

# DEVELOPING NEW MODELS FOR SOCIAL TRANSFORMATION

a report by Professor Sarah Pearson  
and Ellen Derbyshire

How can Foundations best amplify  
social impact through innovation?



**We can't always do what we've always  
done because what we've always done  
is not getting anyone anywhere.**

Lived Expertise Video interviewee

## Overview

Foundations have a long and rich history of supporting and driving significant and global “impact for good”. Tried and tested methods have left a legacy to be proud of, and new ones are showing promise as Foundations adapt to a rapidly changing world.

The pace of this adaptation needs to hasten dramatically if Foundations are to leverage opportunities and address the growing inequity in, and call for change from, our societies with urgency. Many people have been, and many more are being left behind, and the social challenges that Foundations strive to solve are on the rise. Innovative approaches, entrepreneurship, new models for finance, the voice and empowerment of lived expertise, collaboration, open innovation, data, and technological advances all offer great opportunities to adapt with speed and greater impact, and many Foundations are exploring how best to utilise them. The inclusion of a diversity of voices and thought, a gender lens on the issues and opportunities, support for climate resilience, are all being applied as tools to help break the cycle of disadvantage, building Equality of Opportunity.

These new approaches require a greater appetite and capability for risk management, but the risk of not innovating is much higher at a time when old approaches are not driving change fast enough or providing the opportunity for economic self-determination.

Foundations have the enviable position in that they can choose what role to play. Simplistically, should Foundations innovate themselves, fund others to innovate, take their place as the trusted connectors, and be the big risk takers? As one of very few capable of taking risk today, should they be bolder and play an even bigger role in addressing inequality at its heart – embracing humility, humanity, and connectivity; addressing the power imbalances and moving the narrative to one of opportunity; adding to advocacy by empowering lived expertise, broader expertise, and Community to drive meaningful, systemic change, collectively?

Imagine the legacy if Foundations could employ a range of innovative tools, all forms of expertise, collectively to build the enduring social solutions that the world needs. Imagine if we could leverage breakthrough ideas, technologies, collective approaches, to democratise access to opportunity and unleash impactful social change.

"We can't always do what we've always done because what we've always done is not getting anyone anywhere". Lived Expertise Video interviewee

With these opportunities in sight, the Paul Ramsay Foundation commissioned research into how Foundations could accelerate the uptake of innovative approaches, with a view to inspire the sector and provide ideas for actions that could be taken at different stages of each Foundation's innovation journey.

The project took an open, collaborative, and consultative approach, in partnership with Foundations, Innovators, Entrepreneurs, Lived Expertise, Funders, Investors, Founders, Thought Leaders, Ecosystem Connectors, Sector Leaders, Not-For-Profits, Public Servants, and Researchers. There are no silver bullets and many ways to innovate, hence the broad reach of participants was important to access a diversity of thought.

This report outlines the results of the research, providing a Framework to organise ways in which Foundations could apply innovation, an overview of some of the ways Foundations are adapting, and highlights Actions that could be taken. Recognising that Foundations are all on a journey, both simple steps and innovative leaps have been suggested.

As the role of Foundations continues to evolve in the face of an increasingly complex and connected world, this study illustrates and highlights the opportunities and tools for Foundations to accelerate social impact. At its heart is a call to open up and partner with all stakeholders engaged in driving social change. To "become integral to an ecosystem of possibility, breaking the cycle of disadvantage and building Equality of Opportunity collectively, inclusively, experimentally & rapidly" (Project Participant). To remember that humans and humanity are central – within the Foundation and inside communities. To understand it is a journey of learning. And to empower many to join in on the journey.

"If you want to build a ship, don't herd people together to collect wood and don't assign them tasks and work, but rather teach them to long for the endless immensity of the sea." Antoine de Saint-Exupery

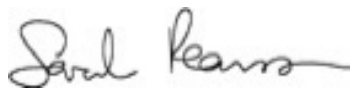
## Acknowledgements

This project was made possible through the generosity and vision of many wonderful people. We thank The Paul Ramsay Foundation for its vision and commitment to impact through “doing things differently so that we make it better for all, faster”. Thank you for your support both financially and intellectually, it’s been great working with you. A very special thank you to Jeni Whalan, who’s commitment to excellence and impact, with vision combined with practical action, brought this project into being.

Thank you also to the University of Queensland for supporting the research team over the course of this project. To all the admin staff who helped us navigate the intricate university systems, and the researchers who generously gave of their time and expertise.

A huge thank you to the approximately 100 amazing individuals who enthusiastically participated in the project through many and varied means, all of whom are involved in social innovation in one way or another, many we count as long-time friends and many that we welcome as new ones (see Appendix A for a list of these generous humans busy changing the world every day).

Finally, and most importantly, thank you to those with lived expertise who engaged in the project, adding your voice, expertise, and wisdom – we hope this project leads to hearing from you more, working with you better, and providing the kind of support that breaks down silos, matures mindsets, draws on collaborative experimentation, and delivers a world where we can all prosper equally, a place we can all proudly call ‘home



Sarah Pearson, Paul Ramsay Foundation Fellow



Ellen Derbyshire, Research Assistant

## Acknowledgement of Country

We acknowledge the Traditional Owners and their custodianship of the lands on which our university stands. We pay our respects to their Ancestors and descendants, who continue cultural and spiritual connections to Country. We recognise their valuable contributions to Australian and global society.

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## Executive Summary

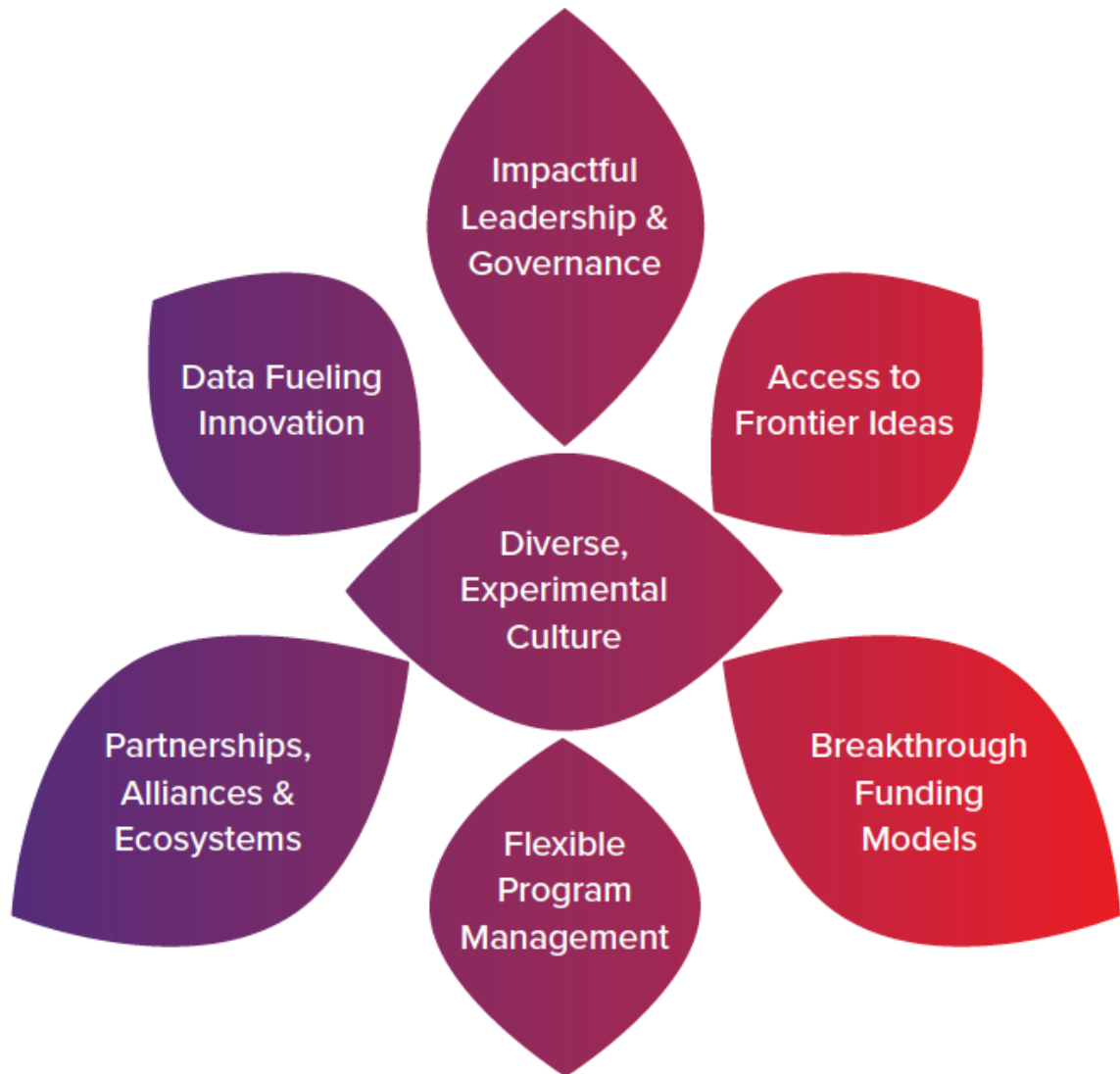
We live in unprecedented times. A period where globalisation has supported relative peace and growing prosperity. Where technological innovation has transformed social connectivity, democratised access to information and power, and driven new industry and jobs. The current pandemic, geopolitical power struggles, and a widening disparity in the distribution of the benefits of technology, however, threatens this progression. Many people have been, and many more are being left behind, with the recent COVID-19 pandemic seriously affecting progress in areas such as gender equality. Innovation, from an operational, business model, technological and societal perspective, is poised and ripe to help. This research focused on how this innovation could be applied to philanthropies seeking to address social change, overcome disadvantage, and build Equality of Opportunity.

Opportunities abound: starting with how we lead and govern in Foundations so that we unleash creativity and opportunity, throughout the organisation and externally; how we become more open and access new impactful ideas we would not have dreamt of without looking more widely; how we fund differently in order to make the most of our corpus, apply a gender lens, provide more than financial resources, and support long term impact through new funding models; how we manage programs with sufficient flexibility to allow for unforeseen impact and experimentation by those we support; with whom and how we partner to deliver greater systemic change, and how to engage in an inclusive ecosystem of impact; how we leverage data to understand the issues, provide an asset for innovation, and measure our impact; and crucially how we set up for a diverse, experimental, learning culture. And in all of this, how we connect to and empower those with lived expertise to build economic self-determination and combine with other expertise to grow inclusive problem-solving communities.

### **Box 1: Innovation and Foundations**

“Innovation should be central to philanthropy. The philanthropic spend in the for-purpose sector is quite small which means it should play a 'value adding' role and provide funds that NFPs can't get through fundraising or government. Innovation is one of the hardest activities to fund which means philanthropy can play an important leadership role”. Survey Respondent

**Diagram 1: Framework for Innovation in Foundations**



At a global and national level, Foundations and funders have turned to innovation to experiment with new ideas, new approaches, new ways of doing things. From the Atlassian Foundation partnering with others on Global Challenges, to the Medway Youth Trust utilising Artificial Intelligence (AI) to assess risk to young people, the Schmidt Foundation’s Moon-Shot Plan, and Australia’s Save the Children experimenting with an Impact Fund. Novel ways to access new ideas from places not thought of before are being widely explored. Through global challenges, co-design, hackathons, new partnerships, supporting social entrepreneurs, impact investing and social bonds.



### **Box 2. The Benefits of Open Innovation**

“We announced and partnered on ‘Challenges’ around specific topics, such as educating girls in the Global South, and then sought great ideas from all over the world, asking them to pitch their ideas to us. We came across ideas we would never have imagined, ideas that have had significant impact on millions of young people”. Project Participant

Some Foundations have the vision of becoming more open, connected, learning organisations. Of realising the complexity and interconnectedness of the issues they seek to address, as well as the diversity of solutions and their pathways to impact. Of finding their place in an ecosystem of stakeholders driving for social change collectively. Of embracing humility and managed risk, with an eye to the goal, bringing together and working with whoever is needed to deliver large scale change, leveraging all the assets available to the Foundation and partners, beyond merely grant funding. Others have taken the bold move to see themselves as part of an “inclusive ecosystem of impact”.

### **Box 3. Partnering Across an Ecosystem for Social Impact**

“So, we redefined our role; we are curators or stewards of the ecosystem around an issue. As a Foundation with an ability to take risks and as a politically neutral player not looking for money, we can be the connective tissue between parts of the ecosystem” Participant in report by The Australian Centre for Social Innovation (TACSI) on [Philanthropy Systems and Change](#).

Throughout the research it became clear that there are strong movements towards addressing power imbalances, engaging, and empowering those with lived expertise, moving on from an outdated deficit model of “doing to or for” towards a more empowering, energising, collective, and impactful model. One that embraces the voice of lived expertise, engages greater diversity of expertise and mindsets in governance and decision making, builds capability in community, supports development and delivery of radically new solutions,

removes power imbalances in data use, and asks those impacted to evaluate programs.

#### **Box 4. Empowering Lived Expertise**

“You might be a facilitator, you might be an academic, but you don’t study poverty, honey, you experience it. And we need to empower those who must

All of this is new and challenging, and Foundations recognise the need to grow their capability, their innovation approach, and build a thriving, experimental culture so they may embrace innovation for greater impact. With so many on the learning journey, there is an opportunity to join others and learn from one another – both through current global initiatives and by setting up an open, honest, humble, action-based network of Foundations wanting to work collectively on projects that will help them all progress in their quest to change. By joining forces, change will not look so frightening and the possibilities more achievable.

#### **Box 5. Steps to Change**

Change can be frightening but over time it becomes normal – There are three stages that Schopenhauer identified for any new ‘truth’: “First, it is ridiculed. Second, it is violently opposed. Third, it is accepted as being self-evident.”  
[Arthur Schopenhauer](#)

## **Report outline**

This project has identified, in each element of the Framework, that Foundations are trialling a range of new approaches. The report details these, as well as the actions suggested by project participants. Highlights of these suggested actions are given in the next section. Sections following this give greater detail: methodology used; detailed insights, approaches and actions recommended for each element of the Framework; cross-cutting themes such as ‘Technology for Good’, innovation models, the use of lenses to enhance opportunities, and engaging lived expertise; example toolkits; and Appendices (Participants (A), Literature Review (B), Survey Questions (C)).

## Highlights From Actions Lists

In this section we highlight some of the bolder actions suggested for Foundations to consider. In later sections actions and insights are placed in each element of the Framework, some of which are easier to implement. We have bundled them together in this Highlights section, drawing out some of the major themes. It is not meant to be an exhaustive list, but a representation of participants ideas that can start conversations about possible actions to take.

### Peer and Other Networks

- Join global networks of Funders collaborating to develop best practice for a range of topics, such as new funding mechanisms and impact metrics
- Design a study tour to learn from Foundations and others globally that are ahead in their journey of accessing and absorbing new solutions externally
- Set up an “Innovation in Foundations” Network, designed to support Foundations on their innovation journey, sharing lessons learnt and working on action oriented collaborative projects
- Build an Australian consortium, similar to the MacArthur Foundation's Catalytic Capital Consortia to invest, build market capability, share transaction costs such as due diligence, set standards, influence development of regulations, and share lessons learnt experimenting with new forms of funding mechanisms
- Develop a Data Catalyst network program to:
  - Share learnings, resources, and data sets
  - Develop an approach to share Foundation data securely and ethically
  - Build common understanding of the most important questions using data, with different partners addressing different pieces of the overall complex solution
  - Develop methodology for collective governance of data, gaining a collective view of how people want their data used to benefit society

### Capability

- Innovation
  - Understand why to innovate and what approach to use when
  - Conduct a survey of current innovation culture within the Foundation to generate a baseline, identify strengths to build on, and opportunities for improvement
  - Set learning goals and feedback opportunities for innovative programs – both for the grantee and the Foundation
  - Build Board and leadership capability in areas such as incorporating lived expertise, innovation, risk management and diversity
  - Give Foundation staff the opportunity to grow external networks

- Develop a capability building program to grow understanding, skills, and tools for managing programs flexibly for staff and the Board
- Tools
  - Co-design best practice models for funding approaches supporting early-stage social ventures
  - Partner on the sharing and development of standard tools such as impact measurement, and co-design a program of support that helps partners measure impact effectively and efficiently
  - Develop partnership frameworks that enable light-touch governance of grantees, allowing a level of flexibility to drive short-term impact while setting the foundation for long-term and systemic change
- Data
  - Build the case for investment in end-to-end data analytics capability and its application throughout the organisation
  - Undertake a data maturity assessment and build a program to fill the gaps in understanding, skills, and activity
  - Invest in technology and organisation-level capability to collect and analyse data, and embed these skills and tools across the organisation
- Risk
  - Develop a risk management framework and deliver a risk transformation program across the Foundation. As part of this, develop tools to support greater confidence in strategic and measured risk taking

### **Lived Expertise and Community**

- Build engagement capability in the Foundation and partner organisations
- Address the need for diversity and lived expertise on the Board and Investment Committees
- Understand the lived expertise behind data, and co-create insights, shared meaning, and solutions with those who the data represents. Include co-designing easy-to-understand visual data and ‘Mobile storytelling’
- Partner with community on a challenge or opportunity and explore how best to empower those with lived expertise to develop solutions, select solutions, fund them, and grow them to impact. For example:
  - Run a ‘Challenge’ in Community, providing growth support as well as finance
  - Empower and support innovative community-led responses to local issues through an Innovation Fund
  - Co-design an approach with Community, that would lead to building capability to run their own Fund and programs
- Work with Community to build just, equitable, and sustainable data ecosystems, helping to dismantle power structures, empower

communities, and build sustainable solutions. This would include building capability in collecting and analysing data

- Research and apply leading edge approaches to engagement of lived expertise, such as the development of diverse, enduring communities comprising a range of expertise, including but not limited to lived expertise, collaborating to deliver social change.

### **Centres and ‘Labs’**

- Fund long term programs, Alliances and Centres on a range of topics, allowing space for failure and experimentation
- Provide long term funding for an existing Impact Lab or set up a new one, collaboratively with innovators, entrepreneurs, researchers, lived expertise, corporates, government, social impact stakeholders, and community. Conduct bold experiments, engage unlikely partners and expertise, and develop and test new technology solutions. This could include a growth program (such as an Accelerator) to test and scale promising ideas

### **Gender Inclusivity**

- Pay conscious attention (and targets) to diversity at all levels and in all partnerships
- Develop programs to support women and people from diverse backgrounds stepping into leadership positions within Foundations and in partner organisations
- Access or develop gender lens tools and apply them to ensure that the Foundation is being intentionally equitable in their giving. Tools would include gender lens investing and impact measurement tools, actions would include making current inclusivity data available and joining collaborations working on this
- Develop a program to uncover gender bias in data collection and analysis of the issues and impact

### **Ecosystems**

- Appoint a mediator to engage with the startup and social impact ecosystems and explore the Foundation’s role as an ecosystem participant, builder, and supporter
- Start small experiments engaging with innovation ecosystems
  - Encourage startups, investors, and other ecosystem stakeholders to spend time in the Foundation’s office space
  - Attend local innovation ecosystem events
  - Build partnerships with field-building intermediaries

- Create the list of Tech For Good pitch comps and get involved - judging, hosting, observing
- Explore how best to add value to regional innovation ecosystem building, from providing support for backbone organisations, to engaging as an Anchor partner, through to helping social impact entrepreneurship to be included
- Accelerate the growth and connectivity of Australia's impact ecosystem by setting up a backbone entity (or fund an existing one) to drive connectivity and possibility across the ecosystem with a common vision

### **Story Telling**

- Celebrate social entrepreneurs working across Australia through storytelling. This could act as resources for the Board to share through their networks, for internal teams to celebrate the success of partners supported, as well as grow support for social entrepreneurship across Australia. Include and empower lived expertise entrepreneurs and 'Mobile Storytelling'
- Simplify the grant process (such as short video application)

### **Next Steps**

We hope the findings of this project will be shared through a range of media, forums, and workshops in future, bringing people together to discuss what they could do. It is hoped that this project will inspire the participants and others in philanthropy to explore and experiment more, applying some of the actions and ideas in this report, as well as others. We also hope that it will bring many to work together, collectively building a better future for all.

## Methodology

Openness, diversity, collaboration, trust, and a global reach to gain practical insights and ideas have been core to this project. The input from many diverse participants in a variety of sectors has been vital – to help gain insights and lessons learnt from Foundations, as well as other stakeholders driving social impact as supporters, practitioners, entrepreneurs, investors, public servants, and those with lived expertise.

### Participants

Over 100 people participated in the overall project. Many were deeply engaged through the survey, workshops, and interviews. Others engaged through one channel only (such as an interview or survey), and there are a few who remained part of the network but did not share their insights directly. The broad range of stakeholders consisted of approximately 56% identifying as female, and ranged from youth advocates, early career practitioners and researchers, to executive level decision makers. The development of a documentary engaged with 20 people who have used their lived expertise to advise and drive social impact projects. These participants come from a range of backgrounds, adding to further diversity of experiences that have informed this study.

A list of participants is given in Appendix A.

### Data Collection and Evaluation

Our project utilised a research tool known as an “embedded case study method”. As this project aimed to explore and identify opportunities for innovation in Foundations, the goal was to describe the features, context, and process of how Foundations can enhance social impact through innovative approaches. By developing a Framework consisting of a set of key propositions, this study tested and assessed these propositions through a literature review (Appendix B); a survey (questions given in Appendix C); workshops; semi-structured interviews (including video interviews and an aggregate video giving insights from stakeholders with lived expertise); and data analysis.

#### Phase One: Literature Review

We undertook a narrative literature review to support the development of an initial set of propositions defining what innovation may mean in the context of a

Foundation (Framework given in Diagram 1). The literature review continued to be re-evaluated and evolved throughout the course of the study, undergoing peer-review advice with practitioners and academics. The purpose of the literature review was to create a narrative of what innovation means in the context of Foundations, how this is evolving, and where the opportunities and gaps for exploration lie. In constructing our research question, we found that the nature of innovation required literary exploration beyond the bounds of traditional research literature of Philanthropy, integrating a systems perspective on how innovation can be accelerated in Foundations. It should be noted that each element of the Framework could have had its' own deeper and broader literature review, but this project focussed on a high level to gain quick insights within the project timeframe.

### **Phase Two: Survey**

The second phase was an open-ended survey distributed to a broad community of stakeholders that work in Foundations, social enterprises, social entrepreneurs, investors, entities supporting social change, and academics. The survey consisted of a series of open-ended questions pertaining to each element of the Framework. The purpose of this survey was to test and evaluate the experiences and perspectives of a global and diverse range of practitioners and academics in this field. We received 24 responses from stakeholders which enabled us to further scrutinise and evaluate key assumptions within the Framework.

### **Phase Three: Workshops**

Six workshops involving ~40 attendees were delivered, four in person, and two virtual workshops. The purpose of these workshops was to further explore and validate the Framework and give participants the opportunity to share their personal insights and connect. Participants shared experiences, identified opportunities, and recommended actions.

### **Phase Four: Semi-Structured Interviews**

Semi-structured interviews were central to narrowing down experiences working with innovation in this setting. These open-ended interviews operated as casual conversations focusing on the practitioner's experience working with innovative methods that led to social impact. These interviews enabled us to identify what innovation means to practitioners working in the field of social impact at a deep level, and how this could be applied to Foundations. They also enabled us to test our insights, and understand the cultural intricacies of Foundations, and their



capacity for enhancing social transformation in the communities that they work in. These discussions provided rich insight into what innovation could look like in the context of Foundations in Australia, particularly with respect to governance, methods for funding and partnerships, tools, and experimentation.

In addition, we partnered with The Australian Centre for Social Innovation (TACSI) to conduct short video interviews with a group of people with lived expertise, with whom TACSI have a trusted relationship through their co-design projects. These were aggregated into a short video, ensuring that people experiencing challenges and innovative approaches to solving them had a voice in this project. You can find the video here: <https://vimeo.com/749836249>.

### **Phase Five: Data Analysis**

We undertook an interpretive analysis of the data, corroborating our diverse set of qualitative data. Using N-Vivo we coded each theme into subtopics, drawing out the key findings within each element of the Framework. We supplemented this with our own interpretive analysis based on experience and expertise. The importance of drawing upon an interpretive approach to analysis, is that it enables us to draw meaning from the experiences of practitioners working in Foundations. This is central to not only our broader theoretical contribution but to ensure that the Framework is relevant to the needs and realities of Foundations looking to enhance their social impact.

