions, and then working to bring these solutions to life.

The Case for Social Innovation Labs

The rapid pace of change over the past few decades has resulted in a rise in the number and complexity of societal challenges, and an increased demand for government programs and services that support society's most marginalized people. At the same time, government resources are increasingly strained many jurisdictions across Canada are facing fiscal sustainability challenges of declining revenue and increasing costs to deliver critical programs and services. Yet, increasing costs to respond to growing program and service demands are not improving societal outcomes. Finally, government decisions are scrutinized more than ever in a 24hour media cycle amplified by arm-chair social media critics. These factors are forcing government to shift how they work with citizens and stakeholders to identify more innovative, impactful, and sustainable solutions to complex issues.

Solving for complexity requires innovation both within and between organizations and systems. Social innovation labs offer mechanisms and methods that support such cross-systems approaches. Labs embrace complexity and help design policy, programming, and services in a way that is outcomeoriented, proactive, people-centred, and owned by many stakeholders. By helping to design policies and programs that authentically consider the needs of all community members, labs can find new solutions to age old complex problems. They also build trust and relationships between community and government that support implementation of solutions.

In summary, by embracing complexity, labs help design policy, programming, and services in a way that is outcome-oriented, proactive, people-centred, and owned by many stakeholders.

Sample Process for Running a Social Innovation Lab

To facilitate a discussion on government's role, it will be useful to describe how a representative social innovation lab may be run. While there is no such thing as a "standard" social innovation lab, they often include some representative stages — inspiration, ideation, prototyping, and building/implementing. These stages allow for a series of converging and diverging of ideas — both in the problem and solution categories. In the end however, each lab should be formed uniquely for the context of the problem, the intended outcome, and the skills of the people leading the initiative.

STAGE	DESCRIPTION	POTENTIAL DURATION
Inspiration	Collect information from citizens and community organizations living the problems being explored through observation, immersion, and conversation. The objective is to understand their needs differently. Information collected should be synthesized into themes and insights, and shared.	1–6 months
Ideation	Use synthesized insights to run community-focused sessions for generating potential solutions. The objective is to be generative and collaborative, often relying on "how might we" questions to stimulate ideas. Many ideas or concepts may be identified, and then analyzed and prioritized to a few to be prototyped. A framework for evaluation of ideas should be used. For example, ideas can be ranked according to impact on the problem, and ease of implementation.	3–9 months
Prototyping	Design and develop prototypes that can be tested in the community or through community organizations. This often requires learning, iterating, and testing again. The objective is to rapidly assess an idea before implementation.	Low fidelity, simple, or digital: 2-4 months Higher fidelity, complex, or non-digital: 4-6 months
Building and Implementing	Plan, design, develop, and prepare to launch. Depending on the success of the prototype, this can range from simply releasing the prototype publicly, to further design, development, and preparation, including the rollout of new policies, procedures, or legislation.	Heavily dependent on viability of prototypes. Could be a few months to significantly longer if redesign needed or funding challenges exist.

Table 1 — Representative Social Innovation Lab Stages

2

The lab should facilitate a diverging and converging of insights through each phase as illustrated in the diagram below. While these stages are presented as neat linear steps, the reality is they are likely to overlap and repeat to refine ideas.





2 Clear Yet Flexible Governance

Competing Interests to Govern

As mentioned, a key benefit of social innovation labs is that they meaningfully bring those impacted by a problem to the table to solve it. In a lab, those with lived/living experience explore the problem, generate ideas, document findings, and move viable solutions forward. While efforts may be driven by society, these labs are often funded by government partners who are looking for legitimate input to complex problems.

As these governments are constrained by deadlines, mandates, and politically sensitive environments, they are incentivized to try and download these constraints on the lab. But the absence of such constraints is exactly what allows labs to succeed! Governments thus have a challenging task of managing the tension of supporting social innovation labs, without driving the agenda or constraining their effectiveness. Balancing this requires governments to step into unfamiliar territory of letting go of control.

To facilitate this, it is necessary for the lab and government to define at the onset what role government will play in the lab's launch and operation (if any), and what it means to "let go." There must also be mutual understanding of the realm of acceptable so the lab develops solutions that government stakeholders can support. Given the organic nature of how labs are run, it is not possible to predict what might happen. To navigate this, social innovation labs require clear yet flexible governance that allows government to be involved but with less influence over how the work is delivered.

