
A KALEIDOSCOPE OF INNOVATION: DESIGNING COMMUNITY IMPACT IN THE WATERLOO REGION

Diana Denton & Tracey Robertson

INTRODUCTION

A NEW ERA OF DEEP AND WIDESPREAD CHANGE ACROSS ORGANIZATIONAL SECTORS is developing as a result of increased cultural diversity, turbulent global economies, complex technologies, growing generational divides in the workforce, and broad changes in organizational structures and cultures. Dramatic shifts in the economic landscape are challenging the community sector² to adapt and find new ways to respond. The status quo is not okay. As Tim Brodhead, president of the J.W. McConnell Family Foundation, has suggested in this publication, the issues and challenges facing the community sector have been accelerated by the economic downturn but are not necessarily caused by it (Brodhead, 2010). It is evident that institutions need to reinvent themselves. The traditional ways of working are not effective in creating greater social impact. In the face of this challenge, innovation is arriving from a variety of unexpected sources. Through what has been coined experimental work, a new broader world of individuals, organizational structures, and networks is emerging.

Waterloo Region is one area in Canada where innovation is being incubated widely. As stakeholders in this community and in the broader sector, the authors have an interest in understanding how to build a community culture of innovation that will have greater transformative impact. The objectives of this article are to: 1) examine the emergence of community innovation in Waterloo Region to help understand how to spur innovation in other communities; 2) explore the role of the emerging community system entrepreneur; and 3) analyze a regional platform, called Community Innovation, for incubating a new way of shifting the community system culture.

Waterloo Region has a special, yet diverse, culture that fosters new ways of working and thinking. It has a foundation rooted in an old order Mennonite tradition that promotes a “barn raising” grassroots ethic of working collaboratively to get things done. At the same time, it is well known for its innovation from academic and nonprofit organizations and, more recently, from its burgeoning technology sector. The Waterloo Region is home to leading national and international think tanks, including the Perimeter Institute,³ a global think tank for theoretical physics; the Centre for International Governance Innovation,⁴ an international governance think tank; The Accelerator Centre (AC),⁵ a world-renowned centre for the cultivation of technology entrepreneurship dedicated to accelerating the creation, growth, and maturation of sustainable new technology; and Communitech,⁶ a regional hub for the commercialization of innovation in technology

DIANA DENTON, PhD, is Associate Professor and Director³, Communication, Leadership and Social Innovation (CLSI), University of Waterloo, and Advisor, Community Innovation discovery process, Waterloo Region. Email: ddenton@uwaterloo.ca.

TRACEY ROBERTSON was granted an unpaid six-month leave from the Ontario Trillium Foundation, where she is a Regional Program Manager, to lead with a Community Innovation discovery process, Waterloo Region. Email: TRoberts@trilliumfoundation.org.

companies. These institutions and others foster innovation and risk taking. However, there are many organizations and collaboratives in the community sector that are struggling to survive. Frequently, organizations and networks are poorly connected across and within sectors, resulting in gaps, overlaps, and inefficiencies. Moreover, because there are so many organizations and collaboratives, many are forced to compete for diminishing financial and human resources. This can impede effectiveness and the ability to learn from each other and address broad-based system issues.

BACKGROUND: CATALYZING INNOVATION

Faced with these challenges, a small group of funders formed OLIVE. The United Way of Kitchener-Waterloo and Area, The Kitchener and Waterloo Foundation, and the local representative of The Ontario Trillium Foundation (OTF) worked together to strengthen organizational resiliency in the nonprofit sector with the ultimate goal of building healthier and more vibrant communities. In the first phase of their work, they collaborated with other leaders in the field to learn about current models and research for building a resilient community sector (building from the Ontario Trillium Foundation's (2005) "Building Capacity, Granting for Impact" report) and pool resources to address challenges experienced by the voluntary sector. Throughout the process, the funding partners learned how to "walk the talk" and build their own capabilities to support the community.

A series of initial objectives characterized what became Phase 1 (2006-2009) of OLIVE's collaboration. These objectives were to:

- offer a series of forums with multi-sectoral leaders from nonprofits, government, academics, funders, and the for-profit sector;
- share OTF's capacity-building framework and other leading edge research on nonprofit performance and new thinking;
- create opportunities for collaborative funding of new ideas, entrepreneurial programs, and models for testing;
- raise the profile for funders, organizations, and leaders from all disciplines to work in a different and more effective way;
- foster greater connectivity and influence more effective community-based outcomes; and
- invest in pilots or prototypes that could be tested and shared with the broader public.

OLIVE became a platform and catalyst for leaders from all sectors (nonprofit, for-profit, government, and education) to share ideas, strategies, and creative energy with an overarching purpose of strengthening and deepening the capacity of the nonprofit sector. Resources were directed to projects, pilots, and prototypes that would create new ways of building leadership, cross-sectoral collaboration, and innovation. Several focused and targeted discussion forums, with some of the influential leaders in the community, identified the need to strengthen the non-profit sector through innovation and deeper community engagement, and the enhancement of governance and leadership.