### **Phase Six: Feedback**

Once analysis was complete, draft actions were tested with stakeholders to ensure they were comprehensive and actionable.

## Detailed Insights and Suggested Actions

In this section of the report, we focus on detailed insights uncovered throughout the project, from the literature review to the survey, workshops, interviews, and expert insights. Each element of the Framework represents an area of focus that could be studied in its own right. Each also has key points of meaning to the journey Foundations are on and were identified by participants as important - it is these that we have focussed on.

Highlights, emerging themes, approaches being used, opportunities suggested for future activity, challenges and suggested actions are outlined for each Framework element. In some cases, specific actions span several elements of the Framework. We have placed them in what we believe to be the most appropriate section of the report. And suggested actions are categorised into 'Small Jumps' for early steps into leveraging innovation, and 'Innovative Leaps' that may require more time and commitment to implement.

### Overarching Actions

Project participants expressed a desire to keep sharing their innovation journey post the project term. This led to four overarching suggestions for actions.

#### *Small Jumps*

1. Set up an "Innovation in Foundations" Network, designed to support Foundations as they take on recommendations from this report
2. Engage in the [Global Entrepreneurship Conference](#) to be held in Melbourne May 2023

#### *Innovative Leaps*

3. Celebrate social entrepreneurs working across Australia through storytelling. This could act as resources for the Board to share through their networks, for internal teams to celebrate the success of partners supported, as well as grow support for social entrepreneurship across Australia. Include and empower lived expertise entrepreneurs and 'Mobile Storytelling'
4. Deliver a National conference on Innovation in Foundations, based on the Framework for Innovation in Foundations. This could also be a stream in a regular conference such as the Philanthropy Australia conference.

## Impactful Leadership and Governance

### Highlights

Change is challenging. Innovation is change delivering impact. For innovation to take hold, for new approaches and experimentation to become widespread and impactful, it needs **leadership to be visibly adopting and championing innovation**. Both Board members and Executive leadership. Leadership needs to understand and embrace the possibilities and opportunities, to tell the stories of the Foundation's experiments and to seek ways to leverage their own networks to drive greater connectivity and impact.

Leadership needs to **create an environment** in which everyone is motivated to explore, try, fail, share, learn and adapt in fast and frequent cycles<sup>1</sup>. **A mindset** for impact, experimentation, and learning. For humility and **empowerment**. Empowering staff to contribute in a meaningful way, and beneficiaries to address their challenges and opportunities their own way. One that understands and embraces **professional risk management**, recognising that there is greater risk of not experimenting, and knowing when not to take risks (such as compliance).

And **diversity counts**. Diversity of thought, diversity of experience, diversity of expertise. For many reasons, one being organisational performance. Diversity is much bigger than gender equity, but research<sup>2</sup> has shown that employing female CEOs and increasing women in leadership positions significantly enhances performance. More broadly, women represent at least 50% of the population and successful organisations recognise giving women voice and placing them in decision making positions is key.

### Emerging Themes

A new form of leadership and governance would be helpful in Foundations:

- Systems leadership driving change collectively, moving on from a transactional approach, and utilising all assets available

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<sup>1</sup> Several sections explore this topic of agility and learning, such as Flexible Program Management, and Diverse and Experimental Culture

<sup>2</sup> World-first research shows female CEOs boost companies by \$80m on average, Annabel Crabb <https://www.abc.net.au/news/2020-06-19/women-in-leadership-boost-success/12370516>

- Leadership that embraces innovation, learning & experimenting – both inside the organisation and externally
- Leadership that understands risk management, accepts failure, knowing that the journey can be messy and is not usually linear
- Leadership and governance systems that measure the impact of learning as well as of programs, with strategy and KPIs connected to innovation outcomes
- Expanded Board membership, including diversity, innovation, risk management & lived expertise
- Governance and decision making that invites broader engagement and empowerment.

### **Box 6. Leadership Experience**

“I have seen leadership that supports innovation through providing resources (money and people), getting regular updates directly, talks about the innovation work across the business and outside, and who ensures KPIs for all staff are linked to innovation. In terms of governance of programs, empowering program leads with the right skills works well.”

“It is key to get visible buy-in from leadership and eventually have everyone's performance on innovation measured. Empowerment of staff to be confident in decision making but knowing when to defer is also key.”

Survey Respondents

### **Opportunities Suggested**

- Expand Board composition to include greater diversity, voice of the beneficiary and lived expertise, direct experience of innovation and corporate experience of risk management
- Collectively develop an innovation vision and plan, designed to deliver a shared agenda across stakeholders and wider systems
  - Ensure plans, values and metrics agree with risk appetite and resourcing
  - Utilise a collective approach to ensure focus is on areas of greatest influence
- Design metrics and targets for the Board to assess innovation activity, experimentation, and impact, e.g.

- How do we use evidence to inform and shape new approaches to program development and design?
- How many experiments did we run this year? What did we learn? How did it change what we did? Did the beneficiaries evaluate it?
- What has been the impact on women and girls?
- Add these metrics to the agenda for each Board meeting,
- Set up a lived expertise working group and explore ways for leadership to engage with lived expertise and beneficiaries in a meaningful way
- Thoughtfully engage with lived expertise in decision making at each stage of the project cycle: from setting an agenda, co-designing the program, prioritising investment, and project delivery

### **Box 7. Empowering Beneficiaries in Decision Making Process**

Some Foundations are sharing decision making power with those who typically don't have it. "After a period of internal learning and reflection the Fay Fuller Foundation (Australia) have decided to hand over decision making control to rural towns for a 10 year, \$10million dollar investment into mental health in rural towns, shifting decision making power to those directly affected by the issue". Participant in report by The Australian Centre for Social Innovation (TACSI) on [Philanthropy Systems and Change](#).

- Develop programs to support women and people from diverse backgrounds stepping into leadership positions within Foundations and in partner organisations. Set internal targets and co-develop external targets with partners
- Create an environment in which everyone is motivated to explore, try, fail, share, learn and adapt in fast and frequent cycles
- Work with others, such as Philanthropy Australia, to support regulatory change that drives the importance of lived expertise
- Explore best practice in Network Leadership.

### **Box 8. Network Leadership**

“Network Leadership is rooted in trusting relationships, collaboration, and shared power; it is adaptive, facilitative, and grounded in the wisdom of living systems. Network leadership is also distributed—anyone can demonstrate network leadership, from wherever they are, in many ways. Individual leaders who steward the development of these networks with humility and care are an indispensable aspect of what makes them thrive”. Excerpt from [Fostering Self-Organization](#)

“New models of leadership recognize that effectiveness in living systems of relationships does not depend on individual, heroic leaders but rather on leadership practices embedded in a system of interdependencies at different levels within the organization. This has ushered in an era of what is often called “post-heroic” or shared leadership, a new approach intended to transform organizational practices, structures, and working relationships. New models conceptualize leadership as a more relational process, a shared or distributed phenomenon occurring at different levels and dependent on social interactions and networks of influence. “Excerpt from [Shared Leadership: Reframing the how’s and whys of leadership](#)”

### **Challenges Identified**

- The mindset of leadership regarding innovation and risk
- Ownership of an issue or agenda
- Top-down versus devolved decision-making internally and externally
- Contrasting world views in leadership
- Pre-existing power structures – internally and externally
- Strong focus on brand and the need for credit for the impact
- Time pressures and lack of an innovation plan
- Lack of diversity on boards

## Suggested Actions

### *Small Jumps*

1. Build Board and leadership capability in areas such as incorporating lived expertise, innovation, risk management and diversity
2. Develop an innovation plan for embedding innovation across the Foundation
  - o Aligned to Foundation goals and stage of innovation journey
  - o Including metrics and targets relating to experimentation, failure, and learning, with metrics flowing through the organisation to individual development priorities
3. Share stories of impact by beneficiaries with lived expertise with the Board at each meeting, and explore other meaningful ways of engaging
4. Develop an action plan for incorporating lived expertise, including developing capability inside the Foundation and with partners
5. Develop programs to support women and people from diverse backgrounds stepping into leadership positions within Foundations and in partner organisations. Set internal targets and co-develop external targets with partners
6. Build a common and consistent understanding of risk, including who holds what risk

### *Innovative Leaps*

7. Review Board composition to include greater diversity, voice of the beneficiary and lived expertise, direct experience of innovation and corporate experience of risk management
8. Deliver and learn from a program that gives decision making rights to those with lived expertise
9. Develop a risk management framework and deliver a risk transformation program across the Foundation. As part of this, develop tools to support greater confidence in strategic and measured risk taking
10. Research and apply leading edge approaches to engagement of lived expertise, such as the development of diverse, enduring communities comprising a range of expertise, including but not limited to lived expertise, collaborating to deliver social change.

#### **Box 9. Diversity in Leadership**

“From the perspective of our partners, I find that leaders that have a direct experience of the issues they are seeking to impact and listen to the voices of those they are supporting are able to bring about the most innovative solutions when they match these insights with engagement and support from diverse cross-sector partners.” Survey Respondent

## Access to Frontier Ideas

### Highlights

Frontier ideas are new ideas for solving ongoing challenges, found in a broad solution discovery space. Foundations have been **experimenting with numerous ways in which to access new solutions** to current challenges, recognising that new thinking is needed to solve long standing issues. Challenges have become so complex that a **diversity of thought** is needed, and **empowering and engaging lived expertise** to solve these challenges and build **economic self-determination** is becoming an imperative.

**Social entrepreneurship**, through for profit as well as not for profit models, is one example of ways Foundations have accessed frontier ideas. This delivers value by enabling Foundations to support entrepreneurs generating innovative ways to solve social challenges through new business models and technology. Applying a **gender lens** to assessing what to support is growing in use, recognising that intentionally including women and girls is required to drive greater change.

#### Box 10. Including Women and Girls

“It’s not about only giving to women and girls or giving more, it’s about being intentionally equitable in our giving to every cause. Unless we intentionally include women and girls, the system will unintentionally exclude them.”

Elizabeth Broderick AO quote from report “Sharpening Our Focus on Corporate Giving: Keeping Gender Equality in the Frame.” Australians Investing in Women and Champions of Change Coalition

Some commented that access to ideas is the most challenging element of the Framework - how do you ensure you are asking the right questions and prioritising what matters most? How do you access great and genuinely different ideas? And how do you decide which idea will have the most impact? How do you measure this with evidence? How do you open to ideas and not get swamped?

Suggestions included focus on a topic, partner with others to access ideas and become an outwardly engaged organisation rather than one that expects others to come in.



## Emerging Themes

- Foundations have trialled many ways of accessing new solutions and perspectives, utilising bespoke models and partners for each situation. These range from accessing existing or new networks, conducting continuous search and scan activities, using global ‘Challenges’ to access genuinely different ideas, through to setting up ecosystems of ‘seekers’, and funding amazing individuals to come up with as yet unknown solutions. They are increasingly engaged with ecosystems exploring foresight of what is approaching for each new generation
- Foundations are often part of the networks asking new questions and building shared agendas around the questions that matter most between a diversity of audiences. This includes valuing and empowering lived expertise and community by including their voice and experience with other expertise to work on solution discovery, decision making, solution delivery and evaluation
- Growth programs, such as Accelerators and Incubators, provide a way to access new ideas and support the growth of a portfolio of new solutions for a focus topic
- The solution proposal process needs to be simplified so that organisations can focus on delivery.

### **Box 11. Accessing new solutions in partnership with impacted communities**

“[Family by Family](#)”, a program built by families for families, is an iconic Australian example of engaging community in solution development and delivery. The program, supported by The Australian Centre for Social Innovation (TACSI), leverages the lived expertise of families, and combines this with theory and evidence to co-design a program of support to create confidence, self-agency, and resilience for families in the program. Coaches with lived expertise help deliver the program, as do families who have benefitted from the program in the past through peer-to-peer activities. The program has supported families to break cycles of intergenerational disadvantage, within a supportive community of other families.

There is a growing global movement towards even greater maturity in lived expertise engagement. In this model, the silos of ‘us’ and ‘them’ are broken down, humility and humanity are embraced by all, and expertise from all relevant areas (professional, academic, experiential, financial etc) have equal voice and equal power. The big question here is how to create diverse problem-solving communities that endure long enough and are sufficiently embedded to solve our largest social challenges.

## Approaches Being Used

- Conference attendance, meetings with organisations in other fields
- Active study trips (to understand how to adapt internal processes and approaches to enhance finding great solutions)
- Utilising networks
  - One CEO organises a “Future Day” event, bringing together people in his network to discuss the long-distant future, innovations, risks, and opportunities
  - Other organisations recruit top talent to lead each of their pillars of impact, people with deep understanding and networks for the topic. They leverage their networks to find where the gaps in impact are and the talent and ideas to address the gaps
  - An ecosystem of Ambassadors at grass-roots level has been set up by one Foundation. The Ambassadors seek new solutions within their communities
  - Some hire external individuals or mobilise supporters to report on new solutions they see globally
  - Supporting social entrepreneurs as Entrepreneurs-in-residence to find new ideas and choose which ones to support
  - Others utilise the ‘Open Innovation’ approach, organising open innovation Challenges (can be about accessing ideas or just meeting the innovators and usually involves engaging an external organisation to source ideas from their networks), Prizes, University Challenges, Accelerators and Hackathons
- Co-designing with people from diverse backgrounds (including polymaths with cross-disciplinary expertise) and people with local context (and lived expertise), especially local government (so that route to outcome is part of the design)
- Funding the innovators and change leaders
  - Providing long term support
  - Bringing together regularly to solve challenges
- Developing an effective, equitable and public-facing grant request portal and process, new sourcing partnerships to identify innovations/innovators, and new back-end processes to increase capacity and efficacy in evaluating and developing new grant partnerships
- Supporting social entrepreneurs to do great things through an external Solutions Lab. This was delivered in partnership with innovators, researchers, and government, facilitating collaborative processes for designing new initiatives, developing fresh approaches to seeing the world, understanding systems, and working collaboratively on problems
- Creating or enabling platforms for ideation, living evidence reviews, and future thinking

- Co-designing with and including the voice of women experiencing the challenges being addressed to uncover the root causes and system barriers that need to be overcome

### **Opportunities Suggested**

- Set up and utilise an internal Ideas Board
- Empower and support those with lived expertise (including a focus on women) to develop their solutions to overcoming the challenges
- Pay people with lived expertise for their time engaging with Foundations when asking them to provide input to solution generation
- Develop a Charter among Foundations on accessing social impact ideas, and engagement with under-represented groups in idea generation, development, and selection
- Scan globally for the best ideas and what's working, test and adapt that for local context, and learn from this to build an evidence base around what works when, where, for whom and why
- Play a distinct role in the ecosystem of ideas by aggregating and connecting frontier ideas around shared agendas
- Link frontier ideas with different mechanisms to trial and experiment, including community-led and place-based partnerships, government programs, social enterprises, impact investing
- Partner with another experienced innovative Foundation to run a Challenge to seek new ideas for solutions
- Simplify the grant process (e.g., a 5-minute video application, streamlining the feedback process), and pay people for their time in writing grants
- Build or join networks around topics of interest
- Partner with an existing growth program (Accelerator/Incubator) to:
  - Support a cohort of early-stage ideas targeting specific topics (such as education or health) to go through the program
  - Learn how to set up a new growth program
  - Act as a clearing house that connects graduates from the growth programs to routes to market and further funding for scaling
- Set up a highly collaborative and agile 'Moon-shot Factory for Social Change'
- Take a leadership role in risk taking. Foundations are not limited by political cycles and thus can seek early stage, higher risk, and potentially large impact ideas for testing
- Back excellent innovators as opposed to single projects

### **Box 12. Backing Leading Innovators**

“Back and work with the leading innovators in different settings where there is potential to demonstrate innovations delivering better outcomes and demonstrate models of philanthropy supporting and enabling innovation. Stellar examples include TACSI supporting social innovation, ‘Children's Ground’ in Indigenous Australia, Impact Investing Australia driving the ecosystem change.”

“A fund for cohorts of innovation fellows to invest collective time, energy and intellect (years, not days or months) in the exploration and development of new ideas - a sort-of moon-shot factory for social change where the best minds across diverse backgrounds are backed by philanthropy, not just the finance of big tech (as is currently the case globally).” Survey Respondents

### **Challenges Identified**

- Ensuring that the ideas that are generated will deliver impact in community – not merely speaking to Foundation staff’s programs and requests
- Understanding the root cause of the issue before trying to develop solutions.
- Accessing great ideas, not just good ideas, and having the tools to identify which ideas could be most impactful
- Having the absorptive capacity to bring the idea into the Foundation
- Considering the whole route to scale, not just funding an idea for a set period
- Being able to move outside individual paradigms of thinking, maintaining constant authentic curiosity
- Being careful not to crowd out current solutions that work but you are not aware of
- Moving to an innovation mindset at a time when funders and recipients have been coping with economic challenges brought about by COVID and other pressures

## Suggested Actions

### *Small Jumps*

1. Give Foundation staff the opportunity to grow external networks
  - Develop a database of conferences to attend in order to access new ideas, especially those not designed specifically for Foundations
  - Create policy and funding relating to conference attendance, setting the expectation that individual staff attend at least one conference per year
2. Learn from and with other peer Foundations
  - Design a study tour to learn from Foundations and others globally that are ahead in their journey of accessing and absorbing new solutions externally
  - Set up or build on a collaborative network of peer Foundations to learn how to access new solutions to internal and external challenges, where current toolkits and new approaches can be discussed, researched, and trialled
3. Attract a diversity of ideas not usually accessed, including those that challenge traditional approaches
  - Create an opportunity for a diverse range of stakeholders (backgrounds, sectors, lived expertise, customers, polymaths and including our rich history of First Nations experience) to come together to canvass what's working, and support growth of these innovations
  - Host search and scan events that bring together multiple communities and mindsets to define the questions that matter most and a range of ideas
  - Run Open Idea competitions where peer philanthropies come together to listen and learn alongside communities and thoughtful thinkers
  - Fund knowledge aggregators who already access frontier ideas to share them publicly before a Foundation narrows or creates preferential pathways
  - Access or develop gender lens tools to ensure that the Foundation is being intentionally equitable in their giving to every cause
  - Identify diverse innovators and change makers for long term 'Moon-shot' funding

### *Innovative Leaps*

4. Set up and utilise an internal Ideas Board, and include the option for internal knowledge sharing on innovative ideas supported so that all staff have sight of activity supported
5. Simplify the grant process (e.g., a 5-minute video application, streamlining the feedback process), and pay people for their time in writing grants

6. Set up (or support existing) an external 'Action Lab'/'Moon-shot Factory for Social Change' in collaboration with innovators, researchers, government, social impact stakeholders, and community. This could include a growth program (such as an Accelerator) to test and scale promising ideas
7. Partner with communities of lived expertise to help them build their solutions to challenges and opportunities, including building capability in setting up For-Purpose entities through social entrepreneurship
8. Create approaches which use adaptive trials or learning loops to bring numerous frontier ideas forward and continually explore
9. Develop a map of 'Networks of Networks' appropriate to topic focus, and build an approach that enables easy access to ideas within the networks
10. Develop a public-facing grant request portal and process that engages with partners, applicants and civil society in the evaluation and decision-making process

## Breakthrough Funding Models

### Highlights

The **variety of new financial instruments** available on the market is incredibly rich, from direct equity investments to impact investing, micro-finance, concessional loans, impact bonds, performance-based contracts, crowdfunding, peer-to-peer funding, blended finance, pay for results, first loss capital, Venture Funding, gender lens investing, employee volunteering, procurement and more. Foundations have been trialling some of these instruments, either internally through program funding; externally through setting up an investment entity (such as the [Save the Children Impact Fund](#)); partnering with an existing external fund (such as the [Global Innovation Fund](#)); or collaboratively with a range of stakeholders including the private sector and government.

#### Box 13. Collaborative, Innovative Funding Models

[Forte](#) (Financing of return to Employment) has developed a novel public-private model to finance retraining individuals in high-demand areas, at scale. Forte analyses the skills gaps needed for target industries, identifies reskilling education providers, partners with industry to provide them with an employment ready pipeline, and through this provides targeted vocational training to help those transitioning to new employment opportunities. This is funded by private sector investors, and the return comes through governments passing on a percentage of the uplift in income tax achieved by the program.

To accelerate this, Foundations recognise the need to **grow capability** inside their organisation and across the market, and work with others to address the **regulatory and legal framework changes** that are required. Some Foundations are seeking ways to partner with others to **share opportunities and reduce transaction costs**, and **fund collectively**. It is also recognised that support for new solutions goes **beyond just programmatic funding**; Foundations are being asked to provide funding for activity that supports organisational growth and capability building inside funding recipients, as well as providing access to networks of support and routes to market. **Funding timelines and agility** also need addressing, as does **inclusivity and empowerment** of those with lived

expertise within the community to have their ideas funded and to make funding decisions.

### Emerging Themes

- Many Foundations are on the journey of utilising a range of different yet mutually reinforcing approaches to funding, and there are global programs and networks developing this practice collaboratively
- As part of this journey, Foundations are interested in building consortia to share transactions costs such as: connecting with pipelines of fundable solutions; sharing due diligence data; connecting to follow on funding; developing consistent reporting and measurement; collectively pooling funds
- Funding timelines are proving challenging, with many advocating for longer term funding cycles, funding that makes space for adaptation and experimentation during the project, and funding to bridge new ideas as they scale and seek next stage investment
- Foundations are setting criteria for funding such as gender lens investing, and are seeking advice on how to do this, including how to measure success. Global activity developing measurement tools is available to Foundations
- What is funded is also under scrutiny; the sustainability and growth of many recipients requires funding support beyond program delivery, such as funding for innovation within the organisation, fund raising, basic company activity and capability building
- Empowering and supporting those with lived expertise to engage in or make funding decisions is on the rise
- Support beyond funding is seen as an opportunity for Foundations to leverage all of their assets, such as their networks of influence, their skills, and their connections to potential routes to market and impact.

#### Box 14. Support Beyond Funding

“The long and short of it is there are plenty of startups in the social venture space but there are gaps in support beyond just financial in early stages, connections to what they need, including capital (and they need a range of capital types), support for implementation when scaling, support for evaluation.” [Australia’s Social Venture Ecosystem report](#).



## Approaches Being Used

- Partnering with experienced investors, placing funds into Social Impact Funds, usually with a specific focus (e.g., Global Innovation Fund (GIF) and Co-Impact Gender Fund)
- Utilising blended finance, splitting funding into grants, loans, and venture funding depending on specific needs of the project (e.g., GIF)
- Setting up a 'Social Impact like' fund internally, or a separate Social Impact Fund externally, supporting impact first start ups at the risky early stage, that if they work will be highly impactful
- Leveraging private & public sector investment through a collaborative model
- Building ecosystems of support beyond financial (such as a network of mentor support, grantee networks, and connections to market that Foundation staff and the Board can help with)
- Utilising a Venture model, where great ideas from research are commercialised in partnership with a commercially experienced Founder, and ideally another partner who will take the idea through their routes to market or impact
- Providing Foundation staff as a resource for grantees/investees, providing support such as Board Directors, HR and IT skills, Agile and Scaling skills. Some entities have made a 1% pledge for their staff to donate time, giving them the ability to leverage employee time
- Daniel Petri's [StartUpGiving](#) program supports private ancillary funds for 100 start up tech entrepreneurs to make it easy for them to give from the start rather than wait till they are wealthy
- Utilising a percentage of the corpus as an opportunity for impactful investing
- Alternative funding avenues that allow expansive access to investment opportunities:
  - Green Bonds and the very new Orange Bonds (being developed by Impact Investment Exchange Asia) are an example of placing social impact funding on the stock market
  - Digital cash transfers such as [GiveDirectly](#), connecting donors to recipients to deliver digital cash transfers directly to those living in extreme poverty
  - Platforms such as the Epic Foundation's technology that allows donors immediate information on the organizations to which they have contributed. A series of virtual reality films give donors a more immersive experience of where their money is going and the impact it has
  - Online social enterprise investment and marketplace platforms (such as [TDi's Social Enterprise marketplace](#), and [IIX's 'Impact Partners' site](#))

- Platforms that showcase gender equity opportunities (e.g. Australian's Investing in Women's site <https://www.aiiw.org.au/projects/>)
- Utilising impact measurement tools that are used as part of the funding decision (e.g., the Global Innovation Fund's Practical Impact Assessment measures)
- A growing number of Foundations and funders are placing importance on Gender Lens Investing, with funds, learning networks and the development of specific impact measurement tools available (e.g., Global Innovation Fund Gender Impact measurement tools and those developed by Impact Investment Exchange Asia)
- Building capability, support and funding for community led investment programs

### **Box 15. Building Capability and Empowering Community**

Ujjima is a great example of a fund that is owned by the people it has been set up to help – in disadvantaged communities in Boston. It represents the democratisation of capital investment, and a place-based investment fund controlled by community members.

