

innovationexchange

The third sector is teeming with great ideas, but too few of them change the world. Innovators, investors and commissioners often lack each other's phone numbers and the capacity and incentive to collaborate. As a result, innovations get a start, but struggle for the connections and resources to sustain or scale. Innovation Exchange exists to tackle this problem, bringing people together to grow third sector innovation.

In the past, support for third sector innovation has been too centralised, politicised and passive. In contrast, the Innovation Exchange works as an honest broker,

- surfacing opportunities for innovation;
- helping innovators, investors and commissioners to connect around them;
- and actively supporting groups to collaborate, develop and grow innovation

Our pitch to the third sector is simple; don't give your idea away, but don't keep it to yourself.

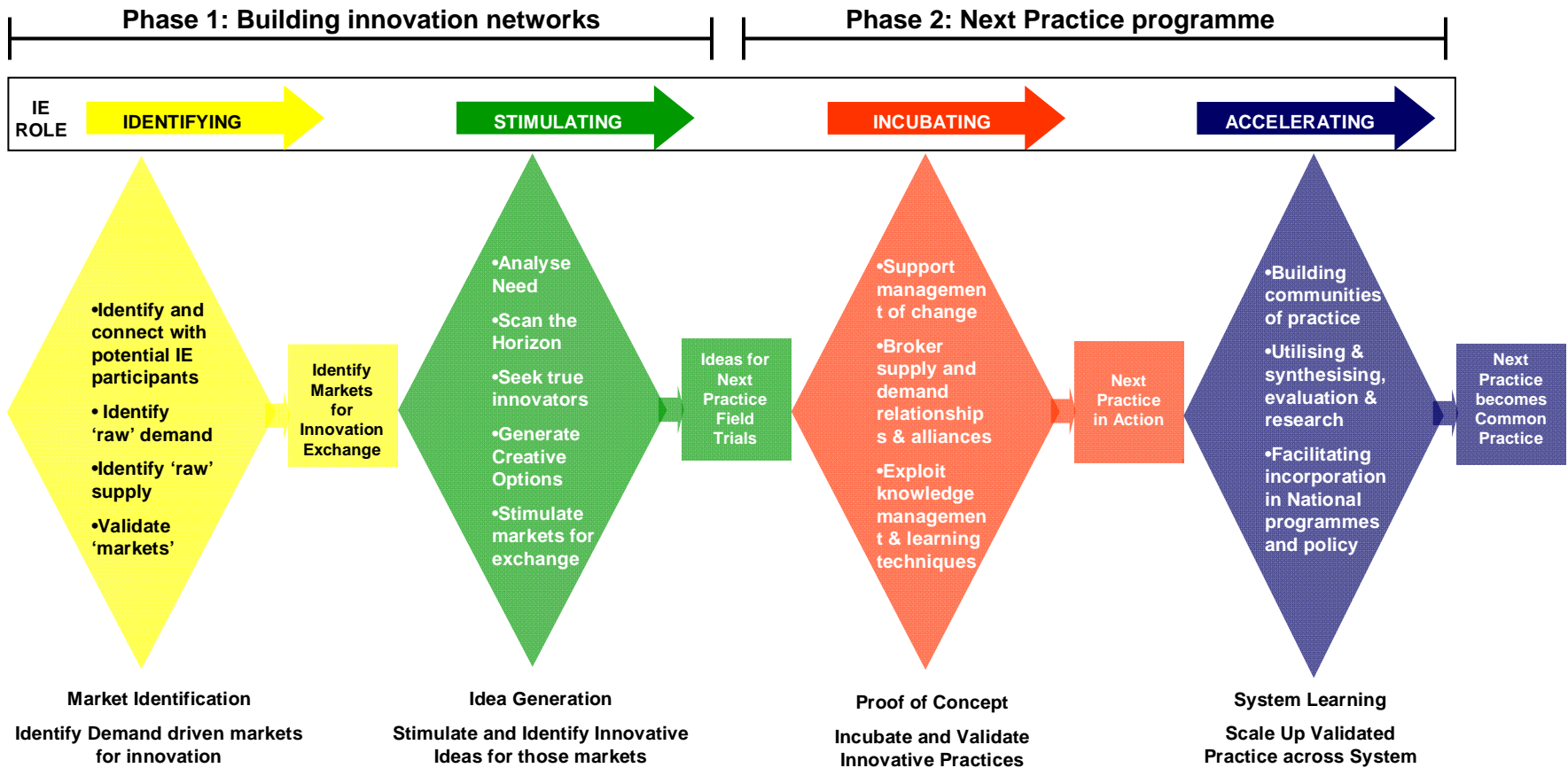
Innovation Exchange provides both a vehicle for innovation and fuel for innovation. Through events and online exchange, we enable people to come together around opportunities to innovate. Through work like our Festivals of Ideas, and through our website, we are already sparking connections that strengthen innovation and draw new resources into the third sector. We are also providing direct support for the very best of third sector innovation, through advice and facilitation and access to a £200k NESTA Innovation Exchange Fund. This programme will enable innovators to develop, evaluate and grow their work.

