Agents of Change

Strategy and Tactics
for Social Innovation

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1
Introduction

I There is no more delicate matter to take in hand, nor more dangerous to conduct, *nor more* doubtful in its success, than ta be a leader in the introduction of changes. For he who innovates will have for enemies all those who are well off under the old order of things, and only lukewarm supporters under those who might be better off under the new.
—Niccolò Machiavelli, *ThePrince*

Professor Kazuhiro Hara's idea was as simple to express as it was difficult to realize: improving the quality' of perinatal care in Japan while reducing the costs. As a gynecologist, he knew that sharing patient information with professionals *in* other facilities would significantly reduce child and maternal mortality. But he also knew that getting medical professionals to cooperate was nearly impossible. Japanese society was strongly risk averse when it came to health care innovation. Medical professionals were not keen on experiments; failure could terminate one's career and even result in litigation. Hara understood this well, but the wariness of his colleagues did not deter him from pursuing his plan. In the 1990s he built HelioBaby, his own online platform, for perinatal care, and started to enlist participants. Ten years later, HelioBaby was rolled out across the country. Not only did Hara's innovation change perinatal practice, it also changed the perception of risks, costs, and benefits. Now, innovation in Japanese health care is no longer seen as costly, risky, and undesirable—instead, the status quo is.

Around the same time Dr. Hara conceived of HelioBaby, a German member of parliament by the name of Hermann Scheer concluded that his country could no longer afford to postpone the switch to solar energy. But a transition to solar energy would require a profound reshuffle in the entire energy market; the fossil energy sector had been dominant for decades and had considerable influence on key decisionmakers, such as the chancellor and the minister of finances. In Scheer's words, asking fossil energy companies to turn their businesses around was like "asldng the mafia to help fight organized crime." Nevertheless, he took his chances and started an ambitious energy

policy program. Within five years of its inception, the program led to a sev-
enfold increase in solar energy production, making Germany the world's sec-
ond largest solar energy market. In Germany today, innovation in energy
production is no longer an ecological dream; it is an economic reality.

Successful Social Innovation

This book is about social innovation. By *social innovation* we mean attempts
to transform the way societies address social problems and produce public
goods and services—efforts like Hara's online platform or Scheer's solar
energy program. Social innovation is primarily aimed at improving social
outcomes and creating public value.[1] The cases presented in this book feature
a variety of people (individuals and groups) operating in the public sector,
meaning both government and nonprofit sectors. These innovators are all
involved in designing, managing, delivering, or overseeing public goods and
services.[1] [2] And they all have successfully implemented innovations, meaning
that their work has actually changed practices and altered how things are
done. In other words, we are interested in how social innovators operating in
the public sector have brought about transformative dränge despite all the dif-
ficulties and uncertainties in their institutional environment.[3]

1.   We distinguish "innovation" from "invention" because an innovation does not have to
be new to the world; it just has tobe new to the local situation. Innovations differ from "ideas"
in the sense that they have actually been made operational and have been implemented;

2.   Mucit of the literature discussed here distinguishes between the public sector and the
nonprofit sector, between state and voluntary sectors, or between government and citizen sec-
tors. In *most distinctions, the* defining differences lie in the way actions or activities are author-
ized and funded. The state or government sector is authorized to act and spend by virtue of
its democratic accountability to the public. The nonprofit or voluntary sector features initia-
tives of private citizens and their associations who spend their own money and time for the
common good. The voluntary sector's accountability is to donors, volunteers, or members who
support what the initiative has set out to pursue. In practice, however the lines between the two
sectors are blurred; in terms of authority we see that many public agencies have gained con-
siderable autonomy and cannot be directly controlled by democratic politics anymore (Pol-
liti and others 2004). At the same time, many nonprofits are partially or wholly funded by
governments that exercise considerable control over their goals and means (Smith and Lipsky
1993; Kruiter and others 2008). But there is a more important reason why the distinction is
not usefill for the purposes of this book: the innovators defined themselves not in terms of
whose *payroll they were on butin terms of their mission and thefr* goals. While the substan-
tive area of their work varies from basic government services to health care and from educa-
tion to sustainable energy, all innovators worked to address social problems within the public
sector, finally, we refer to them as social innovators, irrespective of the institutional form or
legal status of the organization they work for, because they aim to improve social outcomes.