At the same time those running the lab must build a common understanding with citizens and community groups involved to set reasonable expectations on the objectives, their involvement, and the amount of progress than can be made on a problem that has eluded solutions for decades. Many of these individuals and groups are over-consulted, yet need to be involved given their unique knowledge, experience, and connections within the community. These groups are also often under-resourced. While government can not control these participants, they may still need to fund them. The design members of the lab team (the Design Group) must also navigate this tension. These individuals help draw out society's participation by facilitating conversations, analyzing findings, leveraging existing social science research, and testing and evaluating potential solutions. In their role, these members can help ensure government doesn't overwhelm the process, while simultaneously building and gauging government support for potential ideas and solutions.

To unpack these ideas further, we will next detail our approach to governance that delineates two distinct groups: the Lab Team (responsible for launching and running the lab) and Participants in the Lab (who are there to share insights and generate ideas).

> ...social innovation labs require clear yet flexible governance that allows government to be involved but with less influence over how the work is delivered.



Lab Team

The Lab Team is responsible for establishing and operating the lab and can be divided into three broad categories as highlighted in Figure 2 and explained further below.



Oversight

The first category is those responsible for overseeing the lab. By nature, a social innovation lab should have a distributed authority with minimal hierarchy. Management is required however, to guide the project and ensure accountability. Labs can fail if this responsibility is ignored entirely. Oversight can be provided by an individual or a team depending on the scope of the initiative. Any organization (or organizations) with a combined understanding of social innovation can be charged with implementing the required governance. This role may be filled by public servants in a specially created office, members of a not for profit or philanthropic organization, and/or a hired consultancy. Roles and responsibilities are highlighted in the table below.

Table 2 — Lab Team Oversight Roles and Responsibilities

RO	LES TO CONSIDER INCLUDING	RESPONSIBILITIES
•	Project management	Scope, schedule and budget control
•	Project coordination	Team management
•	Subject matter lead	Coordination of lab activities
•	Design lead	Administrative duties
•	Community lead	Maintaining the relationship with government
		Ensuring research is ethical and privacy implicates are respected

Design Group

The core of the social innovation lab is the Design Group. These individuals are dedicated to defining the approach and delivering the work. It is important for this team to include individuals who can provide diverse perspectives, both individual (e.g., gender, ethnicity, race, age) and sectoral (e.g., private, non-profit, academic). The group must have expert knowledge in their domain, be committed to open and collaborative thinking, and have the availability to participate.

Table 3 — Design Group Roles and Responsibilities

ROLES TO CONSIDER INCLUDING	RESPONSIBILITIES	STAFFED BY
 Project Manager/Oversight Service Designer Researcher (qualitative) Researcher (quantitative) Evaluator Facilitator and community liaison Behavioural Scientist UX Designer Policy Analyst Subject matter expert 	 Develop approach Recruit participants Conduct ethical and inclusive research Facilitate workshops Synthesize findings Research, co-design, develop, and test prototypes 	 Representatives from the general public, specifically with lived/living experience Representatives from relevant or affected not-for-profits Community advocates Academic or other related institutions Organizations specializing in relevant consulting, research, and design



Advisors — Subject Matter and Technical

Supporting the more regularly involved members of the Lab Team, are a subset of curated and recruited subject matter experts and technical advisors. They are external stakeholders interested in contributing, but who could not dedicate significant time. They will be engaged at key points in the approach to validate insights, participate in design sessions, and support prototyping. They are likely to possess knowledge and expertise pertaining to the design challenge.

Table 4 — Advisor Roles and Responsibilities

ROLES TO CONSIDER INCLUDING	RESPONSIBILITIES	STAFFED BY
 External Participants: Subject matter experts, including those with lived/living experience Community advisor/outreach 	 Participate in various lab activities – strategy sessions, community workshops, testing potential solutions Provide strategic guidance Connect the lab to the community Act as a sounding board for community engagement, research ethics, prototype assessment, etc. 	 Representatives from: Community liaisons Not for profit leaders - academia, Community organizations Others with deep subject matter expertise

Lab Participants

As we have said throughout, for a lab to succeed, a diversity of participants must contribute to the exploration of the problem and its solutions. Citizens and stakeholders should be involved through each stage from inspiration and ideation through to design, prototype, and testing.