After three years of consulting, collaborating, and shared learning, OLIVE, in collaboration with other key community leaders, entered into Phase 2 (October 2009). A five-year pilot was established to deepen the capacity for social innovation in the nonprofit sector.

Now constituted as Capacity Waterloo Region (CWR)⁷, this initiative was led by a small advisory committee comprising leaders in business, academia, and the nonprofit sector. The CWR initiative was designed to expose leaders from nonprofits to new resources and support that promote leadership skills and capabilities, allow for financial mentoring, and stimulate cross-sectoral collaboration and knowledge sharing. This project is a unique and compelling model for strengthening the nonprofit sector, since it fuels new ideas and resources for individual entrepreneurs and community organization leaders by blending the for-profit and nonprofit boundaries. Although still in its infancy, CWR has created and supports three main activities:

1. a Peer Learning Network for executive directors and senior community leaders;
2. an Executive-Director-In-Residence (EDIR) initiative to mentor and coach senior community leaders; and
3. a unique board governance education initiative that is designed to be intensive, interactive and relevant to boards across all sectors.

Instead of building another independent organization, Capacity Waterloo Region became a project under Tides Canada Initiatives (TCI), with TCI providing the back office support for all administrative activities.⁸ The CWR Executive-Director-in-Residence initiative and Peer Learning Network were housed and supported by Communitech and the Accelerator Centre. Communitech also employs three Executives-in-Residence who support technology entrepreneurs and executives at member companies through confidential no-cost mentoring, resource connections, and education. CWR benefits from their know-how and resources to brainstorm and discuss problems.

With the successful establishment of Capacity Waterloo Region under Tides Canada Initiatives, OLIVE proceeded to Phase 3 (January-June, 2010) and engaged a small number of key leaders in a community innovation initiative to explore the broader community landscape and the characteristics of broader systemic change.

THE BROADER LANDSCAPE: A HUB OF INNOVATION

In addition to CWR, the past four years have produced a growing number of emerging cross-sectoral community innovations in Waterloo Region. These clusters of innovations are blending boundaries and becoming part of the evolving fabric of change. Tim Jackson, chair of CWR and CEO of Accelerator Centre, says:

Waterloo Region has a long history of innovation, not only in the business sector but equally in the nonprofit sector. Our community encourages and supports creative, boundary-blurring initiatives and, as a result, we are being watched by others across Canada. We are showing that real change happens when passion, vision and leadership from all sectors come together.

These community innovations are organizations, networks, and collaboratives that are working across sectors to transform the community sector or subsector (e.g., the arts) through unusual or unique approaches that create synergies and dynamic thinking. They are not just cross-sectoral collaboratives, but a collection of interdisciplinary thought leaders who are intentionally catalyzing diverse approaches to change. Some of these emerging cross-sectoral innovations have been born out of broad-based col-

laborative processes and consultations that are still in the infancy stages of development.

They include

- The Enabling Organization, an organization that will provide a wide range of services to enable the arts, culture, and heritage sectors (private, public, and nonprofit) to achieve their full potential.
- The Barnraiser's Council of Waterloo Region, which represents a number of sectors in the community that will identify broad-based strategic issues and recommend possible responses.
- Local Immigration Partnership Council (LIPC), a council of local organizations that oversees a comprehensive and collaborative settlement and integration strategy.

Roger Farwell, an architect, community catalyst, and member of the Prosperity Council of Waterloo Region,⁹ responds to what is happening:

The advent of both the Barnraiser's Council and the Enabling Organization on behalf of our creative community are game changing initiatives for our Region stemming from the culmination of the Creative Enterprise Task Force.¹⁰ The Barnraiser's Council will establish and sustain our community's collaborative priorities and muster the collective will and skill to implement them. Meanwhile, the Enabling Organization will enhance and enable the powerful intersection of our creative for profit and not-for-profit communities distinguishing Waterloo Region as a place of choice to live, work and play. These two interwoven strategies will strengthen our existing assets while further illuminating this great place as a global intersection.

In the midst of these cross-sectoral community innovations, the region also has think tanks and incubators that have been created to support social innovation, transformative leadership, cultural diversity, and shared funding models to support transformative change in the sector. They include

- Social Innovation Generation, University of Waterloo (SiG@Waterloo): This national collaboration addresses Canada's social and ecological challenges by creating a culture of continuous social innovation. SiG@Waterloo's goal is to generate new knowledge about social innovations and the social innovation process in Canada, with particular emphasis on the dynamics of learning, adaptation and innovation in the arena of sustainable development and in the mental health domain (identified as one of the most pressing challenges of engaging vulnerable populations).¹¹
- Funders Resiliency Initiative: A group of local funders have partnered to nurture new forms of collaboration and innovation to enhance the resiliency of the nonprofit sector. This initiative aims to support transformative change within and across organizations as a means of strengthening the nonprofit sector's capacity to weather economic changes and enhance effectiveness.
- Social Innovation Hubs: Various isolated efforts to create shared spaces and incubators for sharing information and change in the for-profit and community sectors are at different development stages from early concept to fully operational.