3. A term similar to *social innovator* used in the literature on innovation in the public sec-
tor is *social entrepreneur*. Even though some of the innovators in this book would probably

These undertakings come in many shapes and sizes; our focus is on con-
crete and deliberate efforts that have been successful within a period of
approximately a decade. Success can be interpreted in various ways. One way
of evaluating innovations would be to focus on certain performance indica-
tors: one would measure the palpable results that can be attributed to the
innovation. For example, success might be expressed in terms of efficiency
gains, client satisfaction, or social outcomes. While we are naturally inter-
ested in tlie positive effects of successful innovations, in this book we focus on
the success of the innovation process and on what the innovator has done to
successfully introduce the innovation in the public sector. By a successful
innovation process we basically mean, first, a changed practice—a clear and
tangible change from the way things were done in the past, and second, oper-
ational capacity to sustain the innovation as well as continued support from
crucial stakeholders for the innovation. In other words, at the end of a suc-
cessful innovation process, the innovator has secured the resources, staff, and
other capabilities needed for the change and obtained the necessary permis-
sions and endorsements of all those with the authority to make or break the
project.

Tricky Business

Like Hara and Scheer, all of the change agents discussed in this book had a
vision, gained support and resources, and delivered results. What makes the
successful accomplishments of the change agents particularly remarkable is
that they did so in environments that were not conducive—and were some-
times even hostile—to change. Social innovators often do their work under
adverse circumstances. If and when they are successful, they may be cele-
brated. But until that moment, they typically struggle to manage the process.
It is therefore interesting and important to look at what innovators actually
do and how they do it. What is most intriguing about their stories is neither
the inspired beginning nor the successful ending. It is what happened in
between. We are fascinated by the question, how did they pull it off?

qualify as such, we did not think this label adequately expressed what we wanted to analyze.
Entrepreneurs typically create enterprises, organizational entities that create and sustain value
by pursuing opportunities (Dees 1998). While we are very much interested in innovators'
strategies to create and sustain value and pursue opportunities, we do not focus on their
organizations as such. Some of them work within large bureaucracies, others in politics; still
others do not even have an organization they can call their own. The focus of the work of the
individuals featured in this book is innovation that ultimately leads to systemic change, not to
a sustainable social enterprise.

How did Hara and Scheer manage to overcome the obstacles in their way? How did they gather the necessary *capacity and support?* The simple answer is that they were more than just men with a vision. They were masters in strategy and tactics. Key to their success was their ability to understand the nature of the challenge they faced and to influence their context. From the outset, they knew that they would meet resistance, and they prepared for it. They carefully orchestrated actions to generate backing and resources for their plans. They were observers of the world around them and had a keen eye for threats and opportunities. And for all their preparation, their ability to adapt and improvise was among their most important skills.

These talents and skills are essential because social innovation in the public sector takes great effort to succeed. To people who are not familiar with making change in working environments dominated by bureaucratic organizations, it might be hard to understand why.[4] Why are apparently good ideas not met with enthusiasm? Don't we all want more value to be created out of our tax dollars and. charitable contributions? Why, for instance, would honest public servants have to go to so much trouble to improve things for the common good? Why does a public sector in need of improvement, in the words of the innovation scholar- Sandford Borins, not provide a more "fertile ground" for new ideas and practices?[5] We know from the literature on innovation that a wide range of problems stand in the way.

Innovation Is Destructive

Innovations often render current practice obsolete. Just as machines replace manual labor and put people out of jobs, novel methods pose a threat to existing organizations and their employees. Even if an innovation is a constructive contribution to society from any other perspective, from a status quo perspective it is destructive by definition. Joseph Schumpeter long ago coined the term "creative destruction"to describe this phenomenon. While he referred mainly to industrial innovation and its effect on the economy, there is a strong analogy with social innovation: radical innovation creates value, but it also destroys established organizations and jobs that thrived under the old order.[6] The samé goes for social innovations. They can, and often do, threaten to obliterate incumbent interests, interrupt traditional funding pathways, and reassign bureaucratic turf.

4.   The term *bureaucratic organizations* as used here refers here to public, private, and non-profit sector organizations. In his seminal description and analysis of bureaucracy, Max Weber (1976) saw little difference between the sectors: large organizations in the private sector can be just as bureaucratic as public sector organizations.
5. Borins (1998).
6. Schumpeter (1942).

The public sector political economy involves frequent—and often fierce—fights to protect the status quo.[7] For example, it can be administratively difficult and politically risky to defund government programs or organizations and redirect resources toward an innovation. Social innovations also pose the threat of embarrassment. They may produce outcomes so obviously preferable to the current situation that those responsible for the status quo cannot accept the new situation without acknowledging their failure.

To make matters worse for innovators, there is no rigorous market mechanism that decides whether a novel product or service is preferable to the ones currently provided by other producers. The,aggregation of *consumer* preferences can be an efficient mechanism to judge the value of innovation. For example, consumers can stop buying bulky TVs when elegant high-definition flat screens with equal performance become affordable. The absence of such a mechanism gives established organizations or practices in the public sector much more power to actively resist destruction in their fight for survival.