The lab's participants should be selected based on building a diversity of perspectives into the process. An outreach plan should be developed that includes those with lived experience as well as those with deep subject matter expertise. To support this, it can be useful to apply a framework identifying 3 contextual categories — **Individual, Community, and System.**

Each context includes a variety of perspectives that are relevant to the design challenge. Some key considerations:

- It is crucial to ensure lab participants reflect all elements of diversity in a community, including race, gender, sexual diversity, and accessibility. This is especially important given many of the social challenges addressed by social innovation labs impact these groups in disproportionate ways.
- Compensation at living wage should be provided to participants who are sharing their lived expertise at individual or group sessions, including costs related to transportation and childcare.

- Diversity of experience in both public, not-forprofit, and private sectors adds useful diversity of thought.
- Inclusion of people who are not experts in the domain, but who are creative thinkers can help generate ideas.
- Citizens and community organizations will end up being key players throughout the process.

The context and perspectives of each group are detailed below in an example from a food insecurity innovation lab.

CONTEXT	PERSPECTIVES	
Individual (i.e. how people are affected / impacted)	 Rural Urban Children and Young Adults Families Single Parents Seniors 	 Homeless Working Poor Minority Groups Students Newcomers/Immigrants
Community (i.e. how groups of people are affected/ impacted)	 Education K-12 Education Post-Secondary Community Organizations Shelters/Homes 	Food BanksFood Access PointsFaith-Based Organizations
System (i.e. how do all the pieces fit together)	 Researchers Community/Regional Organizations Food Producers 	Health-RelatedEmployment-Related

Table 5 — Context and Perspectives of Groups Involved in a Food Insecurity Innovation Lab





Actions to Help Navigate Governance Tensions

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Social innovation labs can help governments see below the surface of complex problems, but only if the lab runs with the autonomy required to gather true insights from a diversity of individuals and community groups. This requires a nuanced approach to bringing government along through regular updates, but not so much that government drives the agenda. We have articulated our learnings on how to do that through the phases detailed in **Table 1 Representative Social Innovation Lab Stages** (see <u>page 6</u>), with an additional preparation phase added. The preparation phase is when early groundwork for the launch of the lab is completed.

Preparation

Leverage Government Knowledge

While the goal is to create something independent of the confines of government, that does not mean the wealth of knowledge inside government should be ignored. The lab's organizers can work with government to collect knowledge about key stakeholders, relevant documents, and existing research related to the problem.

Ground it in Social Science Research

Leveraging academic contributions helps create a baseline understanding of what has been proven to work (and not work). The lab can inform participants of relevant evidence by engaging academics and other experts and completing literature reviews to share with lab participants. Academic grounding gives government confidence that ideas will be grounded in evidence, even if the ideas that evolve diverge from the past studies. It also helps the lab avoid ideas that have been shown to be ineffective.

Build a Skilled/Diverse Team

As we employ social innovation labs as a mechanism to create solutions, we are refining an approach that encourages greater citizen involvement in problem



identification and idea generation. This moves towards an end goal of greater societal sponsorship and stewardship of solutions that can be scaled. We have leveraged several tactics in support of this goal, including human-centred design, behavioural science, and prototyping to inform future policy decisions. These approaches stress collaboration with citizens and community organizations throughout the design process. As a quick overview:

- Human-centred design is an approach to problem solving that involves the people you're designing for in developing new solutions purpose-built for their needs.³
- Behavioural science is the study of understanding, influencing, and predicting human behaviour and combines parts of psychology, economics, sociology, and neuroscience.
- Prototyping "is a time-tested method for generating innovative solutions by keeping humans at the center of the design process and gathering feedback early and often."⁴

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https://designthinking.ideo.com/faq/whats-the-difference-between-human-centered-design-and-design-thinking

⁴ https://www.ideou.com/products/prototyping-for-digital-experiences#:~:text=To%20build%20the%20right%20thing.gathering%20feed-back%20early%20and%20often

Align on Approaches

Mapping out major components in advance can help you involve government enough to understand what is unfolding. This is important for potential government buy-in of ideas created. Some specific steps towards this end may include:

- Developing a stakeholder map to ensure a diversity of contexts and perspectives are included to ensure the system is wholistically understood. (e.g. on a food insecurity lab, targeting individuals with life challenges that are not directly related to food insecurity, but that may overlap with it.)
- Developing data collection tools, such as guides, surveys, etc. These should be developed and customized to ethically and appropriately engage a diversity of groups that are willing to share their experience. All engagements with those with lived experience should be conducted using an ethics framework to ensure appropriate and informed participation.