Figure 1 provides a snapshot of a moment in time of some of the many networks and organizations that are leading innovation and change in Waterloo Region. Like any map, it is only a representation and not the actual landscape, but it serves to show a sample of the cross-sectoral activity in the region.

FIGURE 1:
Examples of cross-sectoral organizations/networks working in Waterloo Region



As participants and bystanders surveying the landscape, we were at once excited and apprehensive about this sudden emergence of initiatives. While these vehicles for catalyzing change were capturing the imagination of the community, the sheer number of them, and their rapid emergence, precipitated concerns; with so many developing at once, the potential exists to dissipate the focus on real systemic change. Waterloo Region is on the community innovation bandwagon, but the fragmentation of effort causes us to ask: “community innovation to what end?”

THE COMMUNITY INNOVATION DISCOVERY PROCESS

In order to investigate this question and capitalize on the synergies and latent potential residing in Waterloo Region, a number of leaders in the community from academia, funding organizations, and business to community nonprofits joined OLIVE in Phase 3 to create a Community Innovation (CI) discovery process. The focus was to bring a system perspective to connect broader innovations and facilitate cross-sectoral collaborations. The collaborators were innovators who represented organizations, businesses, and funding agencies that are open to experimentation. Many were associated with one or more of the broad-based collaboratives and think tanks in the community. They became advisors¹² to the (CI) initiative. Their aim was to explore how to create greater impact by further strengthening the resiliency, connectedness, and innovative capacity of the com-

munity sector. Jan Varner, CEO, United Way of Kitchener-Waterloo and Area says: The Community Innovation discovery process is focused on learning in collaboration with our community organizations/collaboratives that have recently emerged, and those that are working with business and/or academia and that are transforming the community sector.

Community Innovation was created to advance a six-month (January–June 2010), systems-wide cross-sectoral exploratory phase to identify elements and characteristics that nurture or hinder innovation. It sought to build upon and cultivate a culture that fosters creativity, innovation, and continuous learning, instead of reinforcing an environment that was competitive and risk-adverse, and a mindset of scarcity. Its aim was to forge and nurture new critical connections that were multi-disciplinary, multi-sectoral, multi-cultural, and multi-generational to maximize overall system efficiency and effectiveness. Building on OLIVE's Phase 1 and Phase 2 initiatives, it asked:

How do we foster a culture of innovation for our community sector that will have greater transformative impact? What elements and characteristics in the current culture drive this picture? What if we had a culture that enabled us to prototype ideas, learn through failure, and embrace risk? What would that look like? How do we build it?

These questions helped CI understand how to infuse energy, engage others, and support innovative practices in the community sector. It purposely did not create a hypothesis for its work, nor was it responding to a defined crisis or stated problem (although the current economic climate was an impetus to change). Rather, it saw an opportunity to harness and capitalize on the innovation that was happening within the community. It recognized that it was entering an exploratory process with no defined goals or outcomes and understood that this intentional risk-taking and open process was critical to the experimentation phase, however unsettling it might be.

CI took as its starting point the following assumptions:

1. We have a community environment that competes for resources, is risk-adverse, and acts with a mindset of scarcity. This impedes the ability of many organizations, networks, and initiatives to actively experiment, be flexible and nimble, learn from mistakes, and create fresh solutions to ongoing systemic problems.
2. Through building a new way of working in a community that already lives and breathes innovation and collaboration through its educational, nonprofit, funding, and technology sectors, we are building an already-existing innovative environment, particularly with the technology sector, as an incubator for achieving social change and impact.
3. By working across sectors, we can foster catalytic partnerships and creative models of delivery, weave strong networks, and transform new leadership skills and capabilities that will adapt to changing environments, and ultimately achieve greater impact.

CI used these assumptions as points of entry (Denton & Ryder, 2010) to a dynamic and rapidly shifting landscape. Rhizomatic thinking characterizes our discovery process. The rhizome is an “underground root system, a dynamic, open, decentralized network that branches out to all sides unpredictably” (Sermijn, Devlieger, & Loots, 2008, p. 637).

Multiple points of entry reveal both the expanding roots and tangled webs of innovation in our community. The following core beliefs, emerging from discussions amongst CI advisors, also guided this work:

- Waterloo Region is a living laboratory of innovation.
- A “virtual incubator” is needed to test new ideas and intentionally learn.
- The strategic connection of broader initiatives will have greater community impact.
- A dedicated role will facilitate these connections and synergies.
- Initiatives must be emergent, fluid, and organic.
- New ways of working will transform organizations and inspire innovation and creativity.

Since Tides Canada Initiatives had provided Capacity Waterloo Region with a charitable platform, OLIVE approached TCI to participate in this discovery process. Leslie Wright, Principal, Novita Interpares Limited, says:

Given our work to date with Capacity Waterloo Region, a project of Tides Canada Initiatives, Tides joined Community Innovations, Waterloo Region as a strategic partner, offering our organizational infrastructure and platform for the six-month demonstration project.