Innovation Is Hard to Account For

Anyone who attempts to reallocate budgetary funds, bend rules, or change procedures in the public sector will immediately feel the constraints of public accountability. Budgets in the public sector are usually allocated for specific tasks and organizations; rules are designed to govern current practices and guide current operations. Even if the benefits of innovation are quite clear, a social innovator will find that public sector organizations and individuals derive much of their legitimacy from the fact that current rules and budgets have been established and allocated by formal authorities. There are accountability frameworks in place, which are based on the way political overseers originally envisioned the mandates and responsibilities of those entrusted, with taxpayers' money and public authority. Deviating from current practice can only be tolerated—let alone appreciated—if the new situation is officially legitimized.[8] Summoning sufficient legitimacy, however, may not be easy, because it is not always clear what the benefits of an innovation will be, nor that the innovation will succeed. The burden of proof is on those who want change, since.the status quo is already accounted for.

Innovation Is Not Rewarded

In his classic, *Bureaucracy: What Government Agencies Do and Why They Do It,* James Q. Wilson explained why the public sector is not disposed to change

7. Goldsmith (2010).
8. Moore (1995); Borins (1998).

and innovation. Based on an analysis of schools, armies, and prisons, he argued that these environments put certain constraints on the work of operators, managers, and executives. This encourages behavior that is distinctly "bureaucratic'' and that can be understood as rational behavior within a context that places bounds on rationality. In other words, embracing innovation may seem rational from an outside perspective, but within a system controlled by politics, scrutinized by the media, and confronted with difficult problems *and demanding clients, other* considerations may prevail. Dealing with these forces is a challenge in itself, leaving little time and energy—let alone rewards—for innovating.[9]

Many others, including Michael Lipsky and Borins, have pointed out tilat innovative behavior can be discouraged not only by external pressures.[10] [11] The way in which public sector organizations axe managed often lacks *incentives* to improve performance or go beyond the call of duty. If an organization does gain some efficiency, its budget will simply be reduced, and it will need to manage the same workload with less money in the next year. Thus success is not rewarded. Meanwhile, failure is punished, and the media will be only too happy to expose it,[11] while high-performing officials and organizations are neither rewarded financially nor praised for exceptional service. After all, the public expects the public sector to do the best possible job with the money and authority entrusted to it

Innovation May Actually Work

Sometimes public sector organizations are not supposed to work. There can be certain—often hidden—motivations *not* to be effective, efficient, or equitable. This may come across as a cynical view, but it is not unrealistic, and it is based on evidence. Michael Lipsky coined the term *bureaucratic disentitlement* in 1984 and defined it as a way of using flawed bureaucratic procedures to deprive people of their entitlements. The *phenomenon* has been further investigated by Deborah Stone, Jorrit de Jong, and Gowher Rizvi.[12] They found that bureaucratic disentitlement is most commonly manifested in the underfunding of agencies. These agencies need to find a way to balance the budget and ration services, and they do so by making services less accessible for citizens entitled to them. After all, if their clients do not pick up their entitlements, less money flows out—and budgets are met. To meet budgets, agen-

cies can reduce office hours, reduce call center employees, tighten eligibility criteria, or make application forms for clients more complicated. Arte Zuurmond observed that service agencies often fail to address underenrollment in social services for the same reasons.[13] Many governments know (or have a hunch) that certain groups (for example, those with less education, immigrants, the elderly) are not claiming their benefits but do not actively approach them to malee them aware of their rights. After all, this would only weigh on their already tight budgets. So innovations that would increase the efficiency and effectiveness of operations intended to discourage rather than assist individuals who would like to use them can be threatening—and may very well be unwelcome. Of course, the resistance would never be articulated in explicit terms, but very few bureaucrats from such underfunded agencies would support the change, and that alone would suffice to prevent an innovation from going anywhere.

Innovation Is at Odds with Bureaucratic Structure

The most fundamental challenge for change agents in the public sector may be the nature of the organizations they find themselves working with and within: bureaucracies. Bureaucracy is a system of administration that almost everybody loves to hate. But the truth is that despite all the criticism, most of the world's organizations (public, private, and nonprofit—all the same) still function—or aspire to function—in accordance with Max Weber's ideal definition of bureaucracy'. Weber's basic principles of bureaucracy can be clustered into six categories, each of which presents at least one challenge to innovation.[14]

principle i: regulated continuity. The bureaucratic office must be organized in such a way as to ensure the continuity of its tasks through regulation. Work is not dependent on individuals but is perpetual in nature. Although this principle does not preclude innovation, it makes disruption of the status quo—which innovation inherently creates—an undesired event.

principle 2: functional specialization. The tasks of bureaucracy are divided in a manner that appears rational. With every task come specific authorities, resources, and sanctions. Whenever an innovation involves or requires reassignment of tasks or a reallocation of resources or authority, this will mean much more than a simple reorganization of the work process. It means that functions are redefined and that people who occupy certain

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9. Wilson (1989).
10.   Lipsky' (1980); Borins (1998).
11.   Mülgan (2007); Mülgan and Albury (2003).
12.   Stone (1984); Dejong and Rizvi (2008).