Ujjima Capital is a community ecosystem organiser that invests in community organisations, chosen by the community, and connects them to local procurement opportunities. The program includes 300 voting members from the community. Locals can invest as little as \$50 to give them the right to vote for what gets funded. Local businesses and stakeholders located in Massachusetts, Maine, Connecticut, Rhode Island, and New York are also enabled to invest in the fund.

The Robert Wood Johnson Foundation supported the initiation of this program, first through funding of research to assess what sort of community power building would catalyse and accelerate powerful change. Secondly, they helped communities to understand the range of ways capital investment could help, found the constellation of organisations that needed to connect on delivery, supported intermediaries to deliver the collaboration and financial service, and built capability within community. In all parts of the project design, they ensured community power groups were engaged in design and decision making.

This all works to address a broader challenge of institutionalised racism associated with lending in the United States, by creating a community fund that supports the growth of the community improving access, and livelihoods standards.

## Opportunities Suggested

- Explore alternative funding vehicles
  - Partner with an external entity that is well known for impact investing in the areas of interest; and include secondments and a learning partnership so that Foundations build capability internally
  - Utilise blended finance approach, providing grants for activity such as impact measurement and early-stage experiments, loans, and venture finance for more mature opportunities
  - Explore the Venture debt model
  - 1% pledge for exploring alternative funding models
  - Research what model best to use (e.g., spin off, new company, partnership, JV)
  - Consider transitioning to a 100% sustainable endowment in order to mobilise the entire corpus
  - Engage in Investor Forums where social impact funders bring together investable opportunities
  - Partner with others to set global standards and influence development of regulations
- Invest in understanding and utilising Gender Lens investing
  - Network with other Funders collaborating on networked projects to develop best practice and use this to learn from, apply, share, and promote the adoption of Gender Lens investing and impact measurement
  - Increase the availability of data on philanthropic giving for Gender
  - Evaluate gender-based impact in projects supported by Foundations and share lessons learnt
  - Explore online platforms to help access gender-based opportunities
- Apply more flexible funding approaches
  - Provide flexibility in funding so that entities can pivot if new findings arise that would lead to greater impact
  - Consider how to fund post project activity in order to sustain the growth of a new approach, such as rolling over remaining funding for the next phase
  - Provide untied, operational, multi-year funding to allow early-stage ventures to test and iterate new impact models, and change makers to do what they do best
  - Include funding within grants that allow freedom to innovate, untied to outcomes
  - Provide funding and support for capability building, agile IT systems, impact measurement, fund raising, innovation and governance
  - “Pay What it Takes”
  - Fund the creation of rigorous evidence of impact, such as providing blended finance where a grant pays for the impact measurement work

- Provide more than capital for projects
  - Develop a framework for various pathways to support beyond purely financial – how to build capability, share resources, connect to other support etc
  - Support external or develop internal incubator/accelerator programmes – well known for their growth support, beyond funding. Consider applying the principles utilised in Israel, where government partners with experienced investors who run the program and select the ventures to invest in, and government provides a loan to the ventures. Repayments are based on the venture’s revenues
  - Add value to a grantee’s mission by championing their work through press and events, building new connections for them, or providing them use of Foundation back-office services
  - Develop a network of mentors to support the new ventures
  - Set up opportunities for Foundation employee volunteering, leveraging employee capability to help growth of early ventures
  - Develop ways for Foundation Board/Trustees to leverage their networks and expertise as support for scaling opportunities

**Box 16. Learn from the experience of Venture Capital**

“In the world of Venture Capital (VC), successful investors understand the importance of providing much more than simply funding. Investors are usually experienced entrepreneurs or businesspeople themselves, and they use their experience, expertise, and networks to support the growth of their investees. VCs will help with financial reporting, advise re HR etc, take a seat on the board, and help raise further capital. Venture capitalists usually are engaged with a start-up for five to seven years, and some relationships last even longer”.  
Project Participant

- Empower those with lived expertise
  - Explore the use of Equity crowdfunding to democratise impact investment – increase the flow of capital to fund solutions by those directly experiencing disadvantage
  - Develop programs that hand power for funding decisions to those with lived expertise

### **Box 17. Brooklyn Community Foundation Participatory Grant making**

The Brooklyn Community Foundation supports the empowerment of youth through its “youth fellowship program where young people run their own grant program, reviewing proposals, conducting site visits, and making recommendations. Through its Brooklyn Elders Fund, the Foundation distributes money by incorporating the advice of a rotating group of older residents who work alongside program staff to inform grant making and advocacy efforts. And the Foundation is shaping a grant making process to support immigrant rights that relies on the involvement of community activists.” Excerpt from Fund for Shared Insight report, [Listening & Feedback: A Funder Action Menu](#)

- Build markets for social impact ventures
  - Seed intermediaries as a huge lever for change. Instead of providing an impact bond, instead seed the first impact bond fund
  - Support a national outcomes-based payment marketplace
  - Engage with online social enterprise investment and marketplace platforms to help new social ventures access further funding and customers
- Form a consortia or Alliance of peer Foundations to share transaction costs
  - Collectively build breakthrough funding capability across Foundations and the broader market
  - Set up a collective capital proof of concept fund
  - Source and share pipeline of ideas from entities such as social impact accelerators
  - Connect the funding landscape so that ideas get access to a range of funding, including follow on funding
  - Share due diligence data and Board representation

### **Challenges Identified**

- Risk aversion in current funding models
- Existing structures for governance around budget and finance are usually inflexible and complex
- Prevalence of short-term funding cycles
- Enabling non-traditional stakeholders to control or direct funding
- The right expertise and capability
- Scale of investment when utilising the Venture Capital model (Impact Investing)

### **Box 18. The scale of investment in Impact Investing**

“If the cheque size of impact investing does not match cheque sizes in the general investing space (i.e., VC For-Profit focused startups) purpose-led ventures will continue to struggle to scale at the same rate of the rest of the ecosystem and will fail to be seen as critical contributors to the economy and social change.” Survey Respondent

## **Suggested Actions**

### *Small Jumps*

1. Build capability by joining global networks of Funders collaborating to develop best practice for new funding mechanisms (such as the [System Innovation Initiative](#))
2. Co-design best practice models for funding approaches supporting early-stage social ventures, including flexibility and breadth of activity supported
3. Explore ways to engage with Online social enterprise investment and marketplace platforms
4. Conduct an analysis of all the assets the Foundation can leverage to support new ventures (including staff skills, Foundation networks and in addition to financial assets such as corpus), and set up a support program for grantees
5. Address the need for diversity and lived expertise membership of Investment Committees
6. Set up an engagement and connection role to connect with the startup and social impact ecosystems, and explore the Foundation’s role as an ecosystem participant, connector, and supporter

### *Innovative Leaps*

7. Develop a plan for applying gender lens investing across all activity, including making current data available and joining collaborations working on this
8. Set up an Australian consortium, similar to the MacArthur Foundation’s Catalytic Capital Consortia to invest, build market capability, share transaction costs such as due diligence, set standards, influence development of regulations, and share lessons learnt experimenting with new forms of funding mechanisms
9. Partner with community on a challenge or opportunity and explore how best to empower those with lived expertise to develop solutions, select solutions, fund them, and grow them to impact. For example:

- a. Run a 'Challenge' in Community, providing growth support as well as finance
- b. Empower and support innovative community-led responses to local issues through an Innovation Fund, which will support community organisations to act on the matters that affect their local communities
- c. Co-design an approach with Community, that would lead to building capability to run their own Fund and programs.

**Box 19. Broader Support for New Ventures**

“Strongly encourage innovation in the philanthropic model in particular to utilise the whole toolbox including their position, power, grant and investment capability.”

“I would find a logical 'home' for impact investing / entrepreneurship support, find them a sustainable source of funding, and encourage them to activate and grow the globally connected impact innovation ecosystem.” Survey Respondents

## Flexible Program Management

### Highlights

Foundations are in the early stages of exploring flexible program management. Traditional approaches of providing grants and managing defined activity have had their place, but in a world where solutions are experimental and specific outcomes uncertain the approach is no longer delivering best value. The move from **transactional to more of a partnership approach** to supporting solutions also requires **different tools for managing outcomes**, as does the transition to becoming a **learning organisation**.

Making **space for experimentation** and change, for **failure and learning**, having a clear agreement on responsibilities and measurement of impact, and providing a **range of support** for success are all key parts of the new toolbox. Listening and learning and finding ways to **bring Boards along** the journey so that **staff can be empowered** to embrace flexible decision making, are also important when moving to more flexible program management.

#### Box 20. Flexible and Devolved Decision Making

“...Flexible and devolved decision making once initial approvals have been given. Programme and grant managers should be given the authority to approve alterations and changes without having to pass through time consuming and cumbersome approval processes...” Survey Respondent

### Emerging Themes

- Foundations are transitioning from taking a transactional approach, developing more relational program management tools that empower Foundation staff to make decisions
- As part of the relational approach, program management is moving from a linear model to one of listening and learning, for both the grantees and the Foundations themselves
- Models that allow for experimentation and innovation are being pursued, including long term untied funding of change leaders and Centres
- Support is being redefined to include more than finance – partnerships are seen as the capacity to collaboratively drive change and impact, Foundations providing support in whatever way they can, utilising all assets available (including brand, expertise, networks, and connections).



## Approaches Being Used

- An internal framework has been developed to manage a portfolio of opportunities that take ideas from discovery, forming, validation and on to graduation
- Relational rather than transactional processes employed
  - Different contracts and a model for different stages of readiness of an idea or issue have been developed
  - Patience and flexibility with projects, using an intermediary and giving them a lot of leeway
  - All based on impact rather than milestones and each funded project defines its own KPIs. If the projects need to pivot than that is fine - the end game is impact
  - Unrestricted funding practices, enabling early-stage organizations to pivot, funding to an organization's roadmap rather than our impact goals
  - Engagement of coaches and advisors (who can be Foundation staff) who can support projects and teams throughout their experimentation and solution development
- Making space for innovation by developing flexible programs to enable organisations to take advantage of new opportunities. For instance, funding unexpected innovations generated from the work that will drive different outcomes to those originally forecast
- Long term funding of Centres, backing the leaders and giving them flexibility to drive and direct the program flexibly
- Greater flexibility and speed were achieved during COVID, when there was a need to adapt, to approve funding rapidly, and to make funding decisions frequently.

## Opportunities Suggested

- Develop an appetite for failure and learning, taking on insights from the Venture Capital world – the program doesn't need to stop when the first idea doesn't work, but rather the opportunity is provided to learn, pivot, and adjust
- Co-design flexible program management approaches such as:
  - Partnership frameworks that enable light-touch governance of grantees, allowing a level of flexibility to drive short-term impact while setting the foundation for long-term and systemic change
  - Program management frameworks that make space to fund unintended innovations generated from the work
  - A framework for adaptive management – how to drive, and continually build a shared agenda, setting up for change at the start, and setting learning goals

- Patience & shared flexibility in timelines and budgets, enabling early-stage organizations to pivot, learning from failure, and adapting
- Calibrate exposure by evidence of impact not by activity-based budgeting. Co-design impact frameworks with partners
- Frameworks to identify when partners need capability building, mentoring, connections to opportunity or other non-financial support as the project progresses
- Measuring impact and lessons learnt both ways – for grantee and Foundation
- ‘Certification’ of an approach to flexible program management
- Do more to address immediate crisis issues in an agile way, such as set up flexible and agile funding pools to be responsive. Learn from what worked during the COVID pandemic
- Fund long term programs, Alliances and Centres allowing space for failure and experimentation

### **Box 22. Keeping the Goal in Mind, Communicating and Learning**

“Keeping the impact goal in mind. Being flexible regarding milestones - not from the perspective of being tardy, but the perspective of ‘what have we learnt, does this work and if not, how do we change and what ongoing KPIs should we base progress payments on?’. Strong partnership between grantee and Foundation. Open communication and joint vision. Connecting grantee to whatever support they need to scale.” Survey Respondent

### **Challenges Identified**

- Providing leadership with the comfort that impact will be achieved in an experimental context, as well as accepting the risk of failure
- Defining an overarching goal whilst setting interim project goals that allow sufficient flexibility within a contract for funding
- Making space for innovation beyond the project – how to convince leadership to support the project beyond a traditional funding cycle
- Development of appropriate impact and learning measurement tools
- Flexible management capability

### **Box 23. Managing Risk**

“People want to fund projects with itemized budgets because they think it reduces risk. This creates inefficiencies and makes it hard for NGOs to invest for the future and for sustainability.” Survey Respondent

## **Suggested Actions**

### *Small Jumps*

1. Develop a suite of stories that showcase success and learnings using flexible program management
2. Develop partnership frameworks that enable light-touch governance of grantees, allowing a level of flexibility to drive short-term impact while setting the foundation for long-term and systemic change
3. Fund long term programs, Alliances and Centres allowing space for failure and experimentation

### *Innovative Leaps*

4. Set aside a portion of annual disbursements to be given as unrestricted funding to partners each year
5. Bring together diverse stakeholders to co-design a suite of flexible program management tools (that include listening and learning, building a shared agenda, support beyond funding, adaptation and flexibility of funding, and metrics based on evidence of impact). This would build ‘new to Foundation’ tools based on those already in use in other sectors (such as Venture Capital), as well as developing ‘new to the world’ tools
6. Develop a capability building program to grow understanding, skills, and tools for managing programs flexibly for staff and the Board
7. Explore flexible options for immediate crisis issues such as Crisis Funding Pools, learning from experienced stakeholders and lessons during COVID-19.

### **Box 24. Focus on Learning**

“Social innovation is by nature experimental, iterative, and incremental with a focus on learning. This means philanthropy needs to significantly change its way of working and focus less on contractual fulfilment, outputs and instead focus on learning in partnership with the funded agent. This of course does not mean that there should be no process or expectations but that they should be

## Alliances, Partnerships and Ecosystems

### Highlights

Collaboration is a theme that threads through all elements of the Framework. There is momentum for Foundations nurturing alliances and partnerships to accelerate long term impact, be that through accessing new ideas collectively, funding collaboratively, understanding how best to manage partnerships, and how to access and make data available more broadly. This is all fuelled by a new form of networked leadership and an open, connected, humble culture. Aimed at **creating greater impact, faster, together.**

The central idea is to move from a transactional mindset applying partnerships to specific projects, to a mindset centred around the Foundations' core values, **understanding their role** in the system, the **value others bring**, and how together greater impact can be achieved. In Australia this is being embraced by Foundations mainly through partnerships, globally alliances are delivering greater impact, and for all there is a recognition that there is a need for big systems change – **Foundations need to act together** rather than individual Foundations looking at small parts of the system.

Now is a fertile time to be collaborating in Australia for greater impact – the new government has flagged its desire to be more open, the maturity of startup and technology ecosystems has been growing, universities are being encouraged to 'commercialise' their expertise for both economic and social impact, the private sector is beginning to embrace ESG, and communities are collaborating to fuel economic transition. However, the system is currently built on competition, not cooperation, and **true partnership and connection across the ecosystem will take time.** Foundations are well placed to lead this change, signalling the importance of working together and **sharing power** to drive greater impact, faster.

### Emerging Themes

- Foundations are faced with decisions about what power structures are needed for each opportunity, depending on risk tolerance and the level of external engagement required: centralised (grant program); shared (alliance); and decentralised (ecosystem)
- Foundations are interested in becoming more integrated with external activity, bringing all assets to play, mapping others' assets that combined would achieve more, and including lived expertise. In Australia this is mostly through partnerships, but some are finding their place in existing

ecosystems and networks built from the ground up, as well as building new ones around specific topics

- There are many organisations keen to partner with Foundations, providing access to ideas pipelines, support for scaling impact, help accessing a route to impact, and learning together. Foundations are being called to be the convenor around shared goals
- Engaging in ecosystems yields access to a diverse range of talent, additional capital, and growth support, as well as support for the new activity to grow and reach market beyond the Foundation's funding cycle
- There is a growing number of community Foundations and grass roots community ecosystems being set up for economic growth and social impact through innovation. Key to their success is backbone institutions, ecosystem connectors and intermediaries. This provides an opportunity to partner to accelerate social outcomes
- Globally Anchor Collaboratives and collaborative Centres have been set up to facilitate and accelerate greater, broader collaboration to drive 'sticky impact'.
- In all models of collective impact, agreeing on clear roles and shared goals is key.

#### **Box 25. Clear Understanding of Roles and Shared Goals**

"We spend a lot of time building and maintaining relationships through a clear understanding of what each party brings, what we want to get out of it, and what our shared goals are."

"Purpose matters here. A lot of time and money can be wasted without clarity. Too many alliances waste time trying to discover their purpose without a sense of the problem trying to be solved." Survey Respondents

### **Box 26. Foundations Looking Outwards and Connecting Broadly**

“Philanthropy has a key role to play in supporting an enabling environment, one in which all stakeholders needed to grow an idea to scale can easily connect and shepherd the idea to large scale impact. This requires more of a relational approach, one where Foundations are more outward looking, leveraging their neutral trusted nature to build trust between all stakeholders and connecting them to create more than could be created alone. This can be delivered as a Foundation, or through supporting ‘backbone’ organisations, where the Foundation is one of a number of partners in an Anchor Collaborative”. Project Participant

### **Approaches Being Used**

A range of activity was mentioned, including:

- Networking & connecting externally
- Specific Alliance units set up in Foundations
- Engaging in Funder networks as well as partnering to fund secretariates to support collaboration and dissemination of learnings
- Building external grass roots networks of experts for supporting new ideas
- Co-funding & coalitions to solve issues, build capacity, and pool resources
  - Partnerships to implementation (e.g., partnership between the Cherbourg community in QLD, a corporate “Foundation”, and the QLD government; led by Community, connected by government, and fuelled by the corporate to build IT capability and new jobs)
  - The creation of “Centres for Social Impact” in partnership with a range of stakeholders (e.g., Social Innovation Generation (SiG) – see Box 27)
- Empowering community through partnership
  - Co-designing solutions (such as “Fire to Flourish”, involving The Australian Centre for Social Innovation (TACSI), Monash University and a Foundation partnering with bushfire-affected communities to develop novel approaches to strengthening community resilience)
  - Working with change leaders in community to build capacity to set up a fund for new ideas, with the community engaged in funding decisions (e.g., Ujima Boston – see box 15 in “Breakthrough Funding Models” section)
- Global Alliances to bring together all assets needed to support social entrepreneurs deliver novel solutions during the COVID-19 pandemic, rapidly

(e.g., the COVID Response Alliance for Social Entrepreneurs - see Box 28 below)

- One Foundation is working with Philanthropy Australia to help connect an ecosystem around the NDIS
- Social impact incubators, funded through philanthropy and others, connecting in with existing tech ecosystems (e.g., the Mill House Ventures and its connection to the Canberra Innovation Network)

### **Box 27. Collaborative Centres for Social Impact**

[Social Innovation Generation \(SiG\)](#) is a collaborative partnership between The J.W. McConnell Family Foundation, the University of Waterloo, the MaRS Discovery District, and the PLAN Institute. Its' goal is to address Canada's social and ecological challenges by creating a culture of continuous social innovation, focussing on social innovation that has the potential for impact, durability, and scale by engaging the creativity and resources of all sectors. Their ultimate goal is to support whole system change through changing the broader economic, cultural and policy context in Canada to allow social innovations to flourish. The partnership between a Foundation, a university full of people with great ideas, an innovation ecosystem to support the growth of those ideas (MaRS is world renowned for its commercialisation of high impact businesses), and an Institute with strong speciality knowledge and links to government (and hence route to impact) is a marvellous example of how greater impact can be achieved collectively.

### **Box 28. Alliances for Rapid Response**

“The [COVID Response Alliance for Social Entrepreneurs](#) represents a collaboration between over 86 global leaders from the public and private sectors, who came together to support social entrepreneurs on the frontlines of the COVID-19 crisis. By pooling knowledge, experience, and responses, the alliance mobilized support for the vital role that social entrepreneurs are playing as first responders to the crisis. The alliance has expanded to represent a network of over 100,000 social entrepreneurs, who have cumulatively impacted the lives of over 2 billion people: protecting livelihoods, mitigating millions of tonnes of CO2, improving access to health, sanitation, education, and energy, and driving social inclusion movements for the disabled, homeless, or those with refugee status”

### **Box 29. Questions to ask before deciding what approach to use:**

- What role do you want to play? How can your assets best be used, and what other assets and with whom do you need to partner?
- How and where do you want to build relationships with others? What do you initiate, what do you join? How and where do you need to invest in local teams to ensure better buy-in?
- How quickly do you wish to see results? Bound by a funding cycle or long term – willing to invest in groundwork that takes longer to deliver impact and may not have measurable impact, or fund what's already been done so have more tangible results?

Workshop Participant

### **Opportunities Suggested**

- Building capability
  - Training for staff on brokerage, collaboration, shared language, and culture
  - Identify a group of organisations that could achieve more through collaboration and pay for them to learn how to work together
  - Appoint a mediator to engage with the startup and social impact ecosystems and explore the Foundation's role as an ecosystem participant, builder, and supporter
  - Share information & resources on collaborative innovation with a network of others
  - Support research on open innovation for social outcomes and social impact ecosystems
- Setting up partnerships and alliances
  - Develop a skills matrix internal to the Foundation, and a functions matrix (identifying stakeholder capability and resources, as well as levers) in the ecosystem to identify potential partners with required resources, and allocating funding to energising the levers
  - Leverage the move for corporates to address ESG and Shared Value, drawing in government for impact delivery, and lived expertise for alignment to need and opportunity (e.g., The YuMi Shared Value project, a partnership between the Commonwealth Department of Foreign Affairs and Trade and Carnival Australia – see Box 30)
  - Development of better solutions through expanded co-design based on interdisciplinary capabilities, convening, and supporting unlikely players (across different sectors) to develop new approaches to social impact outcomes
  - Build networks and ecosystems around specific topics



- Once potential partners are identified, collectively solve a social challenge, bringing together a range of support and finance mechanisms
  - Set up an Alliance committed to collaboratively delivering rapid and innovative responses to crises
- Fund existing or set up a new Centre or Impact Lab to partner on a range of topics:
  - Experiment with new approaches, with bold initiatives and goals
  - Bring groups together to address persistent problems, disruptive changes, or a crisis, engaging citizens, entrepreneurs, companies, public administration, policymakers, and researchers. Provide space and resources for teams to work on solutions
  - Collaborate with public-sector partners to plan, test, and validate new approaches, with the end game of the public service adopting the new approaches
- Connect to current innovation ecosystems
  - Start small experiments engaging with innovation ecosystems
    - Encourage startups, investors, and other ecosystem stakeholders to spend time in Foundation space
    - Attend innovation ecosystem events
    - Engage with students of Entrepreneurship and university innovation activity such as bootcamps and Hackathons
  - Inject Philanthropic topics into current ecosystem activity such as Hackathons, incentivising them to focus on key issues related to Foundation's missions
- Partner with regional innovation ecosystems to provide support for social impact entrepreneurs, leveraging ecosystem infrastructure and support networks, and drawing in lived expertise
  - A number of regional Australia communities are building innovation ecosystems in order to diversify their economies to address economic transitions. Examples include the Newcastle Hunter region (through the Hunter iF project), North and South Burnett region, and Canberra (through the Canberra Innovation Network). In some places Anchor Collaboratives (see Box 31) are key to the ecosystem's growth. Regional community Foundations are stepping in to support this activity (such as the Red Earth Foundation) and there is an opportunity for larger Foundations to help. Help can include:
    - support for new Community Foundations to build their capability
    - creating a backbone entity to help Community Foundations set up and connect nationally
    - support for social impact entrepreneurship to be included in ecosystem activity

- consider setting up, partnering with, or supporting an Anchor Collaborative to collectively work with residents and local organisations to improve their economic and social ecosystem. Part of this may include providing support for a backbone organisation to lead and connect the ecosystem
- Support the growth and connectivity of social impact ecosystems
  - Adapt models used in Tech innovation to allow for safe and ethical experimentation in the social sector – the Tech sector moves fast and breaks things – don’t apply this when dealing with social impact and engaging people with lived expertise – work at the speed of trust
  - Accelerate the growth and connectivity of Australia’s impact ecosystem by setting up a backbone entity (or fund an existing one, and including field-building intermediaries) to drive connectivity and possibility across the ecosystem with a common vision
  - Subsidise existing ecosystems to develop a thriving, mature and optimally impactful social venture ecosystem in Australia

**Box 30. Shared Value Partnerships Between Government and Private Sector**

Carnival Australia has worked with Pacific Island communities to share the economic benefits of cruising, and to support sustainable development in the region for many years. The Australian Department of Foreign Affairs and Trade’s Aid division partnered with Carnival on a Shared Value project, “[YuMi Tourism](#)” to help build resilient businesses in the Pacific. The project empowered local tour operators, further diversifying the tours on offer, and building a more meaningful cultural exchange for cruise passengers. This was achieved through broadening the partnership to include The Difference Incubator (TDi), who, through its accelerator program focussing on core business skills, product development and testing, gave emerging local entrepreneurs direct access to one of their biggest markets – cruise ship tourists. The project increased the revenue of local companies, gave the cruise passengers more memorable experiences, and delivered value to Carnival Australia.