THE COMMUNITY SYSTEM ENTREPRENEUR

Fundamental to the experiment was a decision not to create yet another project but rather to invest in a new experimental role that would be situated outside of any single organization or network and would bring a bird’s eye view to the entire system. Tracey Robertson was approached and was granted a six-month leave from the Ontario Trillium Foundation to experiment in this role. CI advisors worked to support her. Freed from her funder role, she had no operational responsibilities and could survey the system and its multiple projects/initiatives and the presence or lack of connectivity between them. In so doing, she stepped outside of the traditional roles of consultant, community developer, project manager, or senior executive. Her role was initially based on the institutional entrepreneur concept described by Westley and Moore as an “actor or actor group that seeks change ... which not only introduces a discrete innovation but works to change the broader context so that innovation has widespread appeal and impact” (Westley & Moore, 2009, p. 15).

Through the CI experimentation process, the concept of an institutional entrepreneur was extended to what was conceptualized as a community system entrepreneur – an individual or group that brings a system perspective by acting between spaces and taking a high-level view to connect broader individuals, groups and innovations, and to facilitate synergies across sectors. As a community system entrepreneur, Robertson started to identify characteristics and elements that were emerging to influence community cultures and catalyze explorations. Building broader community connections requires exploring, jumping the fences, asking the “stupid” questions, challenging our thinking, and creating new mental connections across different ideas and sectors. During her six-month tenure in this CI role, Robertson engaged in conversations and consultations with over 40 people, seeding the following questions:

1. What is your personal experience of being innovative in this community? (i.e., are you able to do things differently in your community work and feel you have created value?)
2. What does a community culture look like if it is fostering and cultivating innovation?
3. What do we need to put in place in this community to support a culture that enables you to innovate and create system wide change?

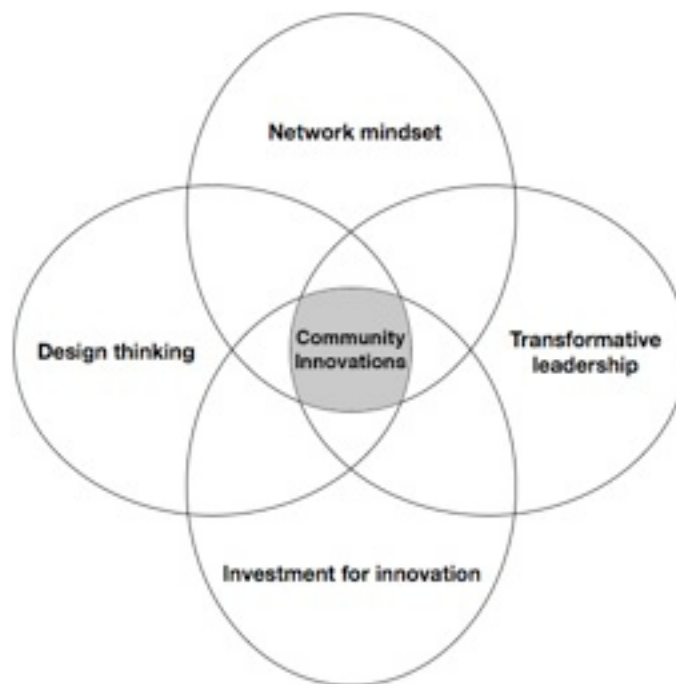
FOUR STREAMS OF INFLUENCE

Concurrent with these consultations, the following four streams of influence emerged to frame CI's thinking and provide avenues to experiment with new ideas of cross-sectoral innovation and transformational change. Each stream is meant to be emergent and interconnected and became part of the explorative process that might later influence an innovative community environment. Together, these streams, along with responses from the community, informed CI's emergent learning. They are:

- a network/creative mindset to enable greater connectivity with collaborators, organizations, and innovators that are working to transform the sector;
- a design-thinking approach to creating a new way of working and thinking across sectoral boundaries, disciplines, cultures, and levels of experience;
- a transforming leadership skills and capabilities of individuals working within all levels of the system as a way to influence leadership and community change; and
- a cohesive investment strategy for supporting a culture of innovation, creativity, and continuous learning.

FIGURE 2:

Four overlapping streams of thinking and activity form the CI conceptual framework



Design thinking relies on our ability to be intuitive, to recognize patterns, to construct ideas that have emotional meaning as well as being functional, and to express ourselves in media other than words or symbols.... The design thinking process is thought of as a system of overlapping spaces rather than a sequence of orderly steps. There are three spaces to keep in mind: inspiration, ideation and implementation. Think of inspiration as the problem or opportunity that motivates the search for solutions; ideation as the process of generating, developing, and testing ideas; and implementation as the path that leads from the project stage into people's lives. (Brown & Wyatt, 2010, p. 33)

OUR EMERGENT LEARNING

As the discovery process evolved, CI advisors became clearer about why this work was important and what community innovation meant. Community innovation, although a complex concept, was simplified to: "fresh ideas and solutions that create value and system-wide impact" and our shared purpose was to create the tools/mechanisms for communities and cross-sectoral groups to design their own change.