13. Zuurmond (2008).
14. Weber (1976); Albrow (1970);Etzioni-Halevy (1983).

positions, with certain powers and perks, based on certain expertise, will have to adjust to the new situation. Not everyone will be willing and able to doso.

principle 3: hierarchical organization. There is an elaborate hierarchical authority system within each bureaucracy that assigns duties to every official. The functioning of this system depends on obedience to higher levels of authority. As long as the top of the organization instigates and supports innovation, there is no immediate problem, but if frontline or middle-management employees come up with ideas for changing practice, they may face the dilemma of either spending a long time obtaining approval or putting the innovation in place without approval, with all associated risks.

principle 4: expert officialdom. Because bureaucratic work is structured through regulation and functional specialization, officials must be experts in applying rules technically and legally. The problem with this principle with regard to innovation is that it malees employees focus on the rules radier than on the social problem or opportunity at hand. Expertise is defined hi terms of the current mandate, rule, or operation—not in terms of adaptability to new realities or creativity and flexibility vis-à-vis a changing environment.

PRINCIPLE 5; DISTINCTIONS BETWEEN PUBLIC AND PRIVATE SPHERES. The resources of an organization and of the particular office a bureaucrat holds may never be appropriated for personal use. The requirement that officials maintain strong distinctions between private and public spheres discourages bureaucrats from bringing their individual interests or opinions to the job. This principle is helpful to the extent that it clearly rejects corruption of power. However, discouraging employees from bringing in their own experiences and personal reflections on their work can keep them from exercising their better judgment and questioning the status quo. To introduce innovations, employees sometimes need to speak truth to power, use their common sense, or blow the whistle on their superiors. Innovators in the public sector are not just cogs in the machine but human beings serving humanity who are at times driven by a deep personal motivation to do better. That involves some blurring of the lines between public and private.

principle 6: formalized documentation. Administration in bureaucracies depends on written documents and formal communication. These are the cornerstones of accountability in the public sector. At the same time, everybody knows that it is hard to account for innovation, precisely because it requires investment without the certainty that it will yield results. Innovation is experimentation and therefore hard to record as a regular expense paid out in exchange for a certain result. Although it is not impossible to formally account for experiments with uncertain outcomes, the practice of formaliz-

ing and documenting decisions often malees it hard for innovators to pursue a novel and untested idea.

Innovation Is *at Odds with Bureaucratic Culture*

If we want to understand why it is so hard to innovate in the public sector, we must pay attention not only to the formal features of bureaucratic institutions but also to the culture of the bureaucratic world and the people who inhabit it. Bureaucracies have a persistent learning disability and cannot adjust to performance problems by learning from their errors.[15] There is a tendency among many bureaucrats to avoid risks and to perceive risk in making even minor changes. Research in the Netherlands has demonstrated that many civil servants, from top managers down to those on the front line, tend to interpret laws and regulations in the most conservative way—even more strictly than perhaps was intended, thereby impeding progress.[16] They also tend to put utmost emphasis on accountability procedures, creating such a heavy administrative workload that it frustrates professionals in the front fine. The reason was that the bureaucrats wanted to make sure they stayed within the regulative framework as much possible; the effect of their conservative behavior is that it discourages experiments and innovation on the work floor.

The Amazing Reality

Given all these impediments in the public sector to change, it is amazing that social innovation happens at all. This raises the question *of how people* who are successful at the job actually operate and deal with the particular challenges they face. It is clear that to be successful, social innovators need to be not only passionate, smart, and agile but also reflective and sensible—capable of adapting to their bureaucratic environment even as they seek to reshape it. They must have the proper attitude and sufficient courage to change the status quo and the skills and determination to do so in a constructive manner. They have to anticipate the resistance that changes may provoke and adequately adapt to anything that might compromise the plan. To successfully maneuver through the institutional obstacles, innovators need to combine the deep strategies of chess masters with the quick tactics of acrobats.

This book asks the question, how do social innovators actually do it? "What strategies do they devise and what tactics do they employ? How do they gather the resources and get the go-ahead? It tries to answer these questions by discussing and analyzing what it took for innovators in wildly different situations

15. Crozier (1964).
16. Kridter and others (2008).

to succeed. We look into various cases: redesigning local government in Denmark and public higher education in Virginia; improving a broken public school system in New Orleans and care to Alzheimer patients in the Netherlands; changing the approach to financial illiteracy in Canada and homelessness in Louisiana; and creating systems to exchange patient data in Japan and stimulate investment in solar energy in Germany.