### **Box 31. Anchor Collaboratives**

[Anchor collaboratives](#) are networks of local anchor institutions that work together to align their collective resources to benefit the place they are anchored in, usually through formalised alliances and strategies. Anchor collaboratives bring together large employers — often higher education institutions — along with local organisations and residents to identify, design and improve the innovation ecosystem so that local residents and businesses can tap into needed resources over the long term. A good example of an Anchor collaborative is the Canberra Innovation Network (CBRIN) – an alliance between the universities, research institutes, vocational education providers, the innovation community, and the ACT government in Canberra. This collaborative brings together the startup ecosystem, including SMEs, corporates, schools, and investors as well as the universities and government. Last year Canberra was ranked third most innovative city in the world, and the ACT government has stated that CBRIN has been key to this.

### **Challenges Identified**

- Identifying appropriate partners with a common goal, especially when seeking unknown entities with a different view
- Managing a shared vision and meeting the interests of all stakeholders
- Managing partners is time consuming
- Blindness to the power differential that happens when big money is on the table
- Maintaining trust and momentum
- Maintaining brand when innovating openly
- Embracing the long term and serendipitous nature of innovation ecosystems, with usually unassignable impact
- The need for long term on-going funding for field-building intermediaries, backbone organisations and ecosystem building entities

### **Box 32. Power and Ego**

“Lack of understanding of partnering and collaboration and how to calibrate power and communication effectively. Sometimes ego and too much 'what's in it for me' and not enough focus on value that could be created.” Survey Respondent

## **Suggested Actions**

### ***Small Jumps***

1. Understand the skills and competencies internally and externally to the Foundation, including current, new, and unlikely potential partners, relating to a specific topic, all along the impact chain from ideation to impact (researchers, polymaths and sector spanners, entrepreneurs, corporates, government, with a range of expertise and diversity of mindsets). Start to build a network of potential partners and explore co-designing novel approaches that engage lived expertise in ideation, and all the way through to route to impact. Explore ways to do this that are sensitive to capacity both inside the Foundation and in partner organisations
2. Support a research project to identify how Foundations born of entrepreneurial success are partnering and funding in new ways, understand their approaches, and use the learnings inside the Foundation
3. Start small experiments engaging with innovation ecosystems
  - a. Build partnerships with field-building intermediaries

### ***Innovative Leaps***

4. Facilitate a collaborative philanthropy marketplace consisting of ideas ready to scale, encouraging partnerships that grow the packaged ideas, through to implementation by government and corporates
5. Partner with existing Impact Lab or set up a new one, collaboratively with other relevant stakeholders. Include corporates seeking partners for ESG, as well as social and tech entrepreneurs, other funders, civil society, universities, communities, lived expertise, and government. Conduct bold experiments, engage unlikely partners and expertise, and collaborate with public-sector partners to plan, test, and validate new approaches, with the end game of the public service adopting the new approaches
6. Explore how best to add value to regional innovation ecosystem building, from providing support for backbone organisations, to engaging as an Anchor partner, through to helping social impact entrepreneurship to be included (which could engage the current ecosystem on social challenges through Hackathons or Accelerators). This could fit into a place-based strategy, ensuring lived expertise and vulnerable communities benefit from the economic and social impacts, such as facilitating job creation and improving health and well being
7. Accelerate the growth and connectivity of Australia's impact ecosystem by supporting a national backbone entity to drive connectivity and possibility across the ecosystem with a common vision

## Data Fuelling Innovation

### Highlights

“Data for social good” presents many opportunities for Foundations: improving operational efficiency, understanding complex issues, measuring social impact, empowering lived expertise, and providing a resource for entrepreneurs to build solutions using data. It is an enabler across the entire impact system and hence **throughout all elements of the Innovation Framework**. Data programs are, however, in their infancy in Philanthropy and rarely considered holistically across the impact cycle. Most current data management systems focus heavily on grants management, **missing opportunities** to expand its use to other applications.

Foundations need information to make decisions. It is critical for diagnosing issues at individual and systems levels, supporting analysis of potential solutions, delivering those solutions, ensuring they were effective, and sharing back to provide foresight for future impact.

Some Foundations currently use data for **monitoring and evaluation (MEL)**, **uncovering the real issues** so that better questions can be asked, and greater impact achieved, **managing programs** so that they can pivot if necessary, and **learning** from their experiments. **Qualitative data** is also being used to **tell the impact stories** to celebrate and inspire others to support their work.

In some cases, advanced tools such as Artificial Intelligence (AI) is being used to deepen the analysis of the issues and finding solutions (additional examples in section on Technology for Good). For this to work most effectively, **sharing data** would be impactful, and many participants suggested that Foundations and others could enable this, whilst addressing the challenges of **power dynamics, ownership, and the ethical use** of data. Ensuring ethical data governance and design is a critical dimension for any data initiative.

As has been found in all elements of the Framework, **capability needs to be developed**, both **inside Foundations, the organisations that work with them, and in communities** so that lived expertise is empowered with voice and the ability to gather and assess the data themselves. Communities are usually left out of the design of the systems, and key to engaging them is to build trust, share power, allow space for all voices, and aligning on shared goals. Data is also being used by **entrepreneurial businesses** providing solutions to social challenges.

### **Box 33. Survey Responses on Use of Data**

“We have an in-house team "effective philanthropy group" that provides technical support and guides grant makers and programme managers on how to build in robust MEL systems and frameworks into our work”

“Data matters. We have strong data collection systems to support our outcomes framework. We are now increasingly working with state governments to access real time data that will significantly improve our practice”

“In the University context there are countless examples of data fuelling innovation and indeed Monash University is home to the Monash Data Futures Institute: <https://www.monash.edu/data-futures-institute> which is using data driven AI to enhance health sciences, governance and policy and sustainable development....investing in data as an essential tool for frontline workers so more and better data can be collected in the service of asking better questions and creating greater efficiencies that lead to a greater understanding of impact”

### **Box 34. Data Entrepreneurs**

“There are several social-impact focused business ventures in Australia that are leveraging data in world-leading ways to drive greater social outcomes. Companies such as Neighbourlytics, Seer Data and She's a Crowd are examples of ground-breaking approaches to use of data as a resource for significant social impact” Survey Respondent

### **Emerging Themes**

- Globally data is being used for a range of activities, such as understanding the core issues, providing data-informed decision-making, impact measurement, evidence-based learning, and systems mapping
- Qualitative data is being used to help demonstrate impact and empower lived expertise to have a voice, in terms of sharing their experience as well as providing feedback

- Foundations are being called to take a more active part in sharing data, whilst addressing the ethics of data collection and use
- Data and power are being addressed to maximise the impact of data use and engagement of community
- Entrepreneurial use of data for social impact is providing a route to solving social challenges
- Capability needs to be accessed and built, within Foundations and their partners. Many Foundations are in the early stages of adoption, with some still not recognising the value beyond monitoring and evaluation.

### **Box 35. Power of Data**

All data is not equal, and some data when considered in aggregate disempowers those already at a disadvantage. For instance, Action Against Hunger (AAH) has been ensuring an equal distribution of power in the use of data by building data collection capability within community and pushing governments to gather data and assess it in a way that takes disparity into account. In a project in Peru the AAH research team believed that refugee communities experienced very different health services and outcomes to the wider community, and yet the Ministry of Health collected health data broadly when deciding on policy interventions, not separating the data for refugees. Analysis showed that refugees were being left behind and so a push was made to change Health policies.

Not all data is available. 65% of deaths worldwide go unrecorded, with millions more having no documented cause. The Data for Health project, a project led by Bloomberg Philanthropies, has been building capacity across the Global South to collect better public health data, including helping those in community to recognise and record standard causes of death. This is crucial data collection that will help drive policy making and planning impactful interventions.

### **Approaches Being Used**

- Data for decision making, project management, and improving practice
  - Foundations are investing in data collection to help ask the right questions, such as GovLab’s “100 Questions” approach (data bilinguals (people with both data, domain, or lived experience) in 10

areas of social challenge suggested questions that could be answered with data, the public voted to prioritise them, and then data sets were identified to help provide answers to the questions. Future iterations will more specifically include a range of additional communities)

- For one Foundation their project management is rife with retrospectives, feedback, and learnings to reinform their work and help to innovate both employee engagement and grant making work
- “We seek feedback from partners to evolve our approach, conduct research that we share with the sector and actively collaborate with others to share best practice”
- “Data collection: taking full advantage of new technologies (geo-tagging, remote sensing, artificial intelligence, blockchain) to reduce costs and increase scale of data collection”
- Data for measuring impact
  - Innovative models are being used for measuring and tracking the viability, investability, and sustainability of a business or project across social, environmental, and financial impact
  - Impact can be measured through qualitative demonstrative impact, in addition to quantitative
  - As Impact Investment has become more popular, there has been a drive to develop impact measurement tools. Many exist, and more are being developed. Examples are given in the Toolkits section
- Data, Power, and Community
  - Foundations have been working with community to build capability and engagement, for example the RECoDE program supported by the Robert Wood Johnson Foundation and Data.org. Community members wanted to talk about trust, power sharing, making the space for all voices, and aligning on shared goals, not tools and data standards. The program has set up a [Learning Council](#), designed to engage voices from communities in order to “develop recommendations, priorities, and an action plan to support the development of community data ecosystems that are equitable, accessible, and actionable by and for the communities they serve”
  - Tupaia’s data visualisation tool for improving health care in the Pacific Islands region empowers local pharmacies to contribute data which uploads to a national database that can be used in disaster situations
- Data for Entrepreneurs
  - Social impact businesses are leveraging data to drive social outcomes, such as Neighbourlytics (using data to help develop neighbourhoods that work for all humans) and She’s A Crowd (Data activists compiling a dataset about gender-based violence)



- Data Sharing
  - Funders are sharing data on their programs in order to help coordinate activity amongst donors and potential recipients
  - Foundations have set up Knowledge Centres to capture and publicly share experience, resources and learnings from their work (e.g. [CF Insights Knowledge Centre](#))
- Data Capability
  - Foundations are building data capability through a range of programs e.g., data.org's [Capacity Accelerator Network](#) that aims to democratise data skills and empower social impact organisations through building community, sharing resources, providing training and aggregated insights
  - Communities of Practice are being developed, helping Foundations to see the benefits of data utilisation and growing capability across Australia.

### **Box 36. Gathering Data to Understand the Challenge**

The Omidyar Network wanted to hear from their partners about the gaps in education delivery. Working with Lean Data they reached out to collect feedback from 4,800 clients involved with 24 organizations in Omidyar's education portfolio around the world. "Among other findings, the data showed that clients of ed-tech organizations were most concerned with the depth and variety of content and the user experience, whereas clients of early-education organizations wanted wider choices in content and were most focused on the quality of the content. Omidyar shared these insights with other players in the sector and used them to advise their investees and guide their own future investments". Excerpt from [Fund for Shared Insight report, Listening & Feedback: A Funder Action Menu](#)

### **Box 37. Sharing Data**

The 360Giving initiative has set up an Open Data platform where data is shared between funders, grantees, and potential recipients in an easily comparable format. Tools to download, analyse, and visualise the data are also provided. This helps funders learn about other programs so that they can either learn about an issue, find potential partners, leverage the outputs, or reduce duplication; potential recipients can see what has been funded previously in order to learn what has worked in the past and reduce duplication.

### **Opportunities Suggested**

- Capability building
  - Build the case for investment in data capability and its application across Foundation work
  - Invest in technology and organisation-level capability to collect and analyse data
    - In the Foundation, partner organisations, and in community
  - Develop policies and a framework to manage sensitive, cross boundary data
  - Undertake a data maturity assessment and build a program to fill the gaps in understanding, skills, and activity (e.g., <https://data.org/dma/>). This can be conducted inside the Foundation and partner organisations
  - “One thing I would do - is perhaps an eBook on this topic - How to manage ecosystem data - top 10 things you need to do”
- Data sharing and learning
  - Enabling access to Foundation data
    - Share decision making, successes and failures, and impact data to help other organisations working on similar challenges. Take care regarding others’ reputations
    - Aggregate existing information on current social challenges to help understand the pros and cons of different kinds of interventions
    - Give data as a form of philanthropy – another asset that can be given to other organisations who can do more with the data
      - Share data with entrepreneurs building social impact enterprises based on data. Support their growth

- through Data Hackathons and growth programs (such as a Data Accelerator)
  - Open up data to ‘Challenges’, accessing communities and ‘collective intelligence’ to solve issues using the data
- Set up an Open Data and evidence hub or network for shared learning and resources, developing “how to” guidance, standards & regulations, incentivise contribution to shared databanks, and provide insights for programs and policy through the use of a range of currently separate data sets (see Box 38), and prediction techniques such as artificial intelligence (see Box 39)
- Work with community to build just, equitable, and sustainable data ecosystems, helping to dismantle power structures, empower communities, and build sustainable solutions. This would include building capability in collecting and analysing data
- Meet with NFPs and grantees to listen and learn together
- Fund grantees to learn how to listen better to those they are impacting
- “Consistent adoption of the IMP Platform dimensions of impact and data categories”
- Impact measurement
  - Develop measures of success that speak to communities on the ground and help to make these measures more standardised, simple, and accessible
  - Join impact measurement networks & projects (examples given in Toolkit section)
  - Develop tools that measure how the system was changed (this is being used in gender lens investing tools)
  - Listen to grantees in order to learn how to improve Foundation engagement and increase impact. This can be achieved with others, for instance the Ford Foundation partnership with the Centre for Effective Philanthropy. Foundations are able to compare themselves across the sector, as well as gain useful insights from their partners re transformation
- Empowerment through data
  - Understand the lived expertise behind the data, and co-create insights, shared meaning, and solutions with those who the data represents, with easy-to-understand visual data
  - Help governments to gather data and assess it in a way that removes disparity and uncovers opportunities (e.g., The Centre for Inclusive Growth’s [Inclusive Growth Score™](#), providing social and economic indicators that uncover opportunities and build cases for inclusive economic development)
  - Ask communities to evaluate Foundations

- Use a gender lens for data analysis, ensuring the impact on women is not hidden or the complexity ignored
- Empower communities to measure and report on the impact themselves through ‘Mobile storytelling’ – a powerful method for gaining hard-to-reach insights about true impact.

### **Box 38. Combining Data Sets for Insights**

“Lankelly Chase Foundation (LCF) is trying to drive institutional, and systems change with data in the UK through their work addressing severe multiple disadvantages. In 2015, they conducted published a series of statistical profile, trying to use big data to create a profile of those facing severe and multiple disadvantage and what their lives are like. The study drew together several different government datasets on homelessness, substance misuse and criminal justice, mental health, and poverty. This was unique as these datasets are often looked at in silos. The research made it exceedingly clear that these issues do not exist in isolation, which has influenced government thinking through its use by the Complex Needs & Dual Diagnosis All Party Parliamentary Group and NHS Scotland. It was also cited in the UK government’s Budget of that year”. Excerpt from report by Social Innovation Exchange (SIX), [Philanthropy and Data: How to better use, work with and fund data and emerging technologies](#)

### **Box 39. Using AI for Prediction**

“In the UK, Medway Youth Trust has combined text-mining and integrating 30 partners’ databases with predictive algorithms to determine young people’s risk of becoming “Not Employed, in Education, or in Training”. Manually looking through these various sources from different organisations and predicting risk based on the information was out of scope for case workers. The system has led to a 250% improvement in accuracy of identification compared to manual search techniques, and other local communities are now interested in deploying the software.” Excerpt from the report [The role of philanthropy in using data to address complex challenges: A global scan](#)

## Challenges Identified

- Data can be an obstacle for innovation: the focus can go onto the measurement rather than meaning of the data; and quantitatively valid data collection takes time
- Measuring outputs can be much easier than measuring outcomes in many situations, but is misleading regarding actual impact
- Challenging to ask the right questions first, and then use data to answer the question vs turning to available data first
- There is a lot of data, but large barriers to accessing the data (public and private)
- There is not a lot of sharing and/or linking of data
- Advanced data capability is in short supply and difficult to access
- The governance and management of sensitive and shared data is challenging.
  - Who owns it, stores it and how can it be shared legally and ethically?
  - How can community involvement and collective governance be included?
  - How can bias in data be removed?
  - How can access to data across the stakeholder ecosystem be made easy?
- Asking grantees to measure impact puts a burden on them that needs to be resourced well

### **Box 40. Data Collection Can be Burdensome**

“Data not collected well or used well can be harmful, it can put an impost on grantees that is not useful, it can breach privacy of service users”. Survey Respondent

## Suggested Actions

A useful framework for considering what actions to take regarding data analytics includes:

- Supply: Improve the access, quality, and amount of data available
- Demand: Promote and support data capability building that includes problem framing, analytical methods, and integration into decision-making
- Collaboration: Ensure interdisciplinary and cross-sector collaboration
- Ethics, privacy, governance: Uphold high standards for ethical and secure use of data.

## Overarching Actions

1. Decide the level of ambition for data integration within the Foundation – is the Foundation building and delivering capability inside the organisation or funding it externally or both?

## Small Jumps

### Supply

2. Aggregate existing information and data sets on current social challenges to help understand the pros and cons of different kinds of interventions, and trial new approaches (such as AI) to predict needs, and to inform Foundation practice and government policy
3. Open up data to 'Challenges', accessing communities and 'collective intelligence' to solve issues using the data

### Demand

4. Build the case for investment in end-to-end data analytics capability and its application throughout the organisation
5. Undertake a data maturity assessment and build a program to fill the gaps in understanding, skills, and activity
6. Invest in partnering on the development of standard metrics
  - a. Engage with existing or set up new networks developing impact metrics that develop standardised measurement tools
  - b. Partner with grantees to develop a program of support that helps them measure impact effectively and efficiently and provides the resources they need to do this well

## Collaboration

7. Leverage the Foundation's ability to convene and collaborate across private, public and community sectors as trusted, neutral partners by setting up a Data Catalyst network, with the mandate to:
  - a. Share learnings and resources, develop "how to" guidance, influence standards & regulations
  - b. Share data sets amongst each other

## *Innovative Leaps*

### Supply

8. Invest in technology and organisation-level capability to collect and analyse data In the Foundation, partner organisations, and in Community
9. Develop a program to uncover gender bias in data collection and analysis of the issues and impact
10. Develop an approach to securely and ethically share useful Foundation data and lessons learnt
11. Work with Community to build just, equitable, and sustainable data ecosystems, helping to dismantle power structures, empower communities, and build sustainable solutions. This would include building capability in collecting and analysing data

### Demand

12. Invest in technology and organisation-level capability to collect and analyse data, and embed these skills and tools across the organisation
13. Invest in partnering on the development of standard metrics
  - a. Engage with others to develop impact metrics that speak to those impacted and give them voice (such as through co-designing metrics and empowering through 'Mobile storytelling')
  - b. Utilise gender lens impact tools, and explore where these include systems change measurement

### Collaboration

14. Build on the early-stage Data Catalyst network program:
  - a. Build common understanding of the most important questions using data, building collective understanding so that different partners can address different pieces of the overall complex solution space
  - b. Incentivise and provide greater access to Open Data practice nationally, based on best practice governance and ethical management of data

## Ethics and governance

15. Develop an approach to securely and ethically share useful Foundation data and lessons learnt
16. Understand the lived expertise behind the data, and co-create insights, shared meaning, and solutions with those who the data represents, with easy-to-understand visual data
17. Develop methodology for collective governance of data, gaining a collective view of how people want their data used to benefit society



## Diverse and Experimental Culture

### Highlights

Workplace **culture** is unique to an organisation, **driven by leadership behaviour**, the organisations' **values**, goals, attitudes and "**the way we do things**". In some senses, it is tribal. And when people feel they are in their tribe, a place where they are supported to be themselves, to experiment and learn, and their **values and purpose align, magic happens**. We need magic, for innovation to have its impact, and for humans to bring all of themselves to delivering solutions to intractable social challenges.

Key to building an environment that nurtures innovation is creating a set of core values that **embrace failure and experimentation** as part of "the way things are done". Leadership that models sharing of knowledge and lessons learned, of supporting learning from failure. Where **employees are empowered** to make decisions, to take **measured and managed risks**. Foundations will need to embrace this new culture, requiring a new way of determining and measuring success, and learning from failure.

This links to models of innovation in the sense that there needs to be a clear shared vision and brand of which those working within each project can identify and align themselves with. Particularly, building a culture that includes a **diverse range of people and perspectives** requires a level of openness found through decentralised forms of management, and communication.

In most cases organisations focus on the easily quantifiable aspects of culture, such as resources, and less on the human aspects such as values, behaviours, and climate. Interestingly many of the suggestions from this research have a strong focus on the human side – such as providing a supportive, diverse culture; setting values and "the way we do things" that align with innovation and collaboration; openness to learning from failure; and **listening** to all stakeholders inside and outside the organisation to inform learning.

Culture is hard, but not impossible, to change. To drive this change, Foundations need to start by demonstrating how the change helps, start with their strengths, start small, showcase, and celebrate wins, and scale slowly. There are tools available to help, some of which can be found in the section "Toolkits". While the journey can be a challenge, the end game is worth it – empowering humans to

build a much more equal, sustainable, fair, empowering world where all have the chance to make a difference and succeed.

### Emerging Themes

- Build an Environment for Innovation (both in terms of how things are done as well as new solutions to intractable challenges)
  - Understand your current culture for innovation – the strengths and gaps
  - Develop a learning culture that values bravery, success, urgency to do things differently, and sees opportunity in failure. A culture of trust, support, diversity of thought and inclusivity
  - Remove the silos and focus on the impact goal collectively
  - Embrace diversity and include the voice of lived expertise
- Leadership that walks the walk
  - Board bought-in to experimentation and learning from failure, serious about the application of innovation for better outcomes
  - Strategy, purpose, values and KPIs developed to support innovation throughout the organisation and to inspire inside and outside the organisation
  - Leadership open to acting on suggestions for improvement, willing to listen to what others say about ways to improve, with feedback loops throughout the organisation and out to external partners.
- Creating a professional Risk culture
  - Understanding and managing risk. “The higher the risk appetite and capability the more likely the Foundation will be to foster an innovation culture” (survey respondent)
  - Having a mindset that the Foundations’ place is to do the risky piece in the social impact space, taking big bets that others can’t or won’t.