Innovation Exchange is not about policy buzz-words or novelty for its own sake. Some of the best third sector innovations are no longer new, but they have been ignored for too long and trapped at their source. Equally, the Exchange supports interaction that sparks real action on social challenges. The first such challenges on which we are focused are those of supporting independent living and excluded young people.

In eighteen months, the Innovation Exchange will have been successful if:

- There is a set of innovative third sector projects that owe their excellence and growth to the Innovation Exchange
- We have learnt about how best to support innovation in the third sector
- We have built a legacy that will support third sector innovation in the future

Whether you are an innovator, expert, commissioner or social investor, Innovation Exchange can help your great ideas to take off. Find out more at www.innovation-exchange.org.



The Innovation Exchange project plan

As the preceding diagram shows, there are four key processes on which the Innovation Exchange's project plan is based, which are drawn from the Innovation Unit's established Next Practice methodology. This methodology is evidence-based and has been developed over a number of years of work within the public sector¹. It focuses on identifying, stimulating, incubating and accelerating innovation as four essential processes in growing excellent innovation.

This method has been adapted by the Innovation Exchange for work in the third sector. In practice, these four processes will be covered by two phases of activity; network-building and a Next Practice programme.

Phase 1: Identifying and stimulating innovation through innovation networks

In the first phase of building strong **Innovation Networks**, the task has been to find and engage exciting innovators, investors and commissioners and to identify opportunities for innovation. For Innovation Exchange, these opportunities are essentially where there is both a supply of innovative work in the third sector *and* clear demand for it among commissioners and investors (*but* where this potential is yet to be realised). So, our approach is based on formal evidence but also on system intelligence. Third sector organisations exist in a market where there seems to be a price for everything but where the value of collaborative innovation is often hidden. Here, finding out what the smartest person thinks is important, but surfacing what everyone thinks is even more powerful. Working in this way is fundamental to the work of the Exchange.

As a result, we have identified opportunities through a combination of published research and through engagement with innovators, investors and commissioners. This engagement has included interviews, surveys, online dialogue and two Insight Journey events, which took groups of fifteen people for two days and immersed them in the issues at hand.

The challenge has been to marshal these different elements of activity so that they became greater than the sum of their parts. They have produced both an interim view about key opportunities for innovation and a list of key innovators, investors and commissioners connected to those opportunities. We have sought to draw these opportunities and contacts together online. Crucially, we also brought them together at two Festivals of Ideas.

Beyond the moral purpose of the issue, the key incentive for people to participate in these processes is the opportunity to promote their work, find support and to access resources through the Next Practice programme.