Drawing lessons from original case-study research, as well as from the literature on public management, social innovation, and change management, we aim to offer crucial considerations with regard to strategies and tactics for social innovation. This book does not offer a golden formula or a silver bullet; the reader will not be handed a list of the seven steps to success. Rather, we offer compelling stories in enough detail for readers to begin to comprehend what made the difference and descriptions of the thought-provoking choices and maneuvers social innovators made in the context of their institutional environments. We hope to help practitioners and students deepen their understanding of the nature of the challenge that change agents face, while making a contribution to the art and science of social innovation.

2

Strategies and Tactics

Strategy without tactics is the longest way to victory. Tactics without strateg}' is the noise before defeat.
—Sᴜɴ Tᴢᴜ , *The Art of War*

Doci ł innovators have ideas about improvement. They envision how certain changes could add public value—how an online platform for data exchange could help doctors avoid medical errors or how a new law could effectively create incentives to modify behavior. They may even have a detailed plan about how to realize their innovation. But they rarely control all the levers that would enable a smooth implementation of their plan. Their major challenge is to bring an idea into practice and gather the approval and resources required to put an innovation into practice in a bureaucratic environment. For that to happen they will have to work with a diverse group of stakeholders who can make or break the innovation. The term *stakeholder* refers to anyone who in some way has a stake in the success of the innovation—whether by giving permission for the undertaking, investing money in it, or holding the power to further or delay the implementation process—or will benefit from it as an end user, for example.

We break down the challenge to generate support and resources from these stakeholders into some elements that we can discuss and analyze separately, while keeping in mind that successful innovation depends on all elements being well aligned. Building on the work of Mark Moore, we delineate three separate but interrelated challenges that face an innovative individual in the public sector: securing legitimacy and support in one's authorizing environment, building sufficient operational capacity, and making a compelling public value proposition.[1]

1.Moore (1995).

Authorizing Environment

Innovators need to build up enough legitimacy and support in their environment to make the changes they seek seem necessary and inevitable. According to Mark Moore, the authorizing environment consists of a multitude of actors who exercise authority, enhance legitimacy, and give or withhold support to the innovative undertaking? Real-life innovators need support from many different stakeholders, such as their political bosses, the media, unions, staff, citizens, clients, overseers, and other jurisdictions, to be able to do their job. (Moore calls stakeholders "authorizers.") For Professor Hara, the immediate authorizing environment consisted of his fellow gynecologists and their patients. Before he could convince others of the value of his innovation, Hara needed this closest circle of authorizers to believe in, and adopt, his HelloBaby platform. In his larger context, his stakeholders were hospital directors, professional associations, and public servants whose authorization of the new practice was required. Ultimately, he had to convince the politicians who exercised influence through legislation that allows, forbids, or commands certain practices. In Germany, Hermann Scheer, a politician himself, had to garner legitimacy and support from fellow members of parliament and ministers in the administration and, ultimately, from the parties they answered to, such as regional constituencies, unions, and the business lobby. The problem is that these stakeholders do not necessarily want the same thing or share a similar vision, but in some way or another, the innovator has to get support—or at least tolerance—from all of them. In short, a change agent has to earn legitimacy and support from crucial stakeholders in his or her authorizing environment.

Operational Capacity

A second part of the social innovator's challenge is to secure the operational capacity necessary to execute a plan. Simply put, innovators need resources from some of their stakeholders. After ail, an innovative idea is worthless without the actual means to put it to work. In Hara's case, the operational capacity involved was relatively limited at the beginning: a little time, a little money, and some computers. Later, a high-quality digital infrastructure with dedicated servers and continuous maintenance was needed, requiring more and more money and manpower. In the case of Leslie Jacobs, an innovator who sought to rebuild and reform the public school system in post-Katrina

2. Moore (1995).

New Orleans, building the operational capacity meant attracting dozens of new school leaders and securing millions of dollars to fund the reopening of schools. Operational capacity thus involves all the technical equipment, financial resources, human capital, premises and vehicles, hardware and software, and anything else required to empower the innovation. Because innovators often do not have immediate control over the required resources, they need to expand their operational capacity beyond their own scope of influence. Part of their challenge, then, is to figure out how they can creatively obtain and combine resources.

Public Value Proposition

If you want something from others (time, money, information, permission, for example) you need a compelling proposal: one that will convince people that their efforts will be rewarded and their resources will be spent wisely. When social innovators try to gather support and resources, they have to make a public value proposition to their stakeholders. They have to paint a picture of the value their goal would add. In Hara's case, one such proposition could be the reduction of medical errors and the elimination of inefficiencies, resulting in fewer avoidable deaths and lower costs of health care. Hermann Scheer could chose to offer the promise of a cleaner environment, job creation, less dependence on foreign oil, and more-affordable sustainable energy consumption. The innovator's challenge is to craft this public value proposition in such a way that it becomes not just a novel idea but an actual, workable solution to problems that stakeholders care about.