CRITICAL EMERGENT ELEMENTS THAT CONTRIBUTE TO A COMMUNITY INNOVATION ENVIRONMENT

As CI advisors experimented in the community innovation discovery process, they began to see 10 key elements that contribute to the creation of a culture of creativity, innovation, and learning. These include individual, organizational, and systemic elements. They are described below.

INDIVIDUAL ELEMENTS

A few committed individuals from diverse sectors and unusual partnerships.

One of the emergent discoveries is that individuals, not organizations, are critical catalysts. Their passion, connections, and relationships with each other are the bedrock of change. If you are not connected to the people who can help support your project, success (or impact) may be negatively affected. We are starting to see not only a number of sectors converging on social and community issues but also a shift in how we think about how we address challenges in the community sector. We have catalysts that have started to nurture the culture; these are individuals who think of new and creative ways of doing something.

Individuals who are comfortable living outside of silos and/or systems

Robertson's role was intentionally situated outside of organizational frameworks so that she could maintain a system perspective of distance. Experimenting with this role made it clear that as a community system entrepreneur, Robertson would be combining two system elements. She would:

- have a system perspective by acting between spaces and taking a high-level

view to observe synergies and opportunities for greater impact, and

- be a catalyst at the community level to seek out opportunities for connectivity and cross-fertilization of ideas, projects, new learnings, etc.

Robertson found that working between spaces and outside of an organizational identity was often extremely difficult and uncomfortable. She frequently experienced a sense of vulnerability, exposure, and self-doubt. Others questioned the legitimacy of the work because it did not proceed along a clear path. Yet the nimbleness in her role allowed iterative one-on-one connections to develop and ideas to build on themselves and emerge organically from different parts of the system. It was critical for Robertson to surround herself with people who provide the support needed to persevere; she had a committed core team¹³ that met weekly to provide direction and support. Frequent email exchanges, early morning coffees, and late evening chats characterized an emergent process that was essential to keep the work moving. A think tank/brain trust composed of other interested leaders and individuals in the community met bi-monthly to brainstorm ideas and new directions. This provided a platform, not only to support the discovery process, but also to stimulate, enrich, and challenge each other on new ways of working with often radically innovative ideas.

Individuals with an entrepreneurial and network mindset

CI members wanted to understand if there were new skills, or existing ones, that needed to be strengthened so leaders and others could create a cultural shift towards creativity and innovation. They sought to identify invisible attributes of innovative leaders and make them more visible. In the literature, innovators and institutional entrepreneurs are described as individuals who create and look for patterns, and are strategic guides, knowledge brokers, and network rechargers (Westley & Moore, 2009). Denton's research¹⁴ in the area of transformative leadership also points to some key leadership capabilities. These individuals are lateral, strategic, and systemic thinkers who naturally cross boundaries in their work and look for greater connections and relationships that can move initiatives to greater heights. They can be found in different roles and positions and at different levels within communities and organizations. What they have in common is their capacity to work in various ways to integrate and support systemic change across all sectors of a community. Other characteristics, or ways of working, that emerged through this discovery process as critical include

- divergent/integrative thinking by individuals who are willing to take stands and/or viewpoints from unique and unusual perspectives that may be contradictory to others;
- creativity, intuition, optimism, and the ability to imagine the world from a number of perspectives as well as go beyond traditional and conventional ways;
- empathy, i.e., the ability to bring an observer rather than an expert approach to issues and systems; and
- the ability to communicate through both conventional and non-logical processes – in pictures, models, metaphors, diagrams, etc.

Brown (2009) emphasizes that many of these attributes are not just useful to have but are the core competencies for the 21st century.

These are people at all levels of the system who don't take "no" for an answer and always look for a new pathway. Robertson, in her community system entrepreneurial role, experienced the need for perseverance firsthand. The systems, policies, and structures within the community sector are frequently too constrained, limited by what has been done before, and concerned with the maintenance of the status quo. Comments Robertson often heard included "this has been done before" or "now is not the right time" or "good thought, but impractical." CI advisors began to recognize they had not yet begun to tap into all the individuals who have made or are making a difference in their community, system, or organization. These individuals are often working in isolation or poorly supported, but they are persevering.

SYSTEM ELEMENTS

A collaborative and/or networked funding culture that frames failure as learning and an opportunity for the re-invention of an idea

The collaborative funding environment, the overlapping space within which those in the public, private, and nonprofit sector work, has the capacity to fuel innovation and creativity. Organizations and individuals told CI advisors that they continue to experience a funding environment that is competitive, risk adverse, and an impediment to true innovative collaborative efforts to create real change and community impact. This is not about individual funders who, in themselves, may fund innovation, but about funders collectively crossing organizational silos to support real action and synergistic efforts. Investing in flexible and resilient systems is important to facilitating an emergent innovation culture. Not only are new ways of funding needed but so also is the need to re-frame innovation as an outcome and understand how to work together more effectively to support it. We need to keep asking ourselves: a) What are the options that we can test to intentionally shift and influence our investment culture to support highly unpredictable innovative practices? and b) How do we support the developmental/uncertain areas of emergent processes as an opportunity to learn?