#### Box 41. Giving Things a Go

“Our core value of ‘giving things a crack’ and challenging ourselves to think outside the box has allowed us to create impact and reach people in areas we never could have before”. Survey Respondent

### **Box 42. Meaningful Participation**

“We are trying to instil the principle of "meaningful participation" within our work culture, this translating our strategic decision making. We are trying to be more open to listen to the field and place greater value on people with lived experience. In doing so, we increasingly need to be more open to trying new and alternative approaches to work - in other words testing new innovations”.  
Survey Respondent

### **Approaches Being Used**

- Strategy
  - Embedding innovation into organisational Values (see Box 43 for examples)
- Partnership in Hubs
  - One Foundation engaged with the MaRS Innovation District in Canada to empower a cross disciplinary approach and to build curiosity
- Culture
  - “Innovation is a mindset and culture - it’s not a program, it is how we approach every challenge”
  - We have an “intentional culture that is discussed, questioned and improved”
  - Employing diverse teams with experience and networks in relevant local and specific opportunity context and empowering them to make decisions
  - Hiring people who are natural learners and experimenters
  - Hiring staff for a set period of time – this engenders urgency and the turnover helps bring in new thinking
  - Embracing a culture of learning (see Box 43)
  - Embracing the power of innovation story telling
- Processes
  - “Our ritualistic approach to building and learning (in an agile fashion) sparks valuable change and innovation within internal practices and external work”
  - Using Innovation days to celebrate success and share lessons learnt
- Permission to experiment
  - One participant has begun to develop their own hardware to deliver better services to their clients (who they call ‘Friends’). They were able to do this as they had built trust with their ‘Friends’. They also recognised the need to build trust with funders and other partners as this was an unusual action to take

- Another participant discussed their continuous improvement approach – each project explores how to maximise impact, developing beta versions that they then test with lived expertise
- Not all experiments need to have a return other than learning
- Capability
  - “Our team members are able to utilize learning budgets and benefits to advance our own sector knowledge and understanding, study and participate in learning....to build out our social impact practitioner skillsets.
  - “Learning in the last period has been how we can improve our work/processes/experience, but we are adapting this to how specifically we can have more impact”

#### **Box 43: Examples of Values Supporting Innovation**

[Children’s Ground](#): Creativity; Ability; Equity; Agency; Openness; Family; Disruption; Love

[Social Ventures Australia](#): Fairness and passion; Respect and diversity; Humility & curiosity; Tenacity and determination

#### **Box 44. Embracing a Culture of Learning**

“We live and breathe learning and therefore we expect the unexpected: we don't over claim, and we are very cautious about what outcomes can be assumed or relied upon. Our purpose is to create learning systems, specifically that learning drives innovation in how people's needs are met. That means recognising that there is much we (and our partners, including funders) have to offer, and much still to learn.” Survey Respondent

## Opportunities Suggested

- Leadership and governance
  - Explore new forms of leadership and governance models that enhance greater experimentation and learning
  - **Align culture, strategy, values, performance measurement and change process** with experimentation and learning, power leveling and diversity. Ensure KPIs align with experimentation and learning and remove silo behaviour
  - Bring people with relevant lived expertise onto the board and/or advisory boards, giving them the power to shape the Foundation's investments and culture, providing community perspective and give them leadership, professional-development, and networking opportunities.
- Ritualising experimentation and learning
  - Build a community of innovation experts across the organisation, a Community of Practice, to share lessons learnt, failures and successes
  - Assess current 'routines' to identify which ones support an innovative culture
  - Set learning goals for every program – both for the grantee and the Foundation
  - Encourage people to collaborate internally. Collaboration drives courage, that drives experiments, with a safety cushion where failures occur
  - Create safety to take risks, a culture where staff and grantees can talk about what didn't work – conversely challenge a culture of arrogance and comfort
  - Celebrate success, and hold "Learning days"
  - Support learning communities and networks of funders and NFPs
- Test new models (including Foundation staff to allow for culture and capability building) such as:
  - An internal innovation lab, newco or subsidiary to drive innovation
  - Temporary innovation labs that bring cross-sector partners together to test and trial approaches
  - Permanent external Innovation Lab, co-funded by an Alliance
- Capability building
  - Conduct a survey of innovation culture to generate a baseline, identify strengths to build on, and opportunities for improvement
  - Set up 'Social Entrepreneurs-in-Residence' programs in Foundations and NFPs (with more than one in residence at a time)
  - Pay conscious attention (and targets) to diversity at all levels and in all partnerships
  - Build listening skills for listening both internally to the organisation and externally. Consider this more broadly, pooling funds to grow

- listening to lived expertise training across a number of Foundations and NFPs that serve those with lived expertise
- Spend time listening in community, engaging with lived expertise and citizen innovators
- Employ a diversity of staff, for set periods of time
- Hire interns, employees, and consultants with relevant lived expertise
- Leverage internal PD budgets to enhance innovation and listening skills
- Collaborate with other Foundations to learn from one another (this could be one of the Affinity Groups set up by Philanthropy Australia, or another model that drives collaborative action and accountability across the network of Foundations)
- Celebrate across Australia
  - There is power in story telling - celebrate social entrepreneurs working across Australia to grow support for them and the impact they create.

**Box 45. Collaborate With Funders to Learn About Listening and Feedback**

“For example, NEPA Funders Collaborative, a consortium of grant makers in Northeastern Pennsylvania, co-funds a number of non-profits participating in the Listen4Good feedback initiative. The consortium — spearheaded by the Moses Taylor Foundation — came together with the explicit goal of creating a learning community of funders and non-profits in the region participating in efforts to collect and use client feedback” [Excerpt from Fund for Shared Insight: Listening & Feedback: A Funder Action Menu](#)

**Box 46. Hiring People with Relevant Lived Experience**

“The Ford Foundation created a professional development program for graduates of the Bard Prison Initiative, a program Ford had long supported that gives incarcerated people an opportunity to earn a degree from Bard College while serving their sentences. Participants spend a paid year exploring career paths at the foundation and getting other supports, such as opportunities for networking and building technical skills.” [Excerpt from Fund for Shared Insight: Listening & Feedback: A Funder Action Menu](#)

## Challenges Identified

- The nature of Foundations is traditionally one of boundaries and power imbalance
- Most Foundations tend to be risk averse
- Organisations find it hard not to drive alignment to a set culture, and challenging to act on alternative views
- Developing an inclusive environment for those with lived expertise can be hard given the power imbalance
- Resistance to and fear of change

### **Box 47. Accept Other's Views, and Recognise Fear of Change**

"Careful about hiring for "cultural fit". That can mean hiring people like you when what you need is people that complement you."

"Human beings are, by nature, conservative, and approach any change with a high degree of nervousness and scepticism." Survey Respondents

### **Box 48. Becoming a Learning Organization**

"This was achieved in several different ways. In one, we held a 'closed grant review session' every nine months or so to discuss what worked, what hadn't and what we'd learnt from individual grants and initiatives. Staff would present and critique each other's work, with some board members present. It was one of the highest value learning activities we carried out.

We also organized and conducted study tours, including for the board. While we didn't have a means of measuring our learning, we did formal post-trip reflections, and over time could see that the impacts of these initiatives, in terms of new relationships, partnerships and impact on our programs was often profound." Project Participant

## Suggested Actions

(Several actions in the Leadership section also apply in this section but are not duplicated)

### *Small Jumps*

1. Address Internal Culture
  - Conduct a survey of current innovation culture within the Foundation to generate a baseline, identify strengths to build on, and opportunities for improvement
  - Develop a shared understanding of culture and values
2. Build Capability
  - Build a community of innovation experts across the organisation, a Community of Practice, to share lessons learnt, failures and successes
  - Understand why to innovate and what approach to use in different types of projects
3. Grow and scale innovative social impact
  - Set aside time to commit to and accelerate innovation actions, including this in individual workplans, and ideally collaboratively
4. Engage externally and with diversity
  - Set up 'Social Entrepreneurs-in-Residence' programs in Foundations and extend to NFPs in order to transfer an entrepreneurial culture
  - Encourage startups, investors, and other ecosystem stakeholders to spend time in the Foundation's office space, and Foundation staff secondments into innovative organisations
  - Attend local innovation ecosystem events
  - Pay conscious attention (and targets) to diversity at all levels and in all partnerships
  - Ensure all programs internally and externally consider the needs of women and girls

### *Innovative Leaps*

5. Address Internal Culture
  - Pursue alignment across the organisation on priorities and actions committed to in relation to the "Framework for Innovation in Foundations"
  - Align performance measurement and change process with experimentation and learning, for both short-term and long-term outcomes
  - Develop opportunities to be comfortable being uncomfortable
6. Build Capability
  - Set learning goals and feedback opportunities for innovative programs – both for the grantee and the Foundation
7. Grow and scale innovative social impact



- Celebrate social entrepreneurs working across Australia through storytelling, engaging an entity such as Philanthropy Australia to help. This could act as resources for the Board to share these stories through their networks, for internal teams to celebrate the success of partners supported, as well as grow support for social entrepreneurship across Australia. Include and empower lived expertise entrepreneurs and 'Mobile Storytelling'
8. Engage externally and with diversity
- Pool funds to grow listening to lived expertise training across Foundations and across NFPs that serve those with lived expertise

**Box 49. Culture of Trust**

“Critical here is building a culture of trust among employees and that failure is OK and it’s actually an essential part of building and growing long-term sustainable programmes. If staff are fearful of their job security should an innovation not go as well as expected this will stifle staff seeking out new ideas and pushing boundaries.” Survey Respondent

## Cross-Cutting Topics

The previous section has provided detailed insights for each element of the 'Framework for Innovation in Foundations'. Overlaps between actions and insights for several elements were expected and we have attempted to place them in the most appropriate section. Other cross-cutting topics emerged during the research, and this section outlines high level insights and examples for four of these: Technology for Good, Innovation Models, Lenses for Enhanced Social Impact, and Engaging Lived Expertise.

### Technology for Good

Whilst studying the use of technology as an innovation tool was not a specific part of the Framework, responses to our research naturally touched on its application 'for good'. Increasingly technology is being utilised as a tool for positive impact, and the democratisation of access to both information and the capacity to communicate globally is empowering many who traditionally do not have a voice. Technologies are also being used to generate insights to the issues, deliver solutions that empower those without power, trial new ways to provide services, reviewing solutions and telling the stories.

This section is not meant to be a detailed analysis of Technology for Good. It merely provides highlights from examples plus important considerations and suggested Actions provided by participants.

#### 'Technology for Good' Examples

##### *Gaining insights to emerging issues*

UNICEF utilises Data Science and Artificial Intelligence (AI) to gain insights into vulnerable communities rapidly. Their "Magic Box" technology is an open-source global platform that takes data from public and private sector partners and uses machine learning techniques to generate insights on emerging epidemics and emergencies. It was used during the Zika crisis in 2015 and an Ebola outbreak in central Africa in 2017. The platform can analyse mobile connectivity to understand how communities are recovering after disasters and use satellite and mobile phone data to better understand indicators of poverty. It is currently piloting predictive modelling for diseases in Latin America.

## ***Assessing new ideas***

One of the participant Foundations has invested in the development of an assessment platform, where competing applicants can assess each other (for different sectors than their own), Venture Capitalists are invited to review the applications, as well as members of civil society. The platform has been tested for specific cohorts of applications, with known high-performance ideas being put through the approach to beta test its success at 'picking winners', as well as assessing what questions work best to source the ideas and people that they think will be most successful.

## ***Delivering technology-based solutions***

United Nations World Food Program (WFP) "Building Blocks"

"Building Blocks" utilises blockchain technology to support the safe delivery of cash transfers that restore dignity to refugees in conflict zones, where usual payment methods are challenging. Using blockchain not only ensures that there is a clear log of which refugees have gained access to aid, it also empowers recipients to purchase what they need individually and protects the vulnerable against theft.

## ***Department of Foreign Affairs and Trade (DFAT) Technology for Development***

Cyber Strategy

Technology based topics in the 2017 Cyber Strategy included: improving connectivity and access to the internet; encouraging e-governance and digital delivery of services; support for entrepreneurship, digital skills, and integration into global marketplaces; partnership with the private sector for delivery of the actions. These are equally applicable to inclusive economic development in Australia and building economic self-determination for all.

Innovation Strategy

DFAT's innovation work through their innovation hub, the InnovationXchange (IXC), demonstrated many and broad applications of Technology for Development, examples including:

- A partnership with UNICEF in the use of drones for vaccine delivery to remote, hard-to-reach communities in Vanuatu

- Support for start-ups like Ruangurru (an Edtech platform developed in Indonesia that reached millions of students), Suhat Kahani (telepresence GP service delivery in Pakistan), and 40K Plus (delivery of personalised education to students in Cambodian villages)
- Partnership with the Global Innovation Fund, investing in new ideas such as Agri Task (SaaS platform to optimize decision making across the agriculture eco-system, serving Ag-companies seeking visibility of the farmers in their supply chains), Sizwe (an internet service provider that offers online access to low-income communities at a rate 20 times cheaper than current standard), and support for MTV Staying Alive Foundation to produce campaigns that aim to address gender-based violence and wider gender issues, as part of the TV series and multimedia campaign MTV Shuga.

### Other

- Neighbourlytics (social data to inform city making)
- Pioneera (AI to identify markers of stress and burnout in workforce communications, as a preventative measure for employee wellbeing and mental health)
- Indigital (AR/VR, plus drones, used to capture and share experiential representations of the stories from first nations people, on country, as a vehicle for education and cultural appreciation and celebration)
- UN Kiva Protocol, developed alongside financial services charity Kiva. The Protocol is a blockchain platform that creates online identities for Sierra Leone residents and enables individuals who struggle to get loans to prove their credit history
- UNICEF's Cryptocurrency Fund, which enables the organization to receive, hold, and distribute donations made in blockchain-based assets
- Epic Foundation's virtual reality experience has been utilised to dramatize the challenges that children face so that funders understand the issues they face

### Important Considerations

- Focussing on the problem being solved rather than the technology
- Accessing the capability to understand and develop technological solutions
- Ensuring the applications are ethical and that all can access the solutions
- Collaborating with partners, both in terms of the technology and those who will be impacted by the solution
- Maintaining your brand and managing risk through acquisition and development of risky enterprises and ideas
- Overcoming fear of technology can be a challenge
- It is riskier NOT to use technology

- Experimenting with those using the service to ensure buy-in and maximising impact
- Take small steps and develop roadmaps

## **Ideas for Actions**

### *Small Jumps*

1. Work with intermediaries and universities/ CSIRO to map out what's working and what opportunities exist
2. Work with social impact intermediaries to connect with technology providers
3. Run a global Challenge on “Technology for Equal Opportunity in Australia”
4. Consider using existing platforms to fund technologically based innovation rather than building your own. For instance
  - create the list of Tech For Good pitch comps and be involved in some way - judge, host, enter, watch
  - partner with entities such as Authentec (a venture philanthropy website that provides funding, expertise, and a platform to accelerate the development for responsible technology to drive social change)

### *Innovative Leaps*

5. Start with the problem and then crowd in multiple partners to build and test scalable solutions. Support the development of these solutions either through
  - supporting a current entity for early stage and flexible investment in experimenting and testing solutions (e.g., Monash Inclusive Technologies Lab)
  - setting up a “Tech for Building Equality of Opportunity Lab”, in partnership with other funders, to develop new technology solutions
  - supporting an “Accelerator for Impact Tech” that funds, learns, and builds capability for startups, Foundations and NFPs
6. Ensure future technology development is fully inclusive, supporting the 29% of the Australian population currently excluded from the digital world (access, ability, affordability), and addresses the inequality in access to and development of technology by women
7. Investigate the use of smart contracts for funding decisions in emergency situations. Systems could be designed to analyse data and use AI methodology based on predetermined parameters to trigger a smart contract. Money ear-marked for donation could sit in escrow until a cause or need becomes so great that it triggers the smart contract.

## Innovation Models

Foundations have been turning to innovation for several years, and each Foundation has employed its own unique model to align with its brand, risk appetite and capabilities. Whether internal innovation is envisioned or partnering and supporting external innovation is the key also determines what model to employ.

New models are being used to access new thinking, and to break down barriers for deeper impact – to address power structures and hierarchy and the collective understanding of “how we do things”, the routines that have developed, becoming more open and welcoming to new ideas and lived expertise.

This has meant establishing a definition of innovation for their own organisation, that will guide the relationships Foundations build, the tools they employ, and the models and frameworks they build.

For some Foundations innovation operates in a silo, containing risk within the organisation. For others, innovation is facilitated through partnerships or a spin out from their original organisation.

Foundations are on a journey, and many are keen to connect with others to share and learn as they experiment and explore new models to deliver greater social impact.

### Models Employed

Survey participants were asked to give a short description of the models they had put in place for innovation. Many models were highlighted: from all staff being accountable, to each team leading in their own context, internal labs, external partnerships, and external wholly owned entities. The following lists the models identified by survey participants:

- “Everyone is accountable for innovation, courage is one of our values, our board has a high tolerance for risk when it comes to innovation, and our current 5-year strategy has innovation at its core”
- “Each team is leading innovation in their own context”
- “An Innovation leadership team plus innovation agents across the organisation are accountable for innovation”
- An internal Innovation team has been set up to:
  - Nurture and encourage an innovation mindset amongst employees
  - Act as an internal ‘Innovation Lab’

- A separate external group has been set up to deliver the innovation program, empowered to make its own funding decisions
- “The model we are currently exploring is to have an internal innovation specialist who is acting as a focal point and coach to drive adoption. We are building a virtual team around the specialist who has had some training (from Board of Innovation). We are working towards creating an innovation lab to have a permanent facility, accessible for the whole organisation”
- An Agile model for internal innovation is used (one Foundation supporting Wonder, Explore, Make, and Impact phases of their own internal innovations)
- Innovation through external searches, partnerships, and alliances
  - “Innovation is at the core of our investment rubric, which is to say we invest in social innovation broadly and then source and fund it in key areas of focus. We are only modestly innovative ourselves and don't necessarily innovate--at least to the standard of the external organizations we serve with the work”
  - Deep listening to the organisations they support and adapting accordingly, backing organisations taking innovative approaches to social issues
  - Forming diverse coalitions to design programs, including thought leaders, potential implementing partners, and placing greater value on people with lived expertise, to test new innovations
  - Co-designing a systems approach (working with experienced domain experts to lead a coalition of actors including community voice, research, practice, and policy)
  - An Open Innovation approach identifying program models and interventions with innovative promise at different stages of scale - the pre-pilot, post-pilot and ready for scale, and at scale and ready for testing/validation phases. Their funding acts as “courage capital”
  - Setting up Innovation Labs and Centres through an alliance of partners
- “Delving deeper into exciting emerging frameworks and models about systems thinking from indigenous perspectives (e.g., Tyson Yunkaporta and Deakin's Indigenous Knowledge Systems Lab)”

### **Box 50. To Set up an Internal Team or Not?**

“For large organisations, build in-house expertise and tools to promote innovation across sectors and teams. Don't set up a centralised innovation team but appoint innovation agents within the organisation that can promote ownership and accountability across all teams. Too often once an innovation team is established, the rest of the organisation thinks innovation is no longer part of their business responsibilities and someone else will take care of this area.” Survey Respondent

One respondent stated “there is no single innovation model that can be fit for purpose for every application. Ultimately, you need an innovation framework that brings the appropriate innovation model to bear for the challenge being faced, with sensitivity to the capability of the actors within the ecosystem you are trying to influence and support”.

Another cautioned “Avoid a rush toward basic 'lean methodology' that employs a tech-centric 'move fast and break things' approach to experimentation and innovation. Foundations working on social innovation need to adapt these models to ensure speed and a high-risk appetite does not overwhelm the need to acknowledge the human-experience, creating safety in experimentation, and centre a 'do no additional harm' philosophy within a firm ethical framework”.

All stated that they are on journey – in one example the entrepreneurial Founders strove daily to try new things, eventually moving to establish an ‘imagination and innovation’ team to enable the ideation, testing and development of new pioneering projects to support more people in need. It was suggested that a simple start could be to partner with an external innovation entity that the Foundation can learn from; then start an internal group to demonstrate success and scale innovation across the organisation (where innovation is doing things differently internally as well as seeking great ideas externally).

Many are keen to stay connected after this project to share and learn from one another.



## Lenses for Enhanced Social Impact

As we conducted this research it became clear that applying specific lenses catalysed new ways of thinking about Foundation activity. In this section we briefly outline three useful lenses identified from the study: Gender lens, Indigenous Knowledge, and Climate lens, which have been employed by several Foundations to innovate their social impact strategies. An outline of each lens and an example of how it has been employed is given for each one. As for all the elements of the framework, this is not in any way a detailed study of lens approaches, but rather a short introduction to the opportunities. Lens specific actions are given for specific elements of the framework in earlier sections of the report.

### Gender Lens

#### Box 51. Gender Equality – the Final Frontier

“With hotels in space, humans landing on Mars, and brain enhancements all predicted to happen before we reach global gender equality, space isn’t our final frontier – gender equality is.” [UN Women Australia](#)

According to the World Economic Forum, at the current rate of progress, it will take 132 years to reach full parity<sup>3</sup>. This is too long to wait. And if you get the systems and approaches right for women, it works for everyone, by fixing the myriad of ways that women and others are invisibly held back.

#### Box 52. The Invisible Experience of Women

“When we share information and examples of the often-invisible experience of women, funders understand why a focus on women and girls is key to effective and inclusive philanthropy.” Julie Reilly, CEO, Australians Investing in Women, from report *Australians Investing in Women (2022)*, Gender wise Toolkit for Grant Seekers, <https://www.aiiw.org.au/gender-wise-grant-seeker/>

<sup>3</sup> Global Gender Gap Report (2022) World Economic Forum  
<http://reports.weforum.org/globalgender-gap-report-2022>.

Not only is it the right thing to do, but it is the smart thing to do. For example, recent research on Director recruitment patterns in over 60 countries found that initial investment in recruiting women Directors creates positive feedback loops that pave the way for boards' future diversity and capacity for supporting long-term innovation and creativity<sup>4</sup>. The United Nations acknowledges that Gender equality is not only a fundamental human right, but a necessary foundation for a peaceful, prosperous, and sustainable world<sup>5</sup>. Addressing entrenched systems of inequity can unlock progress for everyone.

Foundations are increasingly using a gender lens to address culturally relevant and transformative ways to enhance social impact. Applying a gender lens; whether it be to funding models, accessing ideas, or leadership, automatically bids the question: "who is not represented here?". It is about creating transformative opportunities targeted at the specific, and sometimes different, needs of men and women (Jones et al., 2021). It enables Foundations to shift their perspective incorporating the lives, work, and experiences of women. Furthermore, applying a gender lens also brings other factors, such as race, identity, and sexuality into the conversation, placing a more holistic perspective on the Foundations' area of philanthropic interest.

The importance of the gender lens not only applies to external funding, but also assists in supporting the internal capacity required for the Foundation to deliver impactful outcomes. The gender lens presents opportunities for Foundations to enhance internal diversity and retain talent through increased awareness of the experiences of those traditionally underrepresented. By creating an environment cognizant of diverse needs and experiences, the Foundation works to build an inclusive working culture that empowers those critical to shaping innovation across all levels of the Foundation.

A common strategy using the gender lens is Gender Lens Investment, which incorporates gender-based factors into the investment process. It asks the question "how will this funding help women and girls?". The Global Impact Investment Network illustrates how applying a gender lens can build awareness and enhance impact from pre-investment activities, right through to impact

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<sup>4</sup> Cheng, J. Y. J., & Groysberg, B. (2020). Gender diversity at the board level can mean innovation success. *MIT Sloan Management Review*, 61(2), 1-8.

<sup>5</sup> United Nations (2022) Goal 5: Achieve Gender Equality and Empower all Women and Girls. <https://www.un.org/sustainabledevelopment/gender-equality/>

measurement. It illustrates how Foundations can incorporate gender at the ideation, governance, management, and implementation levels that measure impact and return on investments.

The Gates Foundation has developed a three-step long-term strategy, integrating the gender lens as a core and structural component of their strategic value system. These steps consist of:

1. Laying the Groundwork
2. Building Momentum
3. Integrated Gender Equality Strategy

Each of these stages form parts of a 12-year strategy to integrate gender lens principles into their philanthropies. They do this by amplifying impact by applying a systems gender lens across their portfolio and targeting specific gender gaps using catalytic investment. They aim to build the gender equality field by supporting collaborators and partners. By placing a gender perspective on data and evidence-based decision making they aim to deconstruct systemic biases in research methods that underpin their organisation's knowledge base.

Furthermore, they drive accountability and impact through institutions, governments, and movement. Underpinning all of this is innovation, pushing those within the Foundation and their collaborators to think differently, experiment and scale new approaches. As such, their Gender lens enables the Foundation to develop gender integrated programming that overlaps sectoral interventions with gender equality principles. Thus, aligning the objectives of gender equality outcomes, with the sectoral needs and positioning of the Foundation. The Gender lens approach does not start and end with program investment and delivery – where investment decisions can be focussed towards projects that empower female entrepreneurs and address women's challenges and opportunities, or at the very least ensure the funding will have a positive impact on women and girls. It has grown to embrace systems change and power dynamics in a way that addresses the root causes of inequality, so that all women can be enabled to reach their potential and enjoy the freedom we all aspire to.