Moore's notions of authorizing environment, operational capacity, and public value help us map the landscape for social innovators. There is political work to do (obtaining legitimacy and support), a managerial task to fulfill (creating capacity), and an imaginative dimension to the job (envisioning public value). The major challenge facing an innovator is to reimagine the very notions of what is permissible, doable, and valuable. If it were up to the innovator alone, this would not necessarily be difficult; everyone can have a dream. The point, is that others need to go along with the dream and get involved in exploring new ways of seeing and doing things. Moore's theory provides a general understanding of the innovator's environment—a lens through which we can perceive and bréale down tire innovator's individual challenges. In this book we use that lens to zoom in on a number of wildly different practices in the public sector.

Some of the innovators, such as Hara, have to work hard to build operational capacity. Other change agents are more focused on getting support

from the authorizing environment, one example being Scheer's *efforts to pass* legislation to stimulate renewable energy in Germany. But all the innovators highlighted in this book had to be mindful of the public value that their innovations would add. You cannot implement change without communicating a vision of the necessity for and possibility of change. Innovators need to articulate a public value proposition that is compelling to stakeholders in the authorizing environment and practically feasible with the operational capacity at hand. In other words, innovators cannot simply focus on one element of the challenge and forget about the rest or take it for granted. They must be aware of the full nature of the challenge and take all aspects into account as they set out to realize their goal.

Thinking in Action

Seeing the landscape is one thing. Navigating it is another. To get from point *A to point B you need more* dian a plan; you need actual forward movement. Moving requires not only an understanding of the environment and the road ahead but also skillful maneuvering around the many potholes, pylons, and detours along that road. When one operates a vehicle on a slippery road, a general strategy of driving slowly and carefully is a sensible adjustment to the environment, but it is not sufficient for success. The driver needs to make decisions and take action, such as shifting gears, adjusting the steering, and applying the brakes, to ensure that the car does not slip off the road. This is the essential difference between strategy and tactics: tactics refer to particular, well-chosen actions taken in the heat of the moment; strategies are ideas that orchestrate these actions. So when we discuss tactics we refer to actions of skill ed agents to execute a strategy in practice.

In reality, strategies are rarely written out plans that precede tactical actions. More often than not, strategy is an implicit, tacit understanding of how you will square up to a challenge. Strategies are also subject to change, because circumstances require you to adjust. Consequently, social innovators may sometimes be able to articulate a strategy only after they have completed a task or provided a postmortem analysis after they have failed—"How did I do that? Let me think" or "Why did my plan not work? Let's see." An innovation strategy may not always be clear or explicit, not even to the innovator, and much less Iris or her environment. Strategy is not detached from action. Although social innovators often think their challenges through and plan for action, they never stop strategizing once they have taken off.

The case of Martha Kegel, the director of an organization to end homelessness in New Orleans, demonstrates what it means to continuously adapt

one's strategy, midflight. Kegel led an organization in permanent financial crisis, dealing with the most difficult clients and complex cases in social work, and she was daily immersed in decisionmaking that can best be described as coping. Unity did not have the luxury of hiring consultants or talcing a retreat to write a plan. Yet Kegel was keenly aware of the importance of strategy. She had a deep understanding of how the public perceived homelessness, how politicians thought, and how government bureaucracies worked. She also knew that her organization largely depended on public good will that would not suffice to eradicate homelessness anytime soon. She may not have had an ex ante strategic plan, but she did have the acume-n and ability to recognize opportunities and manage innovation. Bor Kegel, innovation was strategy in *practice*—continuously scanning the horizon, assessing the road ahead, and adjusting course according to changing circumstances—while moving.

With regard to tactics, we have to keep in mind that a visionary and skillful innovator will often make operational decisions that require strategic insight as well. It is hard to .imagine skillful football players blindly following the coach's instructions without any thinking of their own. Every player has to make many small and big decisions in split seconds. Some players fit the overall strategy, some aim toward the situation at hand. We concentrate here on the first type of choices and actions—those that are aligned with tire strategy to get from A to B.

However, in the midst of action on a football field, when the players try to reach the touchdown zone, the lines between strategy and tactics become blurred. We see this blurring reflected in the phenomenon of shouting coaches who cannot stay put on the sidelines and sweating players offering postgame analysis on TV as they exit the field. The former are strategists who descend to the level of tactics, as if they want to run into the field and throw the ball themselves; file latter are tactical operatives who offer strategic hindsight. The social innovators presented in this book are both coaches and players. Some are more like coaches, others more like players. But they all think strategically and make numerous tactical choices to take (or avoid) certain actions. Examining their stories helps us to identify strategic and tactical elements in the innovation process.