An awareness of three spaces where the system is connected or fragmented

During our discovery process we did a demonstration mapping exercise using relationship mapping software called Inflow.¹⁵ A small design team composed of leaders and innovators within our community initiated this exercise and uncovered more than 150 leaders across sectors, cultures, and generations who could be tapped to foster connectivity and enhance current networked activities. This mapping process also found that there are three interconnected spaces:

- large networks and collaboratives that are working to create transformational sectoral change;
- innovative organizations within the sector; and
- individuals who are leading and influencing innovations and new ways of working.

CI is dedicated to continuing to work with the network process to see if it is possible to create and learn about cross-pollination and synergies that might evolve as a result of better understanding the webs of connection and fragmentation across all three spaces. Heerad Sabeti 2008,¹⁶ in an unpublished paper “The Emerging Fourth Sector” (a new sector of organizations at the intersection of public, private, and social sectors), advocates that the community sector must work together synergistically to create a coherent supportive ecosystem. However, this will not happen on its own. With the absence of conscious coordination, the likely outcome is continued fragmentation and inefficiency.

Through their networks they have improved access to resources, and they have greater depth in more communities. Most nonprofits have an organization orientation that keeps them focused more on their own enterprise at the expense of others. These nonprofits seek to scale their impact by growing their own institutions This leads to an incremental increase in impact but does not lead to a faster approach to social impact.” (Crutchfield, 2007, p. 109)

Fostering critical connections

Greater connectivity between individuals results in systems that are more inclusive and strategic. Rather than worrying about critical mass, we need to foster critical connections that maximize overall efficiency and effectiveness. According to Perryman (2010), strategic networking creates institutional memory across the complex web of relationships, sparking more opportunities for shared experience and insights. To foster these connections, we need to first understand the connections and synergies across the community. This involves taking a snapshot of the community sector and tapping into people who may not be part of the change and innovation. For example, we are acutely aware that there is a largely untapped opportunity for greater connectivity that resides with our young leaders and with more seasoned and knowledgeable individuals working in our institutions or organizations. Young people (those under 30) have grown up in a world of both real and virtual networks. They have always navigated complexity, and they intuitively grasp principles core to these emerging theories and practices. There is much we can learn from those least connected into established community circles.

But we rarely consider that everything we think, feel, do or say can spread far beyond the people we know. Conversely, our friends and families serve as conduits for us to be influenced by hundreds or even thousands of other people. In a kind of social chain reaction, we can be deeply effected by events we do not witness that happen to people we do not know. It is as if we can feel the pulse of the social world around us and respond to its persistent rhythms. As part of a social network, we transcend ourselves, for good or ill, and become a part of something much larger. We are connected.” (Christakis & Fowler, 2009, p. 30)

The dichotomy between for-profit and nonprofit organizations remains a deeply ingrained idea and is tough for many people to shake. For decades we have used terminology that defined an organization as either one or the other. What we are experiencing now is that many organizations have blurred this line. A still-evolving spectrum of social mission organizations that cross between and hybridize these formerly well-defined boundaries is being created. This complicates our work of understanding the community sector, as traditional structures and mindsets are transforming and represent a pending shift in how we must address challenges. No longer is it either/or; we need to be less concerned with categories and focus instead on other metrics, such as value creation, purpose, and organizational sustainability. We are just beginning to explore, through the lens of design thinking, approaches to creating a new language and models for changing the current siloed relationships, both within the community sector and between sectors. Design thinking strives for a “fruitful balance between reliability and validity, between art and science, between intuition and analytics, and between exploration and exploitation” (Martin, 2009, p. 64). The design approach was applied to the CI initiative by establishing learning innovation labs for experimentation.

Incubators that provide opportunities to create ideas and fail early

Through the engagement process, CI found that people in the community sector believe that they innovate and create all the time. However, when asked what this looked like and how we might start to initiate a culture of innovation and learning, they would often respond with a need for a safe place to reflect, learn, and test their ideas without negative repercussions. Robertson’s experience of feeling isolated during the experimentation phase of her community system entrepreneur role reinforced the importance of safe spaces for the incubation of innovation. In both the technology field and the design thinking approach, early failures are embraced and encouraged if innovation is to occur (Martin, 2009; Brown, 2009).

Among the many influences to our experimental mindset was Denton’s experience with an innovation incubator in the public service sector.¹⁷ Denton is collaborating on a research project with the Canadian Food Inspection Agency to study their Human Resource Process Lab. This is a virtual laboratory designed to enable more creativity in HR management. As in an “R&D” lab, innovation experiments and invention sessions combine to provide a container for experimentation, brainstorming, and the generation of new ideas. Early findings suggest that the environment of innovation fostered by this HRP Lab is creating a culture shift and encouraging individuals to take leadership initiative within their sphere of influence and beyond.