### **Box 53. Applying a Systems Approach and Empowering Gender**

The Lord Mayor’s Charitable Foundation applied a gender lens to bolster the quality of affordable housing for women at risk of homelessness. In 2019, Lord Mayor’s Charitable Foundation through a partnership with Monash University, funded a research project to assess what physical structure is needed for older women at-risk of homelessness to feel safe and create a good home.

Using a gender lens, this project emphasised the importance of incorporating lived experience and expertise of women over the age of 45 facing homelessness. It surfaced the growing need for safety and privacy of housing for older women, the proximity to public transport, accessibility to education and exercise opportunities. Furthermore, it illustrated that women over the age of 45 are the fastest growing population of people experiencing homelessness in Australia.

Orientating this project within the experience of women over 45, specified the different needs for these women with regards to the provision of housing. This surfaced the system level effects of superannuation inequality, financial hardship,

### **Box 54. Addressing cultural blindness**

“The result of this deeply male-dominated culture is that the male experience, the male perspective, has come to be seen as universal, while the female experience-- that of half the global population, after all--is seen as, well, niche.” Perez, C. C.

## Indigenous Knowledge Lens

This section advocates for a movement toward integrating, in a thoughtful and inclusive manner, indigenous knowledge as a lens that Foundations can use to engage with community, using Indigenous thought rituals.

Indigenous thought rituals<sup>6</sup> comprise four stages grounded in Aboriginal protocols of communal knowledge production, involving practical activity and generation of images, objects, relationships, and story (Jones, Moodie and Hobson, 2014). As Indigenous Knowledge Systems are regarded in this method as complex adaptive systems (Rose, 2005), these activities are also aligned with principles of complexity theory, particularly the way agents behave in complex adaptive systems (Pinta et al., 2018). Those principles are distilled here into the descriptors of connection, diversity, interaction, and adaptation, sitting within a framework of pattern-thinking. They reflect Indigenous ways of valuing, being, knowing and doing.

The stages in this process may overlap in the cultural activities employed in analysis, or may take a different order or be altered from what is described here, but the overall process is as follows:

1. Connection: Identify the relational pairs of agents (participants), data points, variables etc. and the networks of pairs this form, and the pairs of networks (i.e., different systems or data sets or thematic categories interacting), using visual modalities to express these relations<sup>7</sup>.
2. Diversity: Use narrative in collaboration with other participants to identify similarities, differences, and areas of overlap between different variables, agents, and data points.
3. Interaction: Use oral culture metaphors and forms of expression to replicate the exchanges of energy, information or matter between the different agents, variables, and data points in the field.
4. Adaptation: Use supra-rational moments of ancestral connection to identify transformative feedback loops and chains of cause and effect in which data points change, attract change, or interact with other data points to produce change events. Time is non-linear in this process so the changes you perceive might be in past, present or future.

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<sup>6</sup> Yunkaporta, T., & Moodie, D. (2021). Thought Ritual: An Indigenous data analysis method for research. In *Indigenous Knowledges* (pp. 87-96). Brill.

<sup>7</sup> Yunkaporta, T. (2019). *Sand talk: How Indigenous thinking can save the world*. Text Publishing.

The CAGES Foundation in Australia is one example of indigenous knowledge and thought cultures being integrated into programs focusing on building on community assets, community-led, and community evaluation. All funding provided by the CAGES Foundation enables Indigenous people, organisations, and communities to achieve improved life outcomes for their children beyond the life of the funding. Furthermore, they only support organisations that work in community, and have strong engagement with community stakeholders at the leadership level. All this is underpinned by evaluation as a tool to reflect, demonstrate effectiveness, and further develop new approaches for programme management that align with the needs of their community. Not only are these principles intertwined within their core values, but also within their strategic partnerships criteria. As such, they thoughtfully engage with these principles to position their Foundation, localise, and align their mission, and to build partnerships underpinned by a shared mission and value-set.

## Climate Lens

### **Box 55. Philanthropy Has a Role to Play in Climate Challenges**

“Philanthropy has a special role to play as we can fund innovative solutions and opportunities, and we can bring our lens of reducing disadvantage to the current climate challenge.” Dr Catherine Brown, CEO, Lord Mayor’s Charitable Foundation

Applying a climate lens does two things: shifts perspective and builds a different understanding. The climate lens enables Foundations to explore the intersection between their areas of philanthropic interest and climate change. This is important in the face of increasing evidence that Climate Change disproportionately affects those most vulnerable<sup>8</sup>. As such, applying a climate

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<sup>8</sup> Murphy, E.; Walsh, Patrick; Banerjee, Aparajita (2021) Framework for Achieving Environmental Sustainable Development Goals, Environmental Protection Agency, <https://www.epa.ie/publications/research/climate-change/research-397-framework-for-achieving-the-environmental-sustainable-development-goals.php>

lens further positions Foundations to understand how climate change impacts their purpose area and the people that their investments support.

In the context of Australia, we can see how extreme weather events such as bushfires, floods and droughts have impacted communities, in particular indigenous communities, people with disabilities, farmers, and the elderly. A climate lens assists in building a different understanding of the system level, and long-term effects of climate on Foundation's areas of interests and areas where the foundation can enhance their social impact.

#### **Box 56. William Buckland Foundation Example**

The William Buckland Foundation provides an interesting case of the impact of their climate lens. Their area of interest focused on sustainable agriculture, recognising the crucial importance of this sector to Australia and the enormous impact that climate change is making and will continue to make on farmers. Their work not only re-evaluated the kind of support the Foundation provided to Farmers, but also worked to build capability in communities through partnerships.

Through their granting program, they supported the Victorian Climate-Smart Agriculture Fellowship, which aims to help farmers plan and mitigate the risks of Climate Change. This program focuses on empowering farmers through training, and education in a way that enables them to become community leaders. This is central to building long term and ongoing impact and return on investment, as Farmers are encouraged to design and implement solutions aligned with their lived expertise.

## Engaging with Lived Expertise

From ideation to delivery to evaluation, engaging with lived expertise remains a cross-cutting theme in each section of the Framework. As the role that Foundations play in driving social impact is diverse, one model for engaging lived expertise cannot serve all. As such, this section further explores how Foundations can embrace, empower, and value lived expertise. We briefly outline ways Foundations can thoughtfully engage with and integrate lived expertise by building conditions, habits and practices that reinforce the principles of voice, agency, and value. To do things differently, to have a greater impact, to be human at our core.

### **Box 57: We've got to do things differently – anything else is insanity**

"At the end of the day there's a lot of money being poured into services and they're not meeting the needs of people...wouldn't you rather put that money into something that works for what it's made for" Engaging those with lived expertise "gives it more emphasis into what is actually needed".

"We can't always do what we've always done because what we've always done is not getting anyone anywhere"

Lived Expertise Video interviewees

To engage with lived expertise is to harness the power of the human story. These stories are generally filled with adversity which makes sharing ones' lived expertise a vulnerable thing to do. Creating an environment where people are safe, can use their voice, gain a sense of agency, and feel valued is essential for Foundations to constructively integrate lived expertise within their projects. This requires the Foundation to recognise the role it plays in the community that it serves, and the extent to which it can draw upon, include, and partner with lived experiences and expertise. It also requires humility and support – humility from the Foundation to recognise there is a lot it doesn't know, and support for lived expertise as they make the journey to partnership. This places Foundations in a precarious position as over commitment beyond their recognised capacity, or the perception of unbalanced power, can lead to further exclusion, or alienation of the very group of people they wish to help.



There are several ways people have created environments that integrate lived expertise successfully. One is to engage with community through place-based philanthropy<sup>9</sup>, drawing upon community-leaders and other community-based organisations to support the development and delivery of initiatives. Another is to co-design solutions with affected communities. Yet another is to form peer networks of lived expertise to help one another, alongside other professional expertise to support and guide them.

Foundations will be met with energy and willingness by those with lived expertise who have already engaged in innovative, inclusive approaches. They want to be involved, to make a difference and stop what happened to them from happening again.

**Box 58: People with lived expertise want to be involved, valued, and heard**

"Here's an opportunity for me to design something that's going to potentially benefit people that are like minded and going through similar situations as me". Lived Expertise Video interviewee

It may seem daunting, but pockets of decades of experience in this inclusive approach exist to draw upon, and their message is "Give it a go – All the benefits far outweigh the challenges".

**Box 59: Give it a Go**

"Give it a go. Do something different. Bring those with lived expertise into the arena because we know better because we've had to go through it". Lived Expertise Video interviewee

And the message is, do it together – bringing lived expertise together with professional expertise to learn from one another and develop amazing solutions.

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<sup>9</sup> Mack et al., 2014, *Redefining Expectations for Place-based Philanthropy*, Foundation Review

**Box 60: Form long lasting communities of problem solvers**

"If we want to make progress on big tough social challenges, we need to build the kinds of communities that can tackle them. Not necessarily communities of place, but communities of diverse expertise...communities of innovation, and creativity, and healing and growth...together learning how to create the change they want to see in the world". Chris Vanstone, TACSI

Finally, don't be surprised by the solutions. When people in one of the most dangerous communities in the world were asked what they believed would help, they asked for wall art. They wanted to bring pride back to their neighbourhoods. In the north of England, a struggling community asked for the dog poo to be removed. It is easy to miss the simple and yet profound ways that people want to be helped, to be given voice, alongside the longer term, deeper solutions to bringing equality of opportunity.

To demonstrate this point, we outline an example where the simple and the complex came together to deliver massive change - Communa 13 is an example of how sharing stories drove impact within communities. Furthermore, how the power of agency to share ones' stories, experiences and vulnerabilities can lead to solutions that are aligned with the needs of their community.

Central to reinforcing and building an environment inside the Foundation that enables all of this, is to establish an overarching mission, set of principles and value set that inform practices within the Foundation. This is a long-term process, in the sense that Foundations habits take time to form but taking concerted steps to co-create an organisational cognition that is about alignment and inclusivity. A bigger step, and a necessary step, is to thoughtfully employ lived expertise inside the Foundation, and indeed throughout the systems that need changing to make a real and lasting difference.

### **Box 61: Case Study, San Javier (Communa 13), Medellin Colombia**

Communa 13, otherwise known as San Javier, is a community that sits in the hills on the western outskirts of Medellin. From the 1980s to early 2000s, this community was renowned as the centre for guerrilla, paramilitary and gang activity due to its strategically close location to the San Juan highway. A hub for drug and weapon trafficking, for 20 years this community was in a violent conflict that saw a community divided by invisible borders drawn by the gangs and guerrilla that inhabited it (Naef, 2020). While the history of Communa 13 is violent, today, the community stands as a testament to how lived expertise can aid constructive forms of investment. Having engaged the community on solution development, today, Communa 13 has a high tourist turn over, made famous by its colourful murals that all tell a story of San Javier's history (Sotomayor, 2015). Through a series of government, foundation and NGO supported grants and activities, Communa 13 is home to innovative infrastructure (e.g., escalators) that enhances the mobility of local and ageing community members on the hills. Furthermore, to enter the community, tourists have to pay a fee which is directly invested into a community trust that goes into funding education and maintaining infrastructure. The story of Communa 13 illustrates the power of how providing people with the means to share their story and give them agency, whether it be through art, a discussion group, a formal advisory position, or control over a fund, can drive impact that is both innovative, impactful, and constructive.

*Naef, P. (2020). Resilience as a city brand: The cases of the Comuna 13 and Moravia in Medellin, Colombia. Sustainability, 12(20), 8469.*

## Tool Kits

In this section we outline a range of tool kits available to Foundations. They are not meant to be exhaustive or suggested as best in class, just examples that could be explored.

### Impactful Leadership & Governance

Throughout the study, there has been an emphasis on systems leadership. In reviewing possible tools to showcase in this section, SWEEF's Gender ROITM tool provided an interesting link between systems leadership principles, and governance mechanisms. This is important as systems leadership<sup>10</sup> is about more than placing the organisation within its broader context, but to both build an environment, set of practices and values that reinforce a systems lens. The emphasis on gender and diversity in this tool, provides a practical model of the key dimensions, policies, and process for inclusive and systematic forms of leadership and governance.

#### Example: SWEEF Capital Gender ROI

Gender ROITM is a diagnostic measurement and management tool that is designed to support business, investment, and development finance practitioners to assess an enterprise's diversity and gender equality informing both practice and performance in addressing inequalities, while highlighting significant opportunities to improve outcomes for women and girls. Furthermore, this tool is supporting the development of an online dashboard which will enable organisations to assess how gender smart their organization is, using a dashboard supported Equilo<sup>11</sup>.

It focuses primarily on how diversity and gender equality principles are integrated into the leadership, the organization's value systems, workplace policies and practices and where the organization influences its value chains. The tool was developed to capture data and practices across both qualitative and quantitative dimensions of the organization.

There are four identified enterprise dimensions: Leadership, Workforce, Value Chains and Society. This enables leaders to integrate and measure gender equality and diversity in their companies as well as diagnose areas where

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<sup>10</sup> Mulgan, G., & Leadbeater, C. (2013). *Systems innovation*. London: Nesta.

<sup>11</sup> Equilo (2022), Organisational ROI Assessments, <https://www.equilo.io/gender-roi>

corrective action may be required. It also provides a set of mechanisms that enable them to measure impact and reflect on their own internal practices. The core premise of this tool is that idea that transformation comes from a system focused and emphatic form of leadership and that this type of leadership sets the tone throughout the organization through policies, processes, and communications.

## **Access to Frontier Ideas**

Two example toolkits are given in this section: the McConnell Foundation Te Korekoreka and the Niho Taniwha Frameworks for Integrating Indigenous values and perspectives for social innovation.

These tool kits present a model through which foundations can understand how to develop their own tools rooted in community value sets. The process of these frameworks was developed in tandem with indigenous community. One of the core frameworks was built through collaboration between the The Auckland Co-design Lab (The Lab), and the Southern Initiative.

These is a place-based collaboration, combining local and central government innovation lab that is nested inside The Southern Initiative. The Lab acts as a learning and innovation partner to The Southern Initiative teams and has helped to lead the development of the Niho Taniwha as a living, learning and evaluative practice framework to support The Southern Initiative's innovation work. The Southern Initiative collaborates and works in partnership with local communities, whānau, changemakers, institutions, iwi, and marae, as well as central government, business, and philanthropic funders for systems change<sup>12</sup>.

### **Example: Te Korekoreka and Niho Taniwha**

Both evaluative frameworks embody indigenous values, written from indigenous and lived expertise perspectives to evaluate and design approaches to social innovation. This is motivated by a desire to catalyse and prioritise social and economic transformation through kaupapa Māori and Treaty-based practice. An example of this application in the Te Korekoreka framework that weaves

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<sup>12</sup> Te Raki, T., Tarena, E., & London, P. (2021). *Kia Tipu Te Ao Marama*. Auckland, New Zealand: The Southern Initiative.

indigenous knowledge through research, evaluation, and organisation training with the intentions to innovate. These three phases are:

- Te Ao as the world of fruition (knowing & doing)
- Te Kore as a space without form (seeking & understanding)
- Te Pō the world of fashioning (imagining & making)

The phases of Te Ao, Te Kore, Te Pō – to enable them to gather data and insights at not only

a programme level but also at a systemic and transformational level. Te Korekoreka is a response to trusting in indigenous knowledge to grow solutions fit for purpose for the community in which we live, work, and serve.

## **Breakthrough Funding Models**

There are number of tool kits that outline different models for funding, from impact investment, gender lens investing (GLI), to blended finance. The tool chosen for this section is from the Australians Investing in Women organisation<sup>13</sup>, which provides several stages and complementary tools to place organizations on the path to an equity centered funding model. As such, this tool illustrates the journey, as well as key tools to complement.

### **Example: Gender wise Tool Kit for Grantmakers**

1. Commit to Gender Inclusion and Equity
  - a. This section is about developing policies and internal practices that place diversity at the center. It is about building the infrastructure and thoughtfully engaging with gender to develop metrics that measures the organizations impact.
2. Make your Commitment Visible
  - a. Developing an overarching commitment statement that aligns the organization with gender wise principles. This operates as a mission statement that keeps the organization accountable.
3. Inform Applicants
  - a. Ensuring your investments are aligned with the overarching mission statement and goals of the organization. In essence, thoughtfully engaging with community and partners with a shared vision or mission.
4. Apply a Gender Lens when you assess applications

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<sup>13</sup> *Australians Investing in Women. (2021). Gender-wise Toolkit for Grantmakers. AIW.*

- a. Consider how the design and delivery of the proposed programs address gender differences in the target groups and give this appropriate weighting in your assessment of applications.
5. Know and Celebrate the Impacts of Gender-wise Grant-making
  - a. Measure impact and report on outcomes with recipients.

### **Example: Criterion Institute Designing an Action Plan for Gender Lens Investment**

Gender lens investment (GLI) is one-way Foundations can approach new ways of funding for social impact. For Foundations, GLI can provide a model which places underrepresented stakeholders at the centre of their portfolio, their overarching program goals, and the supporting practices<sup>14</sup>. Below we present a toolkit from Gender Lens Investing Tool kit from the Criterion Institute. This tool provides a way of integrating and designing equity-centred programs.

There are four sections within the tool which outline each stage of the investment process.

#### ***Stage one: Investment thesis***

This section asks practitioners to devise an overarching thesis and mission to guide the investment. The thesis must cover two things: 1) where an investor believes trends will lead over time and 2) how the investor's financial and social capital will support, promote, and potentially accelerate the realization of their five- to ten-year vision of the future. The investment thesis determines where you invest; the investment process determines how you invest. Investment processes are built on assumptions about what expertise is trusted and what processes are seen as valid within prevailing norms in the investment ecosystem.

#### ***Stage Two: Investment Process***

The purpose of this section is to map out the investment process, to identify what assumptions Foundations are making in each practice and identify where Foundations may want to interrogate your assumptions through analysis to ensure current practices are not built on bias. This section then asks you to

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<sup>14</sup> Ross, F. J. (2015). Mapping the Innovation Terrain for Gender Equality. Stanford Social Innovation Review. <https://doi.org/10.48558/C22R-S259>

challenge these assumptions and practices. To further map the ecosystem, look beyond the organization and identify partners that could help.

### ***Stage Three: Practices to Support Implementation***

This section is about mainstreaming gender into organisational practices. It asks you to consider five key elements: 1) clear vision of success for this process with measurable indicators; 2) high-level, consistent, visible support from senior leadership; 3) investment in technical and financial resources to support gender mainstreaming; 4) accountability at all levels of the organization for the action plan; and 5) an intentional approach deeply rooted in organization culture and competencies – the approach reflects who you already are as an organization. Using these five key elements, the tool asks organizations to develop indicators and metrics to re-enforce and retain accountability for the organization’s investment thesis.

## **Data Fueling Innovation**

Using data for inclusive ideation, project mapping and planning. An interesting tool developed and employed is by the Annie E. Casey Foundation, which integrated racial equity across its data life cycle. This assisted in the Foundation to thoughtfully engage in their approaches to planning, analysis, access to data, use of algorithms, reporting and dissemination. This provides a comprehensive example of ways to approach data management and governance.

### **Example: The Annie E. Casey Foundation: Toolkit for Centering Racial Equity within Data integration**

The purpose of this tool is to build awareness surrounding the types of data and their biases used to inform planning, data analysis, data access, use of algorithms and statistical tools, reporting and dissemination.

#### ***Planning:***

- Including diverse perspectives (such as community members with lived experiences and agency staff who understand the data) on planning committees.
- Building data literacy among organizations and community members, which could range from light engagement through public activities like data “gallery



walks” to more intense involvement, such as community-based participatory action research.

- Establishing a common language and agreed upon sources and methods for reporting on community-based indicators

### ***Data Collection and Analysis:***

- Adhering to data management best practices to secure data as they are collected—specifically, with carefully considered, role-based access.
- Collaborating to develop a shared data collection agenda that is connected to practice, policy, and research
- Working with staff to support equity-oriented data collection practices (e.g., programmatic staff to update a registration form, technical staff to update a “forced” field on a data entry platform)
- Including qualitative stories to contextualize quantitative data

### ***Data Access:***

- They take a multi-level approach to data access organising this in open data, restricted data, and unavailable data.
- Open data that have been identified as valuable through engagement with individuals represented within the data. Clear processes for submitting a request to agency for making data open, including how requests will be evaluated.
- In terms of restricted data, the focus is on best data management practices, thus protecting the identities, ensuring data is protected, and supporting directory-level data sharing among organisations.

### ***Reporting/Dissemination:***

- Creating a range of products to communicate findings across a wide variety of audiences via both online and offline methods of dissemination
- Developing differentiated messaging for different audiences that considers the appropriate level of detail and technical jargon, language, length, format, etc.
- Providing clear documentation of the data analysis process along with analytic files, so that others can reproduce the results

## Diverse, Experimental Culture

This tool kit outlines six building blocks for an innovative culture: resources, processes, values, behaviour, climate, and success. It also outlines an innovation survey<sup>15</sup>

### Example: Six Building Blocks for an Innovative Culture

- 1. Resources:** Resources comprise of three core things: people, systems, and projects. This refers to evaluating the capacity for the organisation to innovate. Key to this is identifying strengths and weaknesses in internal capital to foster an innovative culture.
- 2. Processes:** Processes are the route that innovations follow as they are developed. These may include the familiar “innovation funnel” used to capture and sift through ideas or stage-gate systems for reviewing and prioritizing projects and prototyping.
- 3. Values:** Values drive priorities and decisions, which are reflected in how a company spends its time and money. Values manifest themselves in how people behave and spend, more than in how they speak.
- 4. Behaviour:** Describes the norms of practice and behaviours surrounding innovation. It represents how people interact, the way they work together both inside and outside the foundation.
- 5. Climate:** Creating an environment that nurtures innovation. Building a climate for innovation is a long-term strategy, and often this is the result of compounding incremental changes and shifts across different areas of practice in the organisation.
- 6. Success:** Evaluating what success and impact means for the organisation at the external, organisational, and individual levels. Recognising that external impact may look different than the company. This could mean the difference between social impact within a community, and higher return for the foundation. Or employees maintain a sense of well-being and empowerment throughout a project cycle.

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<sup>15</sup> Rao, J., & Weintraub, J. (2013). *How Innovative Is Your Company's Culture?* MIT Sloan Management Review .

## Appendix A: Participants

The following list includes all who were approached to engage in the project. Many were deeply engaged through the survey, workshops, and interviews. Others engaged through one channel only (such as an interview or survey), and there are a few who remained part of the network but did not share their insights directly. We thank all of you for your engagement and hope you can see your thoughts expressed in the report.

### Foundations

Alberto Furlan – Senior Program Manager, Ian Potter Foundation

Ben Rodgers – Executive Officer, Inner North Foundation

Catherine Brown – CEO, Lord Mayors Charitable Foundation

David Sarley – Senior Program Officer, Gates Foundation

Jackie Coates – Head, Telstra Foundation

Jack Heath – CEO, Philanthropy Australia

Jim Savage – Futures Director Data Science, Schmidt Futures

John Chambers – CEO, Private Philanthropic Trust

Kedest Tesfagiorgis – Global Partnerships and Grand Challenges Lead, Gates Foundation

Kristen Stephenson – Head of Partnerships, Minderoo

Lisa George – Global Head, Macquarie Foundation

Lisa Waldron – Foundation Senior Advisor, Westpac Foundation

Liz Diebold – Managing Director, Skoll Foundation

Maree Sidey – CEO, Australian Communities Foundation

Mark Reading – CEO, Atlassian Foundation

Nick Moraitis – CEO, Foundation for Young Australians

Ronit Kanwar – Partnerships Manager, Schmidt Futures

Ruth Jones – Director, Global Markets, Australian and New Zealand country representative, Asian Venture Philanthropy Network (AVPN)

Stephen Huddart – Past-CEO, McConnell Foundation

Stephen Torsi – Program Manager, Lord Mayor’s Charitable foundation

Susan Overall – Innovation Lead, Private Philanthropic Trust

Taylor Light – Program Manager, Atlassian Foundation

Vicky Rouse – Executive Director for Strategy and Engagement, Foundation for Young Australians

Victoria Thom – Program Director, BHP Foundation

Paul Ramsay Foundation Staff from across the organisation providing input into the report and actions specific to their work.