Plan Government's Involvement

Engaging senior government leaders early and often throughout the process will help them get behind ideas, understand their role, and when the time is right, be more willing to support the most viable solutions. At the onset, it can be useful to develop a plan for engaging government. Some key elements can include:

- Developing a stakeholder roles and responsibilities document, including government, to emphasize how this work will be done differently.
- Access to a senior leadership table with key influencers from across government remember complex wicked problems cross multiple systems.
- Keeping senior leadership apprised throughout the innovation process by sharing valuable insights that reinforce the credibility of the process, seed ideas and test reactions to learnings early and often.
- Invite senior leaders to observe and experience

5

the momentum, but not so closely that it causes unintended shifts in the power dynamic.

Prepare for Evaluation

In preparing for evaluation, it is important to identify a broad set of learning objectives and outcomes, and what data (qualitative and quantitative) will be required to appropriately evaluate the design challenge and prototyped interventions. This will include the development of an evaluation plan, data collection tools and analysis strategy. Together these will be used to clearly articulate how each intervention has performed against the broader learning objectives, why it has performed that way, how interventions compare to each other and to begin outlining possible broader impacts of the most promising intervention(s).

Social innovation requires a more agile evaluation approach. One such approach, called Developmental Evaluation (DE), is well suited for the complex and uncertain conditions and environments in labs. Developmental evaluation differs from traditional evaluation in several ways, including by being focused on learning not accountability, and by real-time feedback⁵.

It is recommended that a Theory of Change be developed early on (and refined through the process). A Theory of Change clearly describes and illustrates how and why a desired change is expected to happen within the context of the social innovation challenge.

This work helps public sector supporters start with the end in mind. While the process of running an innovation lab cannot be predicted, it is helpful to align on desired outcomes. These conversations can help surface potential paths that would be unacceptable to government. It will also help clarify expectations and motivations of government related to the social innovation design challenge.

Inspiration

Engage

Leaning on the principals of human-centred design and guided by a research and engagement plan, the collaboration can begin, including with those with lived experience, government departments and others identified by community partners. The objective here is to validate findings from the background research and identify unique barriers, needs, and opportunities facing individuals and those in the community. Collecting data about the problem may take many forms, including interviews, focus groups and workshops, observations, immersion, and contextual inquiry. In these initial activities, the team must focus on collecting data and resist the temptation to interpret it to prematurely find solutions, especially for solutions government might prefer.

Interpret & Synthesize

Observations collected during the engagement stage are analyzed by mapping and sorting them into cluster themes. The design group often develop personas, journey maps, and behavioural maps to better understand the individual experiences and barriers. This helps keep a diversity of perspectives top of mind at every stage of innovation. Themes are often synthesized into key insights that provide a multi-dimensional view into the complexity of the challenge.

Frame the Problem

Given the urgency and complexity of social issues, the inclination to jump into "solutions mode" as quickly as possible is understandable. And yet in doing so, we risk misunderstanding the complexity and causal factors related to the problem that sit outside our current purview.

Social innovation labs aim to broaden this purview. This is the essence of frame innovation — a systematic approach to re-framing problems that creates space for design in novel and unexpected places. Taking the time to frame (and re-frame) the issues will create a strong foundation from which to build purposeful and impactful innovations.

The comprehensive research that has shaped the problem frames, can now be used to articulate opportunity frames called "How Might We" (HMW) statements. These HMW statements pivot from a deficit way of thinking toward a generative and opportunity mindset.

This is a critical milestone for engaging government by sharing the research findings and analysis, problem frames, and potential opportunity areas. It is our experience that bringing this comprehensive research to stakeholders, including government departments, provides a deeper understanding of the complexity of the issue and adds credibility to the process.