Learning and thinking globally while acting locally

CI's work is based on a regional platform to stimulate and cultivate change, yet to do so effectively, it must learn from national and international collaborations. While CI did not actively seek out the experiences of other communities exploring similar questions during the six-month CI experiment, it did begin to connect with a still-young community of practice around this type of work. It had an opportunity to consult with other institutes outside Waterloo Region such as the Wellesley Institute and the new Stanford University Design Institute, as well as other experts in the field, to spark collaborative dialogue and learning beyond our region.

FURTHER REFLECTIONS: THE GOOD, THE BAD AND THE UGLY

As CI advisors reflect on learnings from the Community Innovation six-month discovery process, we realize it is only a beginning and not an end in itself.

We took a leap of faith

We were fortunate that a number of community leaders, both locally and nationally, took a leap of faith to join in this discovery process. Together, we continued to challenge the status quo as we moved forward. We learned that we needed to allow ourselves to feel the “uncomfortableness” for real change and innovation to occur.

Acknowledging the shadow

As we survey our community through conversations, our own experience and the early stage intelligence gained from Phase One of our CI initiative, we are struck both by the places of convergence and the nodes that seem to lie on the fringes – the borderlands of our community. We know that there are places of connection but also places of isolation and separation. Separation may occur simply because of the vast array of emerging initiatives and the lack of awareness of these in the broader community. Yet there is a darker side to this fragmentation that we cannot ignore. In understanding the system, we must also look at its underbelly, the shadow side of our community, elements we call toxic nodes. A toxic node is a person, organization, or network in the system where trust has been broken. There may have been betrayals, competition, commitments that were not met, or egos that have clashed. As a result, other players in the system have isolated the node. It has become toxic and those in the know, with experience and community affiliations, keep their distance. The toxic node can be described as a blockage, hardening, or stuck place in the system. The challenge is the greatest when newcomers enter the system bringing concepts and ideas. They are often not initiated into these normative structures and may enter into a partnership with one of the isolates in the community. Unsuspecting, they too become isolated and their work and relationships constrained.

Tension between emergence and structure

As we balanced the need for emergent and generic processes with CI initiative deliverables and structures, we recognized that structure and freedom from structure were

both critical elements of an integrated community-wide innovation system. We constantly lived in this tension, in a place of ambiguity.

To be done well, design research demands that everyone involved be prepared to grapple diligently with ambiguity and nuance. It asks us to bring creative energy to the synthesis of confusing and conflicting information. (Suri, 2008, p. 3)

We needed a shared language

We noticed that there is a tension between the language needed to advance innovation (experimentation, new mindsets, exploration, flexible deliverables, etc.) and the language the for-profit, nonprofit, and funding sectors know and understand. If we are creating a new space for the cross-fertilization of the public, for profit and nonprofit sectors, then shared language is necessary to bridge, simplify, and translate, while shifting ways of working to add value to the community at large.

Reverting to individual/organizational affiliations

Sometimes individual organizational allegiances and agendas took centre stage – lessening collaborative efforts for broader community impact.

No infrastructure to embrace a place of failure

Although our intention was to experiment and let ideas and elements emerge, we were reminded that this phase of experimentation was a place of false starts and mistakes – an embracing of the unknown. In our community, we realized we have no infrastructure for holding, supporting, and allowing the critical learning that failure, the making of mistakes, affords us in the cycle of innovation.

COMMUNITY INNOVATION FOR WHAT IMPACT?

We are just beginning to understand the state of readiness for catalyzing community innovation. At this juncture, we ask, what is the next evolution of community innovation? The metaphor of the kaleidoscope may hold insight. The colourful design of the kaleidoscope is always changing – it is responsive to movement and intervention. As we press our eyes to its lens, we are struck by a multiplicity of possibilities and the beauty of an ever-changing creation. At the same time, we take a caution from this image; the kaleidoscope is always changing, yet what it becomes depends on who is shaking it and how it is shaken. And how you shake it up, depends on how you design it.

In the kaleidoscope of innovation in Waterloo Region, we return to our question – community innovation for what impact? If we design the community, and the flood of creative activity, in ways that are fragmented, this is how the community will act. The rapid emergence of innovative initiatives and collaborations in our Waterloo Region holds much promise, but connections throughout the system are essential. An awareness of the underbelly of the community and a willingness to confront the blockages and ex-

plore pathways of reconciliation or new avenues of approach will also be integral to fostering a community of sustained innovation.

In Waterloo Region, we will continue to build on assets in our community; cross-sectoral collaboratives, innovative institutions, an entrepreneurial spirit, and the opportunity to design new integrated practices and roles. But as our community moves forward, we need to be more strategic in our design and our intention to foster greater connection. As OLIVE moves into Phase 4 of its work it will engage a diverse and broader regional leadership to:

1. Design a stewardship strategy that will bring a whole-systems lens to guide and support radical change and innovation through strategic interventions and projects in the community.
2. Create an incubator or laboratory for courageous experimentation where the nonprofit, public, and for-profit sectors come together to test ideas and cross-fertilize with new and unusual partners and tap into unconventional sources for insight and inspiration.
3. Continue to strengthen new leadership roles, governance structures, peer-to-peer supports, and coaching/mentoring programs through CWR and other existing networks and organizations that have emerged to support and transform the sector.