## **NGOs**

Doug Taylor – CEO, Smith Family

Sarah Grattan – COO, UNICEF Australia

Tessa Boyd-Caine – CEO, Health Justice Australia

Tony Stuart – CEO, UNICEF Australia

## **Social Enterprise and Philanthropy support**

Anthea Smits – CEO, The Difference Incubator (TDi)

Caroline Curtis – CEO, The Australian Centre for Social Impact

David Williams – Executive Director, Programs & Partnerships, Social Ventures Australia (while contributing to this project)

Elise Parups – CEO, Queensland Social Enterprise Commission

Jodi Nelson – independent at time of the project engagement

Lindsey Gottschalk – Director of Partnerships, Data.org

Louise Pulford - CEO, Social Innovation Exchange

Melinda Tuan – Managing Director, Fund for Shared Insight

Tim Prosser – Professional Impact Network Consultant, Social Impact Hub

## **Start-up and Ecosystem Support**

Cindy Reese Mitchell – Founding CEO, Mill House Social Enterprise Accelerator

Matt Stein – Chief Innovation and Investment Officer, Smart Precinct North Queensland

Nicola Hazell – Board Director and Inclusive Innovation Expert

Petr Adamek – CEO, Canberra Innovation Network (CBRIN)

Tony Stephens – Remarkable Disability Tech Accelerator

## **Investment**

Alix Zwane – CEO, Global Innovation Fund

Anne-Marie Elias – CEO, Beckon Capital (while contributing to this project)

Caitriona Fay – Managing Partner, Perpetual

Caroline McLaughlin – Asian Venture Philanthropy Network (AVPN) (while contributing to this project)

Durreen Shahnaz – Founder and CEO, Impact Investment Exchange (IIX)

Grant Hooper – Program Development Manager, Equity Trustees

Jim Clark – Chair, Global Innovation Fund

Joy Anderson – President and Founder, Criterion Institute

Julie Reilly – CEO, Australians Investing in Women

Naina Batra - CEO, Asian Venture Philanthropy Network (AVPN)

Rosemary Addis – Numerous, including Founding Managing Partner Mondiale Impact, and Ambassador for The Global Steering Group for Impact Investment

Ruth Jones – Director, Global Markets, Australian and New Zealand country representative, Asian Venture Philanthropy Network (AVPN)

## **Corporates and Startups**

Clinton Schultz – Founder, Sobah

Lozen Schultz – Founder, Sobah

Michael Metcalfe, Founder, Kynd

Nicole Forrester – VP Purpose, People & Culture, APAC, Fujitsu

Nicholas Marchesi – Founder, Orange Sky

## **Academic (giving University details only)**

Alex Hannant – Griffith University

Anna Jenkins - University of Queensland

Cassandra Chapman - University of Queensland

Chad Renando – GEN Lead AU, Queensland University of Technology

Craig Furneaux - Queensland University of Technology

Federico Marcon – Monash University

Frederik von Briel - University of Queensland

Genevieve Bell - Australian National University

Ingrid Burkett – Griffith University

Joel Bird – Entrepreneurship Manager, University of Queensland

Lance Newey – University of Queensland

Louise Baldwin – Queensland University of Technology

Mark Dodgson – University of Queensland

Martie-Louise Verreyne – University of Queensland

Nimrod Klayman – University of Queensland

Ruth Knight – Queensland University of Technology

Sarah Richardson – University of Queensland

Tiah Goldstein – University of Queensland

Tim Kastle – University of Queensland

Rod Glover – Monash University

## **Lived Expertise Video Participants**

**(you can find the video here: <https://vimeo.com/749836249>)**

Aguang Daw – South Sudanese Minds

Beni Niyonyishu – Hands Up Mallee

Cate McQuilen – Fire to Flourish, Clarence Valley

Chloe Stewart - Independent

Faye Neil – Fire to Flourish, Clarence Valley

Jasmine De Kort – Family by Family

Professor Lisa Grocott – Fire to Flourish, Monash University

Melissa Hughes – Family by Family

Michelle Davies – Independent

Peter Kennedy – Ballarat Community Health

Professor Rebecca Wickes – Fire to Flourish, Griffiths University

Ross Neil – Fire to Flourish, Clarence Valley

Sara Stilianos – Independent

Skylar Cross – Family by Family

Dr Stefan Gruenert – Odyssey House Victoria

Stive Niyukuri – Hand Up Mallee

Trevor Pearce – Fire to Flourish, Monash University

Chris Vanstone – The Australian Centre for Social Innovation



# Appendix B: Literature Review

## Introduction

Philanthropy has existed through most of human history, with the word philanthropy itself being derived from Ancient Greek with the meaning of “love of humankind.” Termed by Warren Buffet as, “Risk Capital”, Foundations have played a central role in fostering innovation across all levels of industry and society (Dodgson & Gann, 2020), and have begun to embrace new ways, new technologies, new models, and ideas within their own activities. Enabling this transformative change requires understanding of current systemic shifts – the changing nature of government and social enterprise, how markets function, investment, entrepreneurship, democratisation of information, and how social norms are shaped and enforced. Our contribution lies at the intersection of this shift.

Society is at a crucial inflection point where unprecedented challenges have overloaded our social welfare, health, economic and political systems. As such, there is growing pressure on Foundations to manage larger and more complex problems. Social entrepreneurs and investors have entered the sphere of social service delivery, opening a new avenue for philanthropic support. This requires us to re-evaluate existing models for social transformation for Foundations. This literature review corroborates the views of academics, practitioners, social entrepreneurs, and Foundations, to identify the key and emerging opportunities and challenges that may exist for Foundations on the journey to enhancing their social impact.

This approach acknowledges that Philanthropic Foundations play a unique role in social transformation due to the level of flexibility many must fund and do things that others cannot or will not. The norms of traditional philanthropy have been orientated around short-term, discreet investment, and their experienced board of professionals have, on the whole, focused on sustaining existing systems rather than transforming them (Curtis, Vanstone and Weinstein, 2019). This presents an opportunity for Foundations to capture the complexity of the challenges they wish to solve through new lenses (e.g., Gender, Culture, Lived Experience/Expertise). These lenses enable Foundations to undertake detailed inquiry into their role in enacting change in the lives of those most vulnerable.

The Australia Centre for Social Impact (TACSI) published a report in 2019 outlining four core contributions of Foundations to change in systems: Giving, Relationships, Direct Contributions, and Internal Change. Enhancing social impact through these core contributions requires Foundations to innovate their approaches to giving (i.e., Breakthrough funding models), Relationships (i.e., Partnerships, Alliances and Ecosystems), Direct Contributions (i.e., Accessing Frontier Ideas, Data fuelling Innovation), and Internal Change (i.e., Agile Program Management, Leadership and Governance, and Culture). While some argue that this requires a radical change in philanthropy, others see potential in incremental change through shifting mindsets, and mental models for measuring social impact. This view is extended by Carolyn Curtis, Trustee of the Fay Fuller Foundation and CEO at TACSI:

“The challenges we face are too great to ignore the power structures, mental models and mindsets that hold problems in place. As institutions, practitioners, and funders we are part of the story that needs to change”.

This places humans at the centre of these necessary changes – humans in Foundations, in communities, and across the ecosystem of impact and need (Australians Investing in Women, 2021). Innovative practices will be required to support and amplify the impact of this human change. Innovation not for the sake of innovation, but new approaches to delivering the social impact our society needs and wants, in ways that empower & engage all, that draw civil society, government, commercial, research and educational stakeholders together for common purpose – to make the world a better place for all.

The aim of this literature review is to illustrate the narratives of existing and emerging ideas and tools that provide Foundations with the key to enhance social impact through innovative means. It recognises that there is a crucial role for philanthropy as an accelerant for innovation and risk-taking and embraces the definition of innovation as “involving novelty and disruption to the status quo and can occur in a wide range of activities” (Dodgson et al. 2014; Dodgson 2017).

## **Opportunities for Change**

From sourcing ideas and solutions within communities, to empowering marginalised voices, enhancing social impact for Foundations could mean a variety of different things (Kania and Kramer, 2011). Furthermore, as each Foundation focuses on different and complex challenges, the models for social

impact differ. As such, this review is orientated around a framework that identifies key facets of potential transformation for Foundations. From *Impactful Leadership and Governance*; *Access to Frontier Ideas*; *Breakthrough Funding Models*; *Partnerships, Alliances and Ecosystems*; *Data Fuelling Innovation*; and *Diverse and Experimental Culture*. Each of these elements represent emerging discussions both in academia and industry. As such, this review breaks down competing viewpoints orientating around providing deep and practical insight on social transformation in Foundations. Each element of the Framework represents fertile areas of research. This review does not intend to cover each one in depth but rather presents opportunities for further research, integrating new perspectives that can assist in new understanding of innovation and social change in Foundations.

### **Integrating New Perspectives for Change: Gender Lens, Lived Expertise, and Indigenous Knowledge**

Throughout this review, you will see that several different lenses are applied to further interrogate and challenge existing theoretical assumptions pertaining to each element of the Framework. Incorporating perspectives that value gender, lived experience/expertise and cultural relativism further assists deeper understanding of how each of these components contributed to innovative practices in Foundations. For example, incorporating a gender lens also embraces intersectionality and cultural diversity in the process of design, decision-making, impact measurement and ongoing change (Rowley, Hossam & Barry, 2010; Early & Heilmann, 2016). Furthermore, growing literature on incorporation of lived experience can foster projects aligned with the interests and needs of the communities of intended impact (Sandhu, 2017). As such, integrating new perspectives/lenses for change can assist in co-creating co-designing and co-delivering innovative ideas that can enhance the Foundation's social impact.

### **Impactful Leadership and Governance**

Leadership has been studied by a wide range of disciplines producing a variety of viewpoints surrounding what impactful leadership may mean for different sectors. As such, this section focuses on "Systems Leadership". Systems Leadership focuses on driving collective impact (Kania and Kramer, 2011). This means working to create the space where people living with the problem can come together to share their experiences. Where the people building the

solutions can think more deeply about what is really happening. And to further explore options beyond existing norms of funding and collaboration. This search for higher leverage can change through progressive cycles of action and reflection and learning over time (Senge, Hamilton and Kania, 2015). This has been broken into four subsections illustrating key emerging points drawn from the literature.

### ***Doing the Internal Work***

The norms of traditional philanthropy, e.g., short term, discreet investments, and a board of experienced professionals, tend towards sustaining existing systems rather than transforming them to something different (TACSI, 2019). The more engaged philanthropy becomes in its ambition to change systems, the more it requires foundations to work on themselves in relation to their mindsets, mental models, and the redistribution of power. However, Brown (2020) illustrates the growing importance of promoting innovation by leaders of Foundations from the board to executive leadership. There five core points supporting this position that suggest: 1) the Founder has a commitment to innovation and the foundation holds to that commitment; 2) the CEO champions innovation, 3) managing risk is a cornerstone of embracing innovation; 4) the Board includes people from professional backgrounds with a good understanding of risk management; and 5) the Foundation team networks with others in philanthropy and in areas of priority to the Foundation, with a focus on learning. Part of this is driving a collective intelligence that recognises that we are also part of the problem we are trying to solve ([Senge, Hamilton and Kania, 2017](#)). This means that at its core, systems change mindset, means re-orientating our perspectives from change as linear, toward change as interconnected ([Dreier, Nabarro and Nelson, 2019](#)). This interconnectedness involves also ensuring that the conditions inside complement the goals for impact on the outside. As such a key element of strong leadership for social change is organizing in a manner that strengthens alliances among stakeholders that may have competing perspectives ([Kramer and Pfitzer, 2016](#)). This requires organisations to think differently about existing power structures and norms within their organisation ([Groysberg et al., 2018](#)).

### ***Power Struggles within Existing Frameworks***

A recent report from TACSI (2019) found that foundation staff who were trying to advance a system agenda felt most constrained by practices within their own organisation. As such, there has been frequent discussion surrounding the influence of existing power structures on the ability of Foundations to extend

their impact. For some this means reducing hierarchy, increasing connectivity across and down the organisation, including diversity on the board ([Groysberg et al., 2018](#)). Integrating a gender lens or incorporating lived expertise into the mix, ensures that the Foundation creates an environment where traditionally marginalised workers can become leaders that drive impact. A challenge within existing frameworks is that traditional organisations do not necessarily create cultures where there is space for employees, from all backgrounds, develop and build the capability of employees to lead innovation through presenting new ideas, developing frameworks and tools. This challenge is also an opportunity, as these spaces do not necessarily need to exist in a physical form but can evolve through fostering a working environment that continuously engages with employees through capacity building initiatives, leadership training (Ibarra, Ely & Kolb, 2013). Through creating opportunities for career development, discussion and exploration employees can become empowered to further engage in the change making process, to gain a greater sense of agency and control over the Foundation's impact. Another effective approach is handing over decision making powers to communities, and people not traditionally represented in Philanthropic leadership.

### ***Making Space for the Community at the Decision-Making Table***

From the Fay Fuller Foundation handing over decision making powers to rural communities to address mental health in rural Australia, to the Swift Foundation adapting their funding cycle from project-based and linear, to multi-year to create more opportunities for systemic change in Indigenous communities (TACSI, 2019). By making space for different perspectives, Leadership that embraces difference has the potential create more equitable governance mechanisms ([Feyes, 2018](#)). Diverse representation in leadership and specific strategies to shift power, so that those with formal power are able to engage with, listen to, share power with, and act on the wisdom of the community ([Blackwell, 2018](#)). As a result, many foundations are looking for more equitable, distributed working models, so that they can avoid perpetuating the inequalities and power imbalances they aim to disrupt (Kuenka, Hannon and Le Brun, 2019). Central to this is integrating lenses that re-orientate our focus toward gender and indigenous knowledge, as way through which foundations can weave multiple worlds together through interpersonal relationships. Some practices operate at the intra-organizational level—they bring together potential supporters with very different interests into one organization—and others are inter-organizational—they create alliances among existing organizations. This sees alliances built upon

a need for diverse perspectives for driving social impact and broadening existing capabilities.

### *Diversity as Key to Driving Impactful Innovation Practices*

While leadership that is agile and inclusive is important, having a diverse network and pool of talent both inside and outside of the organisations plays a critical role in driving social innovation. These compelling new social relationships between previously separate individuals and groups which matter greatly to the people involved, contribute to the diffusion and embedding of the innovation, and fuel a cumulative dynamic whereby each innovation opens up the possibility of further innovations ([Blackwell, 2018](#)). This surfaces the growing link between social entrepreneurship and philanthropic practice. This approach highlights the critical role played by the ‘connectors’ in any innovation system – the brokers, entrepreneurs and institutions that link together people, ideas, money, and power – who contribute as much to lasting change as thinkers, creators, designers, activists and community groups ([Mulgan, 2015](#)). By fostering a social impact ecosystem consisting of diverse voices such as gender, lived expertise, indigenous knowledge; Foundations can thoughtfully engage with innovative, place-based approaches to enhancing impact.

This work is reflected in the works of Kania et al. (2021) in centering equity for collective impact where they outline five steps to including diverse perspectives for impact. These are:

1. A common agenda, shaped by collectively defining the problem and creating a shared vision to solve it.
2. Shared measurement, based on an agreement among all participants to track and share progress in the same way, which allows for continuous learning, improvement, and accountability.
3. Mutually reinforcing activities, integrating the participants’ many different activities to maximize the result.
4. Continuous communication, which helps to build trust and forge new relationships;
5. A “backbone” team, dedicated to aligning and coordinating the work of the group.

These steps all work to support the idea that leadership and governance of impactful innovation requires shifts at several levels. It is about forming and managing an environment that is inclusive and welcome to new perspectives, while also revising and reflecting on existing practices underpinning normative sequences of philanthropy. Applying different lenses such as that of a gender or IDEA lens has the potential for practitioners to thoughtfully engage and experiment with new potentially innovative ideas. For example, [data.org](https://data.org) released Organizations that embrace different lenses are able to foster organisational cultures that minimize bias and recognize and address systemic inequities, which, if unaddressed, create disadvantages for certain individuals or groups that they wish to help. While these lenses denote an explicit act of applying a new perspective on existing practice, they signal a movement toward ideas and internal philosophies that are systems-focused and orientated toward long-term change, from transactional to transformational (YImpact, 2021).

### **Access to Frontier Ideas**

Access to Frontier Ideas can come in a variety of different forms. For Foundations, this has often been aligned with Social Entrepreneurship. For organisations more broadly, this has been viewed as a developmental and learning initiative. However, both viewpoints are underpinned by the idea that foundations can best use their networks, resources, and other opportunities to create innovative and impactful solutions to complex or ‘wicked problems’ ([Head, 2019](#)). Current models for social impact in Foundations are orientated around “isolated impact”. As mentioned earlier, discrete, and localised forms of investment have been a norm for philanthropic giving. However, there is a growing movement for Foundations to shift the lens to empower marginalised perspectives in the problem-solving process (Okech, Nezmerly and Mackinova, 2020). By integrating people with lived experience and embracing gender diversity, the Foundation can gain access to a network of ideas not traditionally included in decision making (TACSI, 2019).

For example, Marrin Weejali Aboriginal Corporation, Aboriginal Family Workers Support Group, MacKillop Family Services and Cages Foundation New South Wales developed a programme for co-parenting designed by Aboriginal parents for Aboriginal parents. By drawing insight from 12 Aboriginal families, they developed a framework and toolkit orientated within a collective vision of what families and communities need ([TACSI, 2020](#)). This approach also empowers

those who are impacted by the social challenges, and if combined with a corporate lens, can yield social impact businesses and revenue for those affected.

Addressing wicked problems, that are persistent and long term (Head, 2019), sees Foundations drawn toward social entrepreneurial ventures (Muir, 2015). This sees the rise of social venture ecosystems, and 'accelerators' for sectors, such as health and education or cross-cutting themes such as ageing or care, with an emphasis on scalable innovations. For example, Nesta's Young Foundation Health Innovation Accelerator is a new model for speeding up the creation and development of social enterprises in the health sector. The Health Launchpad's aim is to stimulate and encourage innovative ideas, wherever they may come from, and to turn those ideas into new ventures that will make as profound an impact as possible on the UK's health and quality of life.

This social venture approach must include new ways to support the growth of social impact ideas. As such, this leads to the next section which describes the potential of breakthrough funding models to drive social impact in Foundations.

### **Breakthrough Funding Models**

There are several different funding models for Philanthropic giving within the entrepreneurial sphere (see Table in Appendix 1). Conventional avenues for investment from donations to grants, require recognition of the trade-off between risk and return (Nicholls and Pharoah, 2008). Extant research on investment in Foundations explores many different ideas such as: Socially Responsible Investment (Yan, 2019; Gomes, 2020), Social Impact Bonds (Del Giudice et al., 2019), Social Prescription (Dayson, Fraser & Lowe, 2019), Social Procurement (Barrakket, Keast & Furneaux, 2015; Denny-Smith, Williams & Loosemore, 2020). However, research remains primarily in the for-profit sector, addressing ideas, such as financial return trade-offs (Glac, 2009), demographics (Berry and Junkus, 2013), the role of personal values (Pasewark and Riley 2010), and the importance of social identification (Bauer & Smeets, 2015). Despite their economic power, Foundations' current grant making strategies are seen as no longer matching the emerging realities of tomorrow (Kasper and Clohesy, 2008).

This sees the rise of Foundations in reconnecting their capital with communities they are investing in (CCI, 2018). This idea emerged from the Centre for Community Investment in the US which worked with Foundations, and other NFPs to orientate investment directly through communities. This saw a shift from funding incremental programs that have predictable and quantifiable results



(Kasper and Marcoux 2014) toward assessing local priorities and capital needs, creating, and analysing project pipelines, and identifying chokepoints to address through changes in policy and practice. Central to achieving this is building a collective vision with the community. Furthermore, it requires building an enabling environment – fostering relationships with community members, accessing capital from Foundations and other organisations, and identifying potential challenges ([Hacke, Wood and Urquilla, 2018](#)). Furthermore, this also signals a shift in diversity lenses for investment.

The Criterion Institute represents a prominent example of this shift, helping Foundations apply a gender lens on investment. For example, the Criterion Institute (2019) developed the Blueprint Toolkit to help *philanthropic organizations committed to gender equality to use finance as a tool for social change. It functions as a model, to provide guidance.* Gender lens investment is still a fairly nascent field, however it enables organisations more broadly to take into account gender factors when investing in social issues that may impact people of all different kinds of gender identities ([UN Women, 2021](#)). As for what that means for Foundations, this requires developing inclusive giving and capacity building strategies that centre equity and justice and the communities most affected, and grant making structures and processes that shift power to proximate leaders ([Reich and Sahni, 2021](#)).

This literature review highlights a pertinent gap where impactful innovation in the context of Foundations requires a shift. This shift from transactional to transformation (Hannant, 2020) signals a shift in existing scholarly discussion toward delivering transformational impacts for people and places rather than simply becoming an extension of prevailing financial paradigms and practices. Distribution of responsibility within a broader network of stakeholders either through start-up accelerators, initiatives partnering with NGOs, applying a Gender lens to Finance; bolsters the capacity of the Foundation to scale impact and reap returns. The shift does not only require a shift in how capital and funding is valued and used by Foundations – it also signals a shift in approaches to programme management.

## **Flexible Program Management**

There are a few different viewpoints on flexible programme management in Foundations. This operates on four different levels: Firstly, the limitation of

internal infrastructure to drive impact. Secondly, new, and emerging pathways toward flexible forms of project management. Thirdly alternative pathways that Foundations have taken to address long-term change beyond the completion of the project cycle. Fourthly, incorporating short-, mid- and long-term strategies into the project management conversation.

### ***Recognising the Place of Foundations for Impact***

The problems placed on the shoulders for Foundations to solve are becoming increasingly complex, requiring internal change regarding managing projects within this complexity. However, a persistent challenge for Foundations and NFPs is the lack of internal investment on the overhead costs of to change. This is known as the “starvation cycle” (Gregory and Howard, 2009) which outlines the cycle of deficient investment in the needs of the not-for-profits (NFPs) and Foundations to drive impactful and innovative change. From access to adequate software to measure social impact and change, to hiring the talent to drive that change. One-way Foundations have overcome this cycle is through building mission focused partnerships and alliances aimed at fostering change in the short, mid, and long term (De Backer and Rinaudo, 2019). This re-iterates the importance of integrating a holistic approach to project management, clearly identifying the needs both internally and externally across the course of all project cycles ([Cicmil et al., 2006](#)).

Increasingly research has identified the limitations of project-based approaches to social change, advocating for investment in more agile and entrepreneurial ventures ([CSI, 2021](#)). This enables Funders to provide innovation funds and support incubators to foster the development of new ideas rather than the Foundation handing out grants and managing projects (Pearson, 2007). Co-design has been an emerging factor of interest in incorporating new voices into the project development process (Britton, 2019). This requires a level of flexibility for existing organisational structures to be able to manage a wide and diverse network of stakeholders. This could further emerge by applying a different lens to the project. Drawing upon a gender lens or engaging with communities to set interim goals for the project (TACSI, 2019). By shifting the perspective, the Foundation can re-orientate the conditions associated with the stages of the project cycle – at each stage the goals can be revisited to ensure impact and

continued alignment. Thus, Foundations can better manage the uncertainty that arises from complex social challenges (Sharpe et al., 2011).

For others this means enacting and co-designing solutions through a social venture ecosystem. For example, the Skoll Foundation connects and invests in a social entrepreneur, and new ideas to empower others with the tools to drive long-term change orientated around the issues they aim to solve. This shifts the responsibility toward social enterprises in the ecosystem to enact change, meaning the role of Foundation operates as more of a “standard setter” and “intermediary” (Autio and Levie, 2017). For example, ProMo-Cymru, a Welsh based social enterprise, received funding from the Nesta Foundation to test more innovative ways of delivering timely and appropriate sexual health information to young people. This was achieved by designing and developing a digital service with young people that would be more effective at delivering what they needed. This occurred through a series of workshops resulting in a digital prototype increasing access to sexual health awareness (Nesta, 2022). This illustrates the potential for Foundations to enhance social impact and maximise returns beyond traditional project cycle. This common agenda is a vision shaped by collectively defining the problem and creating a shared vision to solve it. Resulting from this are increasing calls for further research on how Foundations can manage expanding responsibilities through a common vision shared across a diverse ecosystem of partners and allies (Kania and Kramer, 2011; Hogarth, Lejarraga, and Soyer, 2015).