These events surfaced these opportunities and challenged participants to connect around them as they wished and to plan next steps in collaborating to develop and grow third sector innovation. They were both popular with participants and have produced

¹ See Hannon, V. (2007) *Next Practice in Education: A disciplined approach to innovation* (http://www.innovation-unit.co.uk/images/stories/files/pdf/nextpractice_in_education.pdf)

results. The participants who provided feedback on the events met an average of four people who they felt it would be helpful to contact again. Three-quarters of them reported that the event had generated tangible next steps for developing third sector innovation and all of them would recommend it to people in similar positions to themselves.

At one extreme, the events generated instant results, with a philanthropist providing support for a programme to help young people out of gangs all but on the spot. More often, the events generated follow-up and further conversation, which we are now seeking to support.

The loose alliances sparked online and at these Festivals have now been challenged to develop their plans over the next following 2 months. The next key milestone is 31st July, when submissions to be selected for the Next Practice programme, which includes access to the £200k NESTA Innovation Exchange Fund, will close.

Phase 2: Incubating and accelerating innovation through Next Practice

Following a selection process drawing on intelligence from across the participants, the Innovation Exchange will then move into a Next Practice programme.

This programme will provide finance and in-kind support to 10-15 projects seeking to develop and grow excellent innovative work around independent living and excluded young people. Projects will be offered financial support alongside coaching, business support and help with brokering additional alliances and partnerships. This support will need to be bespoke to the needs of each project, but to be built around a shared structure of events, processes and over-arching objectives. For example, we are looking at the possibility of providing a common package of coaching that will help to draw together other disparate elements of support.

To develop and provide this support, Innovation Exchange will need to work with a range of partners within and beyond the third sector. We have already begun to build these relationships, but managing and developing them will be an important part of the programme.

This work will hopefully add huge value to the projects involved, but it is also vitally important for the Exchange. Brokerage has been the Exchange's way in to the issue of third sector innovation, but it is not as if we need 'only connect'. Third sector innovation is subject to a range of other systemic barriers, in relation for example to risk, investment, intellectual property and models of growth. We aim to help projects to work through some of these challenges and in the process to place the Exchange at the leading edge of knowledge about how to grow third sector innovation.

By its very nature, the character of the relationships between these individual Next Practice projects and the Innovation Exchange will be shaped in part by the focus of their work and their individual needs. However, they will be structured around a supportive infrastructure from the Innovation Exchange of events and online exchange designed to do three things:

- Strengthen the relationships between these Next Practice projects and the broader Innovation Network, ensuring that the network can provide ongoing challenge and support and that it is able to learn from the work of the projects.
- Build relationships between the Next Practice projects and other sources of support, including national programmes and other commissioners and investors.
- Use research and evaluation to strengthen practice within the projects and to build an evidence base that can help it to grow and spread.

Once these processes are established and if the Innovation Exchange is successful in securing sponsorship for this network, it will look in early-2009 to repeat these processes, stimulating engagement and intelligence-gathering around a new challenging issue and building towards a further Next Practice programme. This issue might build on innovations in the First Next practice programme or pick up on areas that it missed.

Timetable

Activity	Time
Online activity begins	January, 2008
Independent Research begins	1 st February, 2008
Informal consultation events	February, 2008
Learning Journey events	20/21 st March and 1 st and 2 nd April, 2008
Festival of Ideas (Independent Living) Resource Centre, London	30 th April, 2008
Festival of Ideas (Excluded young people), Amnesty, London	7 th May, 2008
Launch new IE website	May, 2008
Broker exchange, project development and team-building, including through the Innovation Exchange website	May-June, 2008
Selection process for Next Practice programme	Submissions close, July, 2008
Next Practice programme begins	September, 2008
Online knowledge management to connect Next Practice projects and the broader Innovation Network begins	September, 2008
Network events to support and celebrate progress	October, 2008 and January, 2009
New challenge is launched for the Independent Living Innovation Network	January, 2009
Possible additional Festival of Ideas	April, 2009
Possible 2 nd Next Practice programme begins	June, 2009