Goals of This Study

The research presented in this book is descriptive. Our goal is to document and examine in detail real stories about successful innovators, so that practitioners and scholars can learn from them. We also offer our own postgame interpretations and analysis to help identify the underlying ideas and considerations of

the innovators in order to help other innovators evaluate or prepare for action. If these interpretations and analyses make sense to people who practice or study social innovation, we have accomplished our goal. More specifically, we hope that the concepts we use to describe strategies and tactics for social innovation help structure the work of others. Those who work to put their own social innovations into effect might start to see the challenges they fece in a new way that opens up new strategic and tactical possibilities. Those who want to stimulate and support innovations might be better able to do so if they are able to understand the nature of the challenge that an innovator feces. Those who study social innovation might start to see particular dimensions of the phenomenon that they would like to explore further.

To some extent, social innovation is a conundrum. It is almost impossible to trace all actions and considerations and to attribute success or failure to them. In that sense, there is no science in this field—at least not yet. Any explanatory attempt to construct variables and causal relationships between them will be stymied by a number of realities. Each situation comes with its own strategic challenge, as subjectively perceived by a certain innovator. Much of the strategic and tactical work is hard to separate *from* who an innovator is and what he or she is capable of. Strategy changes over time, as it is adjusted "while moving." The lines between strategy and tactics, two different analyt- ical concepts, are blurred in practice. Finally, stakeholders may have different views on what exactly happened and how actions have contributed to failure or success. The vast number of known and unknown variables makes it virtually impossible to investigate causal relations between strategies and tactics, on one hand, and outcomes of social innovation, on the other. There are just too many factors in each situation that influence the course of events.

We approached our subject as an art rather than a science. This means that we cannot make causal inferences in our conclusions or make bold assertions with claims to universal validity. Even if that were possible in this field of study, it has not been our goal. Our research is fundamentally different in that we do not attempt to explain the successful *outcomes of the innovation* cases. We describe the process that led to the successful outcomes, knowing that attribution of these outcomes to any variable can legitimately be disputed, given the wide variety of variables in both the context and the actions of many actors involved. In that sense our research is much more like historiography (focused on placing the recent past in perspective) than science (focused on explaining and predicting events).

We appreciate the art of innovation and those who are skilled practitioners of that art, and we tried to understand what strategic innovators have done, how they did it, and why they did it. We learned from the masters, up close. Closeness allowed us to see things with our own eyes and make our own observations. We were curious and open minded, and so we avoided becoming trapped in research designs. That is why we relied on semi-structured interviews: we did not just want answers to predefined questions; we also wanted to find out what questions and issues were important to innovators.

The eight original case studies we conducted are based on fieldwork and data analysis. In this book we present the cases as absorbing stories rather than technical accounts, bringing out the color and depth in each case. Chapters are organized in several parts, including the background of the innovator's situation; the set of problems that the innovator aimed to address; a chronological account of the innovation process; a depiction of the institutional environment; a description of the innovation and the improvements it aims to make; and a discussion of the strategy and tactics engaged. The parts are presented in various sequences, depending on the case. This format gives the book structure but does not amount to a systematic comparison between the case studies. We also present a series of observations with regard to similarities and differences between the cases that seem important, given our interest in strategy and tactics. During our research, when we saw interesting patterns or mechanisms emerge from the data, we paused and zoomed in on the details of the cases, especially when we saw social innovators dealing with their unique predicaments in similar ways.

Case Selection

When doing qualitative, explorative research, especially when .using a small set of case studies, it is important to maximize diversity on the dimensions that seem most relevant to the principal questions. This approach increases the chance of identifying a variety of interesting phenomena? We assumed, building on Moore's conceptual framework, that the environment of the innovator would presenta number of critical *factors* for successful innovation: that depending on the context, the innovator's work would involve various challenges in securing legitimacy and support, gathering operational capacity, and aligning notions of public value. Therefore, we decided to diversify the cases as much as possible in terms of their geographical origins (within the subset of-industrialized, high-income countries) and policy areas (withintlie subset of public or social services) to maximize differences among the respective environments.

3. See Yin (2003); Swanborn (1994).

We also made a distinction between frontline innovations and innovations in governance and selected an equal number of cases in each category. Frontline innovators, such as the Japanese gynecologist Hara, start small and local and are focused on changing the practice of professionals who have immediate contact with the beneficiaries. The HelioBaby project was a typical frontline innovation in that it was conceived, developed, and introduced from the front fine of public services, close to where the interactions between professionals (doctors, nurses) and clients (patients) take place. Although the introduction of medical informatics has had significant implications for management and governance in the health care sector, Hara's innovation started at the operational level and worked from the bottom up.

Innovators in governance, such as Scheer, the parliamentarian, focus on rearranging relations between oversight and management from higher-level forums. Scheer's solar energy program was promoted by seasoned politicians through legislation and policy measures. Scheer and his allies had a deep understanding of the realities in practice, but they focused their efforts on enabling, promoting, and scaling up by making changes to the legislative and fiscal frameworks that governed the energy sector: thus the solar energy program was an innovation in governance. (By no means does th is dis tinction imply that frontline innovations do not require—or result iu_— changes in governance or that innovations in governance do not involve any activities in frontline operations.)