Ideation & Prototyping

Generate Ideas

Using the synthesis of key insights and HMW statements provides a foundation and springboard to co-create ideas with community. While this can take various forms, what is most critical is designing a safe space where all participant feels valued and a sense of belonging. Leaning on human-centred principles, ideation in and with community must have a strong and ideally majority participation from those with living/lived experience.

The co-creation process begins with the intention to identify a broad and wide number of ideas – ideally hundreds. Next, a process of converging on the most desired and feasible ideas begins using a variety of design techniques to build consensus with the community participants. Eventually the lab must narrow to a smaller number of ideas that the community is interested in testing.

The design group then takes these selected community ideas and conceptualizes a way to bring the idea to life as a prototype in community. Engaging the community participants in the design is a critical step to ensure their ideas have been adequately captured. Sharing the selected concepts with government is important at this point to keep them apprised, to identify barriers and opportunities, and more generally to gauge interest in formative concepts.

Test, Iterate, & Evaluate

Once community participants have agreed on which concept(s) to test, a detailed prototype plan is developed by the design group. Beginning with low fidelity prototypes and scaling appropriately will help the lab continuously evaluate what's working (and what's not) and will help adapt the concept to meet the desired outcomes of the community. Data is typically collected and analyzed throughout prototyping and synthesized once prototyping is complete.

Learnings from prototyping should be shared with government regularly throughout the process. While it is important for government to be kept apprised, at this stage it is critical for government representatives to remain open to learning what is and isn't working and why. Applying too traditional a lens too early in the process will limit what can be learned.

Building & Implementing

Building Government Buy-in for Recommendations

Assuming a concept demonstrates value, an implementation proposal with required investment should be prepared and presented to senior leaders in government and to potential, non-government investors.

To successfully innovate at the implementation stage, access to finding is a critical catalyst of building a more sustainable business model. The main source of funding will likely be government (either through grants, professional services fees, or salaries if the lab is internal).

Knowledge Mobilization

Given the unique findings that can emerge from innovation labs, we increasingly see the value of publishing emerging insights. This enables other actors, including those who may have been part of the project, to contribute to the development of solutions. It also validates the effort and contributions of all those involved in the lab, whether as a stakeholder, or sponsor such as those internal to government. Finally, knowledge mobilization supports the broader ecosystem's ability to leverage the learnings and advance solutions.

> To successfully innovate at the implementation stage, access to funding is a critical catalyst of building a more sustainable business model.





4 Conclusion

Social innovation labs help solve complex problems because the process, by design, involves people with living/ lived experience and community organizations closest to the problem. These labs provide a platform for participant voices to meaningfully and purposefully be heard in ways that help explore the complexity of the problem.

Labs are most successful when government leans in without controlling the process or outcomes. This shift in power dynamic creates the conditions for creativity and innovative solutions that people and communities feel they can support.

While government needs to "let go" of processes and outcomes, government support will be critical during the launch and implementation of the most viable solutions.

The social innovation lab team has a vital role in managing the tension of keeping government apprised and excited about the ideas and solutions as they arise. This will be key to government's continued investment and support of ideas.

While governments continue to learn more about how social innovation labs work to solve society's most complex challenges, people and community will rise to the occasion, bring amazing ideas, and get behind making these ideas happen in community. And that, is how social innovation labs make a difference solving complex challenges with and in community.

If you'd like to explore how a social innovation lab can help with your community's complex problem, please reach out to us at <u>davispier.ca/contact-us/</u>



About Davis Pier

Davis Pier is a professional services firm that provides innovative solutions to complex government and social challenges. Our team is made up of over 50 professionals in Halifax, Toronto, and Charlottetown with varied backgrounds including strategists, designers, technologists, project managers, analysts, behavioural scientists and change managers.

We work with public, not-profit, and private sector organizations in Canada and internationally to deliver the services necessary to improve society and the lives of others by designing, planning, and implementing lasting change. Our ability to collaborate with clients and implement these solutions is what sets us apart. The approaches we use to design, plan, and manage change allow us to deliver exceptional value and integrate seamlessly with our clients.

To learn more about our work or to speak to us about running a social innovation lab, please visit <u>davispier.ca</u> or email <u>solutions@davispier.ca</u>