It is through creating a culture that nurtures fresh ideas and risk-taking practices across sectors that we will rejuvenate relationships, resources, and institutions. This will lead to community innovation and transformative impact. As we synthesize our learnings, we contribute principles and practices to a broader innovation agenda and community of practice, both provincially and nationally.

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NOTES

1. Denton stepped down as Director of CLSI in September 2010 to take a leave of absence and sabbatical to conduct further research on leadership and innovation.
2. For the purposes of this paper, the community sector refers to incorporated nonprofit organizations, social enterprises, collaboratives, and networks.

3. Perimeter Institute for Theoretical Physics is a basic research centre dedicated to exploring the world around us at its most fundamental level. It began in the summer of 1999 when Mike Lazaridis, founder and co-CEO of Research in Motion (RIM) – maker of the successful BlackBerry™ – found himself in a position to help foster research and innovation in Canada by establishing a world-class institute devoted to theoretical physics. www.perimeterinstitute.ca .

4. The Centre for International Governance Innovation (CIGI) is a Canadian not-for-profit, non-partisan think tank based in Waterloo, Ontario, that conducts research, holds conferences, publishes working papers and books, and makes policy recommendations on international governance issues. CIGI focuses on international relations, global economic policy, and multilateral policy-making. www.cigionline.org .

5. The Accelerator Centre (AC) is a world-renowned centre for the cultivation of technology entrepreneurship, dedicated to accelerating the creation, growth, and maturation of sustainable new technology, www.acceleratorcentre.com .

6. Communitech, started in 1997, is an industry-led organization, driving the growth and success of Waterloo Region's technology sector through leadership, connections, and promotion. Its 550+ network members include big names in the global technology industry like Research In Motion, Open Text, and COM DEV; however, equally as important are start-up enterprises and growing firms, and the investors, service firms, educational institutions, and governments that boldly support their growth; www.communitech.ca .

7. capacitywaterlooregion.ca .

8. TCI provides an alternative organizational and governance platform and infrastructure for new ideas, projects, and collaborations that need to establish themselves as independent charitable organizations.

9. The Prosperity Council of Waterloo Region is a federation formed to collectively create an environment that supports opportunities for prosperity in Waterloo Region. The Council is composed of representatives of its founding partners: Greater Kitchener Waterloo Chamber of Commerce, Cambridge Chamber of Commerce, Canada's Technology Triangle Inc., and Communitech Technology Association. Together these organizations represent more than 3,400 businesses in Waterloo Region. Prosperity, for the purposes of this council, involves initiatives and policies that support wealth creation, supporting the objectives of enhancing our standard of living and overall quality of life; www.prosperitywaterloo.com .

10. The Creative Enterprise task force is a task force under the Waterloo Region Prosperity Council. The Creative Enterprise agenda links arts and the creative process to a far wider range of economic activities. It encourages innovative thinking, fosters entrepreneurial business development, and builds a community that enhances quality of life while attracting and retaining a young, well-educated, diverse work force that can live anywhere – but choose to live here.

11. www.sig.uwaterloo.ca .

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12. Community innovation advisors: Jane Humphries, John Colangeli, Tim Jackson, Hulene Montgomery, Cheryl Rose, Jan Varner, Diana Denton, Rosemary Smith, Leslie Wright, and an external advisor, Rick Blickstead.

 13. The core team consisted of Jan Varner, CEO, United Way of Kitchener and Waterloo Area; Rosemary Smith, CEO, The Kitchener and Waterloo Community Foundation; and Diana Denton, Associate Professor and Director, Communication, Leadership and Social Innovation (CLSI), University of Waterloo.

 14. Denton conducted interviews and focus groups with leaders across sectors from 2008-present.

 15. InFlow is Social Network Analysis Software developed by Valdis Krebs. Its use in Waterloo Region has been facilitated by Meta Strategies and heavily influenced by the community mapping work of June Holley.

 16. “The Emerging Fourth Sector,” the Fourth Sector Network Concept Working Group, is supported by The Aspen Institute and the Kellogg Foundation.

 17. There are two main components of the HR Process Lab. Each is aimed at balancing the need to identify both day-to-day process improvements and to resolve systemic, longer-term issues. They are:
 - a) Innovation experiments. Managers can try new ways of carrying out HR actions, for example in staffing, recruiting or learning. HR advisors provide advice to managers so they know the risks, pros and cons of their options. Managers must act within their delegated authority, and must uphold laws, collective agreements and values. Afterward, they report what they did (in the form of a lab report) so that lessons learned can be shared.
 - b) Invention sessions. These are opportunities for diverse groups of people to brainstorm new ideas for HR management and to bring them to action. Ideas are shared so that best practices can be used by others and to further an innovative culture. Adapted from “Slow Times Create Opportunities to Innovate” by Ed Bernacki, Human Resources, New Zealand, February 2008.

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