

Sourcing Innovative Solutions

How to generate
new funding
and other ideas,
changing your
organisation
for the better



This article discusses different methods of sourcing new ideas, illustrated with examples from Cancer Research UK's approach to finding new ways to fundraise

"We've always done it this way so we can't change" is a common refrain. However, increasingly we are hearing that the current financial crisis is a time of opportunity and a chance to change to a leaner more effective operation.

Significant public spending cuts are threatened and once safe funding streams are in jeopardy. Rising unemployment and debt is resulting in increased social need. The world we are in not only has charities worrying about funding but the voluntary sector being turned to more and more as a source of solutions for social challenges, large and small.

Many charities may be thinking this is the time to keep their heads down and carry on doing what they do well in the hope that things will work out. Others are looking ahead, thinking that the future does not look too pretty, and are taking strategic steps to be one of the survivors. The nimble charities, able to respond creatively to the increased and different needs in their communities, will be the ones that are still around in five years time.

You may be tired of hearing the exhortations from government and others in the face of the recession: do more for less, be creative and work more efficiently. These things are easily said but leave you wondering what real, practical steps can be taken to change for the better. Cancer Research UK is ahead of the game in taking a pragmatic and radical approach to addressing their future funding needs.

But how do you actually do it?
Identify what you need to change

Being clear where you could benefit from change focuses the mind on how to go about it. Some aspects of what you do may indeed work well and are best left as they are, but others may need a good hard look and may need to change or even be thrown out and replaced by something better.

Traditionally, Cancer Research UK (CRUK) has had five core funding streams, including regular giving and legacy giving. Realising that a downturn in any one of these streams could threaten their ability to fund their research programme, they knew that they had to find potential alternatives over the long term. Kevin Waudby, Head of Innovation at Cancer Research UK, was taken on four years ago with the express brief to find new ways of funding. He says, "It is essential to have a clear strategic view of where you need to innovate and to focus your investment in it accordingly."

Once this was clear, he established an exciting range of projects, all with the objective of discovering and implementing different ways of providing long term sustainable funding streams for the charity.



Valuing change needs to come from the top

Changing how you do things, whether it be fundraising, the services you provide, or who you provide them to, can be challenging to existing employees and to trustees. It may require a whole new organisational structure. It is therefore essential that buy-in comes from the top and that leaders are seen to welcome, support and value positive change.

When Kevin Waudby was taken on, he was not aligned to any particular department. He was being asked to come up with radical new ways of funding: ideas that might cannibalise existing funding; stretch supporters' understanding of giving; and be beyond current staff competencies. It is only with the clear and public support of senior management that he could even begin what would, in any event, be a difficult journey.

There is no quick fix for radical change. Good innovation is no accident: it requires a strategic, structured and systematic approach, where space and time is allowed for ideas to develop and where risk and failure are accepted. Senior management needs to be flexible; they may have to make their organisation fit with the

ideas, rather than make the ideas fit with the organisation. For example, only they can authorise a change in financial structuring that may be needed to pursue a new business model.

CRUK have taken this approach to heart by being open to ideas from within and without, and by working across sectors to maximise the added value.

Be open to ideas from without

CRUK took a very structured approach to being open to ideas from without. Working with NESTA (National Endowment for Science Technology and the Arts) on their Open Ventures Challenge, CRUK set up an open innovation website with entrepreneur Stew McTavish, asking for ideas that had potential to generate £2+ million a year and were new to the sector.

The process was intensive. It was not just a question of setting up a website, sitting back and waiting for their problems to be solved. CRUK were involved in forming the online community, using their contacts to drive ideas and traffic to the site. Kevin was fascinated to see how the online community worked in driving the best ideas

to the top. When an idea was put forward involving tobacco, it was quickly stamped out by the online contributors as inappropriate for a cancer charity. Thus the ideas that rose to the top were also a good fit with the charity's mission.