The challenge then becomes how can Foundations sustain social impact both beyond traditional project cycles, and within the social impact ecosystems that they create. McKinsey’s Three Horizon Model has been a prominent tool for organisations to gain foresight into their projects across short, mid, and long term (Sharpe, Hodgson and Leicester, 2016). This enables a systems perspective on the issue, enabling organisations to manage complexity (Hogarth, Lejarraga, and Soyer, 2015). Flexible Program Management requires organisations to manage complexity by setting a common agenda. For example, in April 2020 the Schwab Foundation launched a COVID Response Alliance for Social Entrepreneurs, that saw 86 global leaders come together from both private and public sectors. The pooling of knowledge, experience, and responses mobilized a level of support that place a vital role in protecting livelihoods and workers on the frontlines of COVID response. As such, the pandemic demanded a different approach that means donors and foundations had to work a local level driving peer-to-peer, community-led and participatory grant-making models (McKinsey, 2021). This

meant that Foundations had to go beyond their traditional boundaries to form alliances, partnerships, and ecosystems; and generate ideas in those networks and collaboratives that could enhance and localise their impact during uncertainty.

### **Partnerships, Alliances & Ecosystems**

While literature on partnerships, alliances and ecosystems traverses a broad spectrum of ideas and disciplines – this section is focused on these ideas in the context of social innovation. The significance of social innovation ecosystems for successfully meeting social, economic, political, and environmental challenges of the twenty-first century is recognized by stakeholders on the local, regional, and even national level (Domanski et al., 2020). However, when it comes to partnerships and alliances for change, this requires a cognitive shift, and openness to experiment. As Mulgan et al. (2007) point out, the factors that encourage social innovation are often like those that promote innovation in the private sector, including: innovation-supporting leaders; specific sources of finance; empowered, incentivized and well-trained innovative individuals; R&D tailored to particular challenges and contexts; and incubators for new ideas. They also refer to the: “critical role played by the ‘connectors’ in any innovation system—the brokers, entrepreneurs and institutions that link together people, ideas, money and power”. Philanthropy can make a powerful contribution to social innovation by supporting such intermediaries.

Partnerships and alliances can be transformative for communities. For example, Local Strategic Partnerships is an interesting example of how partnerships can drive change through localised social ecosystems (Aulakh et al, 2002; Hastings, 2003). At the local level, these partnerships draw together a network of actors operating at a level which enables strategic decisions and policy to be applied at a grassroots level by engaging directly with communities (Davies et al., 2011). The challenge here is that when the initiative ends, or the funding is finished – the foundation is left with a legacy of “isolated impact”. This isolated impact means that while partnerships are important and enabling, enacting systemic change requires a different approach to collaboration. Scholars are addressing this challenge by shifting their focus from partnerships to alliances.

On the flip side, Foundations can also play several different roles in ecosystems, and alliances. They can be the backbone, connectors, or anchors in the system. Porter (2019) discusses the idea of anchor collaboratives which are networks of local anchor institutions that work together to align their collective resources to

benefit the place they are anchored in, usually through formalised alliances and strategies. These collaboratives often engage with a broad system of stakeholders, integrating and managing ideas, resources, and impact within a broader ecosystem. However, the challenge remains as to what this looks like for Foundations, and what is their role in driving collaborative impact as part of a partnership, alliance, or ecosystem. The Centre for Social Impact conducted a systematic view of collaboration, to understand the core dimensions and sub-dimensions that drive healthy collaborations. The Centre for Social Impact (2020) studied collaboration which sees a number of core dimensions overlapping with, we expand upon their core dimensions such as: shared goal (vision/purpose), shared resources (funding, capability), shared authority (power dynamics), accountability, and systems thinking, and adaptive capacity. Each of these reflects elements of this report's core thesis, the idea that social innovation in foundations requires a shared vision, collaboration, and effective strategies to manage complex power dynamics that could both accelerate and hinder the progress of the project itself (Farr, 2018). but also illustrates clearly that collaborative impact is multi-dimensional (Dees et al., 2008; Kania and Kramer, 2015).

Social alliances are broadly defined as voluntary collaborations between business and social enterprises addressing social problems too complex to be solved by unilateral organizational action (Sakrya, et al., 2011). Alliance-building is based on cultivating authentic relationships with a diverse range of stakeholders. A good example is TACSI's framework for "co-parenting for Aboriginal communities" (TACSI, 2020). This program-built alliances with government, Foundations, charities, community leaders and families to identify needs, explore solutions and invest accordingly. Fostering catalytic alliances that empower the needs of the communities impacted has the potential for social impact beyond completion of the project cycle. Many Foundations are forming social impact ecosystems that embrace diverse perspectives enabling new solutions to complex challenges (Tengo et al., 2014).

There is a growing body of literature orientated around Foundations and their capacity to build partnership, alliances, and ecosystems. Underpinning this is a deeper conversation surrounding power structures involved in traditional investment and project management. Hauser (2020) identifies three types of power: centralised, shared, and decentralised. The distinctions between partnerships, alliances, and ecosystems for Foundations is underpinned by differences in the diffusion of power. For partnerships control is largely

centralised, where the Foundation remains in control of the project's goals and outcomes. This is traditionally more aligned with discrete and localised forms of giving (Kania and Kramer, 2011). Alliances are less formalised, and sees the power shared among the organisations in the formal Alliance. As with the example from TACSI (2020), orientating solutions within communities.

Ecosystems represent a useful model for the decentralisation of power – understanding that the Foundation is a part of a broader group of stakeholders operating together both formally and informally, that ideas can come from anywhere, and that the ecosystem is set up to connect ideas to opportunity and impact scale as quickly as possible. They can be built for the growth of many new ideas into scalable businesses ([Tengo et al., 2014](#)). This has been achieved for economic diversity, for example the Canberra Innovation Network built for collective impact, where entrepreneurs are part of a broader ecosystem that supports their company's growth and success (CBRIN, 2019). Social impact organisations are part of this ecosystem and benefit from the connections to support. Foundations would also benefit and provide benefit if they were to join in.

Ecosystems can also be built around specific challenges or outcomes. This requires Foundations to establish new practices surrounding project management and governance that can still provide direction for investment. For example, a social innovation lab 'strategically brings people together at a time when persistent problems, disruptive changes or a crisis demand that stakeholders come together to make new sense of the situation' (Westley et al., 2015). It offers spaces and resources for teams consisting of citizens, business companies, public administration, policymakers, and researchers and creates an innovative milieu. An example of a Foundation attempting to be part of an ecosystem for a specific topic is the McConnell Foundation. In a TACSI report (TACSI 2019) a representative stated: "So we redefined our role; we are curators or stewards of the ecosystem around an issue. As a foundation with an ability to take risks and as a politically neutral player not looking for money, we can be the connective tissue between parts of the ecosystem".

Research into ecosystems for social impact is relatively new, with promising work underway, but does exist for economic growth. While evidence suggests that access to a broader network of stakeholders can minimise costs in the short term, the value of an innovation ecosystem lies in increased access to social capital. Furthermore, for Foundations an innovation ecosystem can access to a wider

range of stakeholders with access to different skill sets and capacities which can complement the demands of social impact projects (Bandera, 2018). Central to managing this is *“the deliberate cultivation of interpersonal networks”* as a tool for encouraging knowledge flow and innovation (Singh, 2005). These interpersonal networks require a level of social proximity and nurturing whereby the innovation ecosystem must establish a shared vision of the expected project outcome (Russell et al., 2011). Central to driving these outcomes is building and managing a diverse ecosystem of stakeholders. Building and managing innovation ecosystems in the context of Foundations and NFPs is a nascent field of research.

In the management context, there are wide range of different types of ecosystems that consist of different dynamics and network structures (Ali-Vehmas & Casey, 2012). Williamson and De Meyer (2012) listed six ways organizations can realize the benefits of the ecosystem: i) pinpointing the added value, ii) structuring differentiated partner roles, iii) stimulating complementary partner investments, iv) reducing transaction costs, v) enabling flexibility and co-learning, and vi) engineering value-capture mechanisms. However, along with new opportunities afforded in line with access to increased social capital, comes a new set of risks. This presents a challenge for traditional risk-averse philanthropic practice, requiring researchers to forge a new conception what an innovation ecosystem may look like in the social impact field. This review will be extended to extract learnings from this more mature research to add insights to how to build social impact ecosystems.

## **Data Fueling Innovation**

Data in Foundations is a crucial piece of the puzzle. From analysing the challenge, to assessing the solutions, to measuring and communicating the impact to build support, and using open data to build businesses on.

## **Measuring Impact**

Social Innovation in any organisation requires a level of change. Making the case for change at all levels of the Foundations requires communicating effectively how that change can be positive. For example, the Centre for Social Impact developed a toolkit for effect measurement and communication of social outcomes (Muir and Bennett, 2014). This is underpinned by the belief that identifying, evaluating, and communicating best practice in the delivery of social

outcomes is essential to create meaningful and sustained change. For Foundations this is broadly focused on deconstructing what are the inputs, outputs, and outcomes for their project.

Traditionally, the uptake of social impact evaluation in NFPs in Australia made great demands on the time and resources of non-profit organisations and various modifications to the original model were made to make it less numerically rigorous and more descriptive. A key insight from this experience was an understanding that conducting a program or organisational evaluation could be useful as a tool for organisational review and development rather than producing objective and comparable measures across organisations (Zapala and Lyons, 2009).

The inputs refer to resources required to fulfil the project goals (Muir and Bennett, 2014). To sufficiently address this, and to avoid the “starvation cycle”, Foundations are drawing upon a systems view to think about how the external context may impact resource needs, time and talent internally ([Cicmil et al., 2006](#)).

The outputs refer to the extension of resources required to make an impact (Kellogg, 2004). As such, this requires Organisations to break down the goals and processes of the project, to communicate effectively what actions are required to achieve certain outputs (Zapala and Lyons, 2009). This is an important aspect as it could further illustrate the feasibility of alternative pathways toward investment and project management. For example, a Foundation building an incubator program must illustrate how the aims of the program, the resources and capital invested can provide tangible outputs in the long term. This may require Funders to make the case for change, which requires the navigation of different power dynamics, policies and change bottlenecks (Waggoner, Neely and Kennerly, 1999).

Outcomes refers to systemic changes in attitudes or practices surrounding the problem. There are several different ideas of what a positive outcome for a social investment is. Millar and Hall (2013) outlined a series of guidelines surrounding Social Return on Investment. While a prominent viewpoint in traditional ideas of philanthropy, we can see the movement transitioning from driving transactional outcomes to transformational outcomes (Yunnus Centre, 2019). This shift in outcome value is further surfaced in toolkits developed by TACSI (2020), that focus on “place-based” delivery of social outcomes. Thus, providing a new way to monitor and measure social impact at the community level. Evaluation can also be used in retrospect to understand what works and what does not work, as part



of a broader process of strategic learning for the Foundation itself (Burkett, 2018). With structural innovation redefining outcomes and values, there is also further work that focuses on the performativity of data to fuel evidence-based outcomes in Foundations and NFPs.

Data as an enabler Innovative Foundations are beginning to operate in what has been described as the “transition arena”, which focuses on long term thinking, empowering change agents, supporting transition and problem searching (Lorrbach, 2015). For example, Nesta Foundation uses data not only to unlock new ideas and measure its impact – but to also inform stakeholders on the issues of interest. They do this by using data to highlight progress, impact, and insights about the issues they are addressing. Drawing upon new data sources and data science methods, Nesta capitalises on new opportunities to identify, understand, and tackle urgent societal and economic challenges. This approach is nested in a diverse social ecosystem of enablers and connectors that provides different perspectives orientated at a complex problem. This shows the performative power of using data, and how data can fuel innovation within social ecosystems in the context of Foundations.

For example, Foundations working with communities can build databases reflecting key indicators surrounding data and insights from their work on different issues (Day, 2020) and make this available both inside and outside the organisation. This builds a knowledge ecosystem enabling other organisations that may not have the resources, to enact change and make evidence-based decisions drawing upon data from the field that is made openly available.

One such example is an education non-profit buildOn. The organization’s manager oversees a suite of data tools from a range of providers that is essential to running complex, collaborative, and geographically distributed tasks to construct schools in poverty-stricken countries around the world and run education and community service programs in the United States. BuildOn breaks down data siloes by creating a collaboration database linking into public and government sanctioned databases (Day, 2020). In Malawi, buildOn might coordinate 15 to 20 simultaneous projects with numerous stakeholders across 100 different communities that have varying degrees of connectivity to the internet. As such, identifying which areas may not be able to access BuildOn’s services has enabled the organisation itself to re-think and re-orientate its outputs in those areas. Drawing upon and increasing access to data, contributes to deeper

insights and perspectives that can drive a diverse and experimental organisational culture for Foundations.

## **Data and Technology**

There are many examples of the use of technology with data for social impact. This review only highlights a very small portion of these to demonstrate some of the opportunities. The potential for technologies like Artificial Intelligence (AI) and blockchain to drive more innovative approaches to funding is showing promise (Nambisan, 2018). AI could be used to screen applications for support and grants, revealing data about the applicants and their likelihood of achieving stated objectives, and assess whether these objectives comply with the values and strategies of the donor. The technology can conceivably remove embedded biases in decision-making.

Blockchain can be used to empower beneficiaries to live freer lives in difficult circumstances. For example, Building Blocks is a United Nations World Food Programme (WFP) that enables cash transfers to refugees in conflict zones using blockchain technology. Using blockchain not only ensures that there is a clear log of which refugees have gained access to aid, it also empowers recipients to purchase what they need individually rather than being given the same as everyone. It also protects the vulnerable against theft. There is also a log of accountability for the Organisations distributing aid to the community. This sees the power in the performativity of data to overcome persistent problems for organisations in communities.

Applying a gender lens to understand the power of data and technology enables us to further scrutinise the systemic challenges that creating a diverse working culture surface (Margolis et al., 2015). This surfaces an important factor for Foundations to consider how they collect data, and how it is integrated into their justification for decision making and assessment of impact. A long history of the integration of technology in medicine, car manufacturing, government policies, and recruitment demonstrates the pervasive impact of imbalanced data. The challenge is that we assume data to be objective because we view numbers as neutral and rational. However, Perez (2019) points out the decision-making on how we collect data influences the impact of data. As such, incorporating lived expertise or gender into the mix, enables Foundations to further scrutinise bias in

reporting to construct an intersectional and relative conceptualisation of their role, and their capacity to enact change.

## **Diverse, Experimental Culture**

There are two central and recurring themes emerging from the literature review:

1. The centrality of diversity of lenses (cultural, gender), perspectives, relationships, ideas, and measurements that define social impact for Foundations.
2. Creating conditions to enable experimentation with alternative pathways to project planning, management, and outputs.

As illustrated by Baumgartner (2020) organisational culture is dependent on the relationships and people that work within the organisation. Leadership can drive innovative culture by embracing diversity, hiring talent with different perspectives, fostering a cycle of attracting new and different ideas into the organisation ([Blackwell, 2018](#)). It can also be supported by opening the organisation through partnerships and alliances. The centrality of relationships presents opportunities for Foundations to access new partnerships and alliances that embrace 'holistic' and 'place-based' solutions to complex problems (Kania and Kramer, 2015). This has implications for the broader power dynamics of the organisation itself. Furthermore, this could also come in the form of applying a new lens to a social problem. Gender lens investment (Criterion Institute, 2019) provides a new perspective and blueprint for considering other factors that may impact the delivery of services, or outcomes. Furthermore, this could also come in the form of trustees with lived experience of the cause on charity boards, adding insights, increasing collective understanding, stimulating thinking, and ensuring richer discussion and more sophisticated solutions (Ordogne, 2021; Prins, 2022)

Central to a culture that encourages innovation is the opportunity to create conditions for experimentation. Innovation could come in the form of a new lens, or through collaboration. However, what this requires is both building a condition, and set of habits and norms that foster a diverse culture. This can be achieved internally in some organisations, usually through an internal innovation lab. In the review, we have outlined a series of alternative pathways to experiment externally, such as through incubator programs. Incubators illustrate a shift in power dynamics, as each component of investment may not be quantifiable in outputs and may be measured by others. For example, buildOn places value on evidence-based decision making and solutions tailored from the needs of the

community (Day, 2020). Furthermore, another example illustrated before was with the investment by Nesta in ProMo-Cymru Cabeza et al., 2009; Rhisart et al., 2016) to test a portfolio of more innovative ways of delivering timely and appropriate sexual health information digitally to young people. Both examples represent an innovative way to engage in a social challenge, by identifying the root of the issue and capitalising on digital technologies to experiment with solutions. This highlights the centrality of a culture that supports experimentation that can enhance innovation for Foundations.

## **Opportunities for Further Research**

While this review explored a broad suite of different concepts, there are further areas that could be researched. These areas focus on re-orientating conversations around Foundations from a systems perspective. Nesting the organisation in a broader system of challenges and stakeholders enables a multi-level perspective of complex problems (Franco and Derbyshire, 2019). Furthermore, practice-based approaches to understanding funding processes in Foundations, can enable more applied understanding of opportunities for breakthrough funding models. Research into the ecosystem approach to social impact is also in the early stage and would benefit from the study of its practice, as well as its practice itself.

Furthermore, this review surfaces the growing importance of incorporating the experiences of diverse and underrepresented perspectives, such as gender, indigenous, lived expertise. Across this review, we emphasised the ongoing importance of incorporating a gender equity lens on elements of the framework. By applying each of these lenses we position practitioners to ask the question: “Who is not represented here?” We enable contextualisation of problems, stakeholders mapping, resources, and processes within an interconnected system. As such, enhancing social impact through by applying different lenses supports equal recognition of individual experiences. This support enables Foundations to re-evaluate success beyond financial return, to view success at the organisational, community and individual levels. Thus, we start to see the ongoing power structures that shape the norms of practice and engagement within Foundations. This review, broad in scope, touched upon the different ideas and examples where systems thinking that enhance Foundations to enhance innovation in a way that addresses the root cause (Newey, 2018), and the complexities that come with it (Kylander et al., 2022).

Part of managing these complexities is navigating the risks associated with the innovation process. Current literature, and reporting assumes that risk is different in the context of funding in Foundations. As such, exploring the role that risk plays in driving social innovation and social impact catalysed would provide practical insights for organisations navigating complex social changes (Milway and Saxton, 2011). Understanding the performative power of data and transparency in communicating new ideas within organisations is also unexplored in both literature and reporting. Furthermore, it raises further questions surrounding how we can build effective frameworks to measure social impact that may not be quantifiable. For example, how does a Foundation measure the outcome of its impact in a Social Enterprise? Furthering this point, to what extent does this shift the power dynamics that drive existing funding and project management norms for philanthropic giving.

Moving forward, the nature of Philanthropy is changing and evolving more quickly than ever, with new societal challenges, new players, and new strategies. In this time of change, questions of how foundations can optimize their effectiveness for the public good are increasingly urgent—and the ability to self-reflect or even be introspective on an organizational level is critical (Bahr, 2019, Berman et al., 2017).

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# Appendix C: Survey Questions

## Section 1. Your Model for innovation

There are many models for innovation applied by organisations – if there was one perfect one, we would all be using it. This question explores what you think might be best for a Foundation to apply.

If you are from a Foundation, please answer the following questions. If you are not from a Foundation, please proceed to question 1.2

Q 1.1 Tell us a bit about your organisation's model for innovation. For instance, do you have an internal innovation team, or is everyone accountable for innovation? Or do you support external organisations to deliver innovation for you?

Do you think the model/s your organisation uses is/are working, or would an alternative be better?

If you are not from a Foundation, please answer the following question.

Q 1.2: What models for innovation would you recommend to Foundations, and why?

## Section 2. Impactful Leadership & Governance

The way Leadership sees, supports, and demonstrates innovation is a key driver of sustainable success in an organisation. The way innovation programs are governed (for instance how funding decisions are made, and the level of empowerment of staff) is just as important.

Q2.1: What is your organisation doing well, or what have you seen that works, on this topic?

Q2.2: What is key to get right on this topic?

Q2.3: What barriers & challenges do you see?

Q2.4: What medium term opportunities exist for change?

Q2.5: If you could do or recommend something that was a 'reach', what would it be?

### **Section 3. Access to Frontier Ideas**

Organisations are realising more and more that there are lots of great ideas outside their organisation. From co-design sessions to Global Challenges, to engaging with community groups and start-up ecosystems, they are reaching out in many ways.

Q3.1: What is your organisation doing well, or what have you seen that works, on this topic?

Q3.2: What is key to get right on this topic?

Q3.3: What barriers & challenges do you see?

Q3.4: What medium term opportunities exist for change?

Q3.5: If you could do or recommend something that was a 'reach', what would it be?

### **Section 4. Breakthrough Funding Models**

New funding models for philanthropy and innovation are being explored. Moving beyond grants and contracts, organisations have been testing actions such as Impact Investing, Impact Bonds, Blended Finance etc.

Q4.1: What is your organisation doing well, or what have you seen that works, on this topic?

Q4.2: What is key to get right on this topic?

Q4.3: What barriers & challenges do you see?

Q4.4: What medium term opportunities exist for change?

Q4.5: If you could do or recommend something that was a 'reach', what would it be?

## **Section 5. Flexible Program Management**

As organisations fund projects differently, working with early-stage ideas whose outcome is unknown, this will mean new, more agile ways of managing projects and new capabilities will be required.

Q5.1: What is your organisation doing well, or what have you seen that works, on this topic?

Q5.2: What is key to get right on this topic?

Q5.3: What barriers & challenges do you see?

Q5.4: What medium term opportunities exist for change?

Q5.5: If you could do or recommend something that was a 'reach', what would it be?

## **Section 6. Partnerships, Alliances & Ecosystems**

Social change involves complex systems. Complex systems comprise varied stakeholders who need to be able to partner to ensure scalable impact. Partnerships are rewarding but hard. Increasingly Funders are turning to alliances to leverage a range of resources and influence. Funders need to come together with communities, industry, government, research, entrepreneurs, and other Funders to ensure new ideas are supported in more than a piecemeal approach, maximising the possibility of scaling successfully.

Q6.1: What is your organisation doing well, or what have you seen that works, on this topic?

Q6.2: What is key to get right on this topic?

Q6.3: What barriers & challenges do you see?

Q6.4: What medium term opportunities exist for change?

Q6.5: If you could do or recommend something that was a 'reach', what would it be?

## **Section 7. Data Fueling Innovation**

Data is the key to everything! Data to assess the need; to map the ecosystem of potential partners; to manage programs as they progress; to measure impact; and data as a resource on which to build new social enterprises

Q7.1: What is your organisation doing well, or what have you seen that works, on this topic?

Q7.2: What is key to get right on this topic?

Q7.3: What barriers & challenges do you see?

Q7.4: What medium term opportunities exist for change?

Q7.5: If you could do or recommend something that was a 'reach', what would it be?

## **Section 8. Diverse Experimental Culture**

Culture of innovation is hard to put your finger on, but so important. Risk appetite, celebration of both failure and success, inclusivity, agility – culture is multifaceted.

Q8.1: What is your organisation doing well, or what have you seen that works, on this topic?

Q8.2: What is key to get right on this topic?

Q8.3: What barriers & challenges do you see?

Q8.4: What medium term opportunities exist for change?

Q8.5: If you could do or recommend something that was a 'reach', what would it be?

## **Section 9. Technology for Good**

In addition to the above questions relating to the Framework, we would really like to hear about how Foundations can use technology. Technological advances, including AI and Big Data, drone technology, medical technology, all offer amazing opportunities to trial new approaches to solve old challenges in education and health

Q9.1: What is your organisation doing well, or what have you seen that works, on this topic?

Q9.2: What is key to get right on this topic?

Q9.3: What barriers & challenges do you see?

Q9.4: What medium term opportunities exist for change?

Q9.5: If you could do or recommend something that was a 'reach', what would it be?

## **Section 10. Recommendations and Feedback**

This section is for you to provide us with your recommendations for literature, case studies and other models to further explore. You are also invited to provide feedback on the survey.

Have you seen any good case studies of any of the above that have been written up and if so, where can we find them? Please feel free to provide further feedback regarding the survey and broader study.