We examined four cases of frontline innovations and four cases of innovations in governance to add diversity in another dimension (for an overview, see table 2-1). We suspected that it would be interesting to see what frontline innovations and innovations in governance had. in common and what set them apart in terms of strategies and tactics. By selecting cases that leaned toward either end of the spectrum and by focusing on the innovation process, we were looking for *differences* and commonalities across these rjptes *of* innovation. Summarizing, the case selection was based on diversity in terms of geographical origin, policy areas, and the nature of the innovation. In table 2-2 we illustrate the focus of this book by making analytical distinctions between innovation and the innovation process, as well as by *contrasting frontline* innovations and innovations in governance.

Besides the criteria that emerged from the basic conceptual framework, the cases were selected based on demonstrated success of a social innovation process within approximately twelve years and an identifiable innovator or group of innovators to whose efforts the success can be attributed. To identify cases that met these criteria, we used the databases and websites of organizations that reward successful innovators or innovations through a rigorous

Table 2-1. Terms of Innovation

innovation	Definition	Example	Indicator of success
Frontline innovation	Novel approach to practices at the operational (work floor) level	Diagnostic tool, information technology application, business process, management approach, intervention, and so on	Better outputs and outcomes; client satisfaction, employee satisfaction; more efficiency, effectiveness, equity, and so on
Innovation in governance	Novel approach to practices at the governance (oversight and management) level	Legislative framework, ' accountability system, rules and regulations, fiscal policy, budgeting approach, and so on	Sustainable institutional structures and relationships that better support the values of transparency, accountability, responsiveness, and continuous improvement of performance (including all indicators listed above)
Innovation process	Path from idea to execution, in order to change a practice	Conception of a great idea, advocacy, prototyping, incubation, implementation, evaluation, and scaling up	Changed practice; sufficient operational capacity to sustain innovation and sufficient support from stakeholders to maintain legitimacy (the focus of this book)

selection process.[4] We also relied on information provided by experts in the field and academics who study innovation to identify people and projects.[5]

In the following *three* chapters, we discuss some of the most salient strategies and tactics we discovered in our research. In chapter 2, we describe how

4.   The Innovations in American Government Award Program at Harvard University's Kennedy Schooi, the United Nations Public *Service Awards Program,* and the Ashoka Fellowships for Social Entrepreneurs program.
5.   The case selection was based on our goal of maximizing learning by identifying differences and similarities between the strategies and tactics of successful innovators. We did not implicitly or explicitly want to test or develop hypotheses about causal relations between

Table 2-2. Overview of Cases

Innovator	Innovation	Policy area	Location
Frontline innovation			
Professor Hara, Kagawa University Hospital	HelioBaby (software application) and K-Mix (infrastructure)	Medical informatics	Japan
Peter Nares, Social and *Enterprise Development* Innovations	Financial literacy training	Poverty alleviation	Canada
Martha Kegel, at Unity of Greater New Orleans, a nonprofit collaborative	Vulnerability index	Homelessness	Louisiana
Bere Miesen, Leiden University, with the Alzheimer Association	Alzheimer Cafés	Health and social care	Netherlands
Innovation in governance			
Hermann Scheer and Hans-Josef Fell, MPs	100,000 Roofs Program and Renewable Energy Law	Energy' production	Germany
John Casteen Hl and Board of the University of Virginia	Restructuring Act on Higher Education	Public education (higher)	Virginia
Leslie Jacobs, Board of Elementary and Secondary Education	Accountability framework for public schools and Recovery School District	Public education (elementary and secondary)	Louisiana
Johannes Due and Commission on Administrative Structure	Redesign of local government	Public services (general)	Denmark

innovators ''get started'' as they prepare for change. In chapter 3, we examine how innovators "prompt progress" to create momentum or seize opportunities when they occur. Prompting progress refers to the art of making things

strategies and tactics, on one hand, and outcomes, on the other. If hypothesis testing had been the goal, we would have first defined independent variables (actions) and dependent variables (outcomes) much more clearly. Then, we would have selected cases on the independent variable, cases with similar, well-defined actions. Finally, we would have analyzed how and to what extent the actions were related to the outcomes.

happen to advance the innovation process. In chapter 4, we analyze how innovators "manage meaning"—that is, how they frame conversations with stakeholders to appeal to th eir motivations and obtain support. Each of these early chapters features illustrations from the cases presented in chapters 5 to 12. For more context and a full description of what happened in each case, we refer the reader to the individual case chapters. In the final chapter of this book, we talee our analysis one step further and offer some final conclusions.