The community was then brought together (see above) off the web to filter ideas. CRUK worked intensively with the best ideas to develop business cases with professional help. Deloitte and brand agencies worked with the passionate amateurs and skilled social entrepreneurs to stretch their vision of what their product could deliver. All the while Kevin's Venture Catalyst, Clare Cotton, involved staff at CRUK so that when the ideas were finally pitched, they were familiar.

By being very open to any idea and any way of profiting from it, from the hundreds of submissions, CRUK have selected three entirely new ways of fundraising (see inset). But the process itself has had huge knock-on benefits: now CRUK has a community of 670 ideas people, committed to the CRUK mission, commercially minded and ethically driven, who can be consulted in the future.

Open Ventures Challenge: the three selected ventures

The Challenge: To Create three new ventures with the potential to generate £2m+ to help beat cancer

The process: website set up and community generated to put forward and rate ideas; ideas filtered through a series of real life events; shortlist chosen and business cases developed with professionals; three winners selected for further development.

The outcome: 670 people on an online community; 23 ideas put forward; 6 shortlisted and developed; 3 selected for further support.

Project Rose (pictured)

A project selling silk roses to students who anonymously deliver them to friends or secret loves on Valentine's day. This idea comes from a 15 year old who started it off at 13 when her mother was diagnosed with cancer. She has big ambitions for the venture aiming for it to be the teenage equivalent of comic relief.

www.projectrose.co.uk

Open Gym

Open Gym works on the idea that it is more fun to exercise outside and more motivating to do it with a friendly group locally. It is a network of exercise classes in local parks run by qualified instructors. It has trialled successfully in London. Income comes from pre-payment for classes by standing order just like an indoor gym but the difference is all profits go to CRUK.

www.opengym.co.uk

Extraordinary Experiences

Extraordinary Experiences is a national raffle where tickets cost £10 and the prizes are once in a lifetime experiences. Profits go to CRUK.

www.nesta.org.uk/open-ventures-challenge/

This approach makes use of the best of what the web can do but acknowledges its limitations and the value of human interaction. By using an ordered and well planned approach to both, CRUK have come up with powerful solutions for possible future funding streams.

The Open Ventures Challenge is a structured and intensive process involving investment of time and money. Open innovation initiatives like this are part of CRUK's long term strategy to develop alternative funding streams. Whilst not everyone may be able to make the time and space to do something as ambitious as this, the principles of collecting ideas from the web, filtering them and selecting the best through working directly with the originators, could be replicated in a smaller way to suit individual charities and the environment in which they are working.

Be open to ideas from within

Staff, of any level, are a rich and often overlooked source of ideas. It was a medical practice receptionist who came up with the idea of texting appointment reminders, researched the technology and put it into practice, decreasing missed appointments significantly. If an environment is created where ideas are expected and valued, organisations find not only solutions to problems, but employees are happier and more committed.

Innovation consultants often talk about making the "time and space" for innovation, but what does that mean in practice? It does not mean dumping a bunch of staff in a room and telling them not to come out until they've had an idea. It requires a structured approach with a specific goal.

CRUK ran an internal "Big Ideas Competition". There was crucial involvement from a senior level: the Executive Director of Fundraising and Supporter Marketing made a short video, which was sent to all fundraising staff with an email asking for new-to-the-sector ideas. This gave rise to over 100 ideas, five of which were selected for further development. Staff felt more valued and senior management had their eyes opened to the talent and ideas under their own roof.

Another, more structured, approach to getting ideas from within has been CRUK's "Supporter Insights" project. Kevin chose the specific goal of developing new fundraising ideas by gaining insights from CRUK's supporters and understanding their unmet needs, wants and beliefs. He then hand-picked cross-departmental teams, and using a certain amount of wily

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negotiation and horse-trading, arranged for them to have 16 days over a few months away from their normal work to develop the project.

Over the 16 days, they interviewed supporters and worked up ideas with pro bono help from the commercial sector. The end result was four new fundraising ideas pitched to senior management.

If CRUK have success with any of these, that will be an end in itself.

However, the less tangible benefits are also important. The teams involved so enjoyed the project that they were highly motivated and spent much more than the allotted 16 days on it. They learned new skills, raised their profile within the organisation, gained confidence, brought back their

learning to their normal jobs and best of all felt they had a much greater understanding of CRUK supporters.

For any organisation, there are simple ways of sending out the message to staff that their ideas are worth listening to without the same amount of time investment that CRUK have been able to give: *see inset.*

Welcoming ideas from staff: what can you do? A few suggestions to get you thinking

1. Have monthly problem that needs solving and an ideas box for suggestions. Be selective about best solutions, announce them and implement them. The monthly challenge could be something really small like "How can we get more people to read our news letter?"
2. Have "Innovation Challenges" in run up to staff away days. 6 weeks before the away day put staff into randomly selected cross-departmental teams and give them a challenge to focus on. Pitch ideas at the away day and get staff to vote on best. The challenge could be something fun and silly and irrelevant like, design the best new type of make-up, or something with practical benefit to your organisation like, design a product to sell.
3. Have regular cross-departmental "Ideas Lunches" where staff get together and have a dynamic lunch coming up with solutions to particular problems.
4. Use your staff intranet to have a mini Open Ventures Challenge.
See www.ovcblog.mojo/mojo

Above all, have senior management involved and ensure they've bought in to whatever is happening; be selective about the ideas and ensure that senior management run with the meritorious ideas.

Accept, learn from and be open about failure

Changing the status quo is a risky business and not everything will go right first time. Fear of risk is often the biggest challenge for anyone trying to do something differently within an established organisation. This is particularly acute within the voluntary sector where the awareness that you are spending other people's money inevitably brings caution.

Part of accepting failure is recognising that things that you have always done may not be working as well as they have been before, or be as relevant as they once were. It may be time to ditch old practices and do less but do it better: stop working on the things that aren't working so that you can spend more time on the things that might work.

It is vital for leaders to be public about failure and learn from it if employees are to be emboldened to put forward ideas. It is often difficult to get people to talk about their failures but senior staff at CRUK understood the need to be open and honest. When a new initiative based around 'charity gifting' did not deliver the hoped-for returns, CRUK communicated its failure to meet expectations, highlighted the lessons that had been learnt, celebrated the hard work of the staff involved and re-focused them on other, more promising initiatives.

Be selective

It is reported that Apple shelved over 400 other ideas to develop the i-phone. If you get good at generating your ideas from staff, you also need to get good at being selective. In the Open Ventures Challenge, hundreds of ideas were put forward. The website was used to filter ideas with the on-line community able to rate ideas. The ideas that rose to the top were further filtered through a series of real life events, resulting in the eventual three selected.

Anyone can have an idea - if you inculcate an environment where ideas are welcome you may get many. The role of senior management is again vital in selecting meritorious ideas and being clear about why other ideas are being put on hold or rejected.

When resources are limited, only the best ideas can be pursued. Thus there must be transparent selection criteria. One key criterion, which Leonardo Da Vinci (who designed a helicopter in 1493) might have agreed with, is: "Is it the right time for the idea?". An idea is much more likely to be successful if it is part of the zeitgeist and a good fit for your organisation.



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Innovation is not a dirty word

I have steered away from using the word “innovation” in this article because, to many people, it is a buzzword: something nice to have but not relevant to them. But innovation is simply a word to describe new ideas that work. It is about adding value and being more effective as an organisation in meeting your mission.

CRUK are committed to radical innovation around one particular issue: fundraising. They are in it for the long term and had the foresight four years ago to see that their traditional funding streams may not always be there: how right they were. It is too early to say how successful they have been but I predict that a close eye on their accounts over the next 10 years will show that they have reaped the rewards of thinking ahead and innovating to meet the challenges of the future.

What next?

Not every charity is as big as CRUK but anyone can be open to ideas and take risks. The methods used adapted to suit your own organisation, could work for you, whether you want to increase your funds or serve your users more effectively.

NCVO has a rich resource of material helping you to plan for the future and a Consultancy team who can help you work out what challenges you may face and how you can change to meet them.

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