

Dr. Jacquelyn Thayer Scott, O.C.  
Past President & Professor, Organization Management & Strategy  
Shannon School of Business, Cape Breton University

**TACKLING THE INNOVATION AGENDA FOR CANADA'S SAKE  
(AND NOT LETTING THE CRISIS GO TO WASTE)<sup>12</sup>**

Thank you. I'd like to begin by thanking the Conference Committee for inviting me to address you, and to thank all of you for coming. It's a rare privilege I've been given, and I'll do my best to keep you all awake, but not delay unduly your evening advance to the bar and Lobster Boil!

About 20 years ago I delivered a speech which enjoyed a few flurried moments of popularity in the public policy and education/training worlds in Canada. I dug out a photocopy a few weeks ago and blew the dust off, noting it was written before NAFTA had been fully signed, before the Europeans created the EU, and before the World Wide Web and 9/11, and all that those events engendered. It was written during a recession, however, and had a presumptuous (and very long) title -- *"The Competitiveness Continuum: Why the Band and the Music Have Changed in the Education and Training World, and Why You Should Be Learning the New Dance Steps."* Put briefly, it described how we had arrived in a post-Newtonian world, and what difference that would make to almost everything, from international and domestic economic policies to how we delivered services to students and other clients.

You will be glad to know I've written a new speech for this occasion, although, for me, it has a few points where Yogi Berra and I might feel, "it's deja vu all over again!" On the subject I have chosen, this is not likely to be the speech that has its War-

holian 15 minutes of Canadian fame, because I think Tim Brodhead (the soon-to-be retiring President and CEO of the JW McConnell Family Foundation) has already given that speech. I suspect many, if not all, of you will have read his very excellent, *“On Not Letting a Crisis Go to Waste: An Innovation Agenda for Canada’s Community Sector.”*<sup>3</sup> It is topical, analytical and comprehensive, and deserves the widest possible study and discussion in the social economy sector. I agree with nearly all of his analysis -- which could be variably applied, as well, to the business and government sectors in this country -- and with his recommendations, to a point. What I hope to do, over the next 45 minutes or so, is to add in the following four ways to the dialogue Tim has begun:

- ✓To briefly reprise what he said, for the benefit of those here who have not yet had the opportunity to read his paper;

- ✓To add some additional commentary to back up his analysis as it relates to the other two sectors -- Public and Business -- and flesh out a bit of the science that contributes both to Brodhead’s assumptions and analysis for the Community Sector, but also for any similar discussion of the Business and Public Sectors;

- ✓To talk a little about how some organizations in all three of those sectors are already trying out some new ways of accomplishing their mission and making an impact (and who else is ‘stirring the pot’ for ‘good’); and

- ✓To speak about some ways that we, as academics, can contribute to the transformative changes that need to happen organizationally, as well as individually, in these important sectors of our society. I will add a few items to Brodhead’s shopping list of recommendations.

**Broadhead in Brief**

Brodhead's paper argues that the current financial crisis may bring its own form of blessing, if it is significant enough, and long enough, to trigger necessary transformative structural changes in what he calls Canada's Community Sector.<sup>4</sup> The challenges he enumerates are well known, but worth repeating:

- ✓A world of constant, and accelerating, change, much of it driven by new knowledge and technology;

- ✓The birth-pangs of the 'green' economy;

- ✓An aging (and more diverse and urbanized) population and the low (or nonexistent) growth of our workforce;

- ✓The eastward move of the global economy's centre of gravity to Asia, along with other dynamic, developing economies in Latin America that compete against Canada's lagging productivity, deteriorating infrastructure and often change-resistant institutions.

Incremental changes, especially by the already financially challenged Community Sector, simply won't be able to address the many social and cultural spinoffs that occur from the conditions just cited, he states. He extensively discusses the financial, people and structure challenges to the Sector's health.

Respecting the financial challenge, he notes the low percentage (11%, excluding hospitals, universities and colleges) that comes from a declining number of individual donors (62% of donated dollars from 9% of donors) and the proportion from government grants and contributions (36% -- and two-thirds of that from the provincial level). He also notes, quoting work by Lynn Eakin, the reluctance of government to underwrite operational costs in the sector, resulting in a hidden subsidy to government of some 14% of the programs

they support.<sup>5</sup> As well, such organizations' capital access is limited to seed capital from philanthropic support and grants, without the advantages enjoyed by for-profit firms of possible access to more working capital and to venture financing.

In terms of human resources, Brodhead says, Community Sector organizations have both paid and unpaid staff -- and it's becoming more difficult to recruit and retain both. Put it down to lower salaries and benefits, short-term grant funding horizons, less emphasis on recruiting diverse populations as volunteers, and general aging, among other factors he cites. Volunteers, too, are shifting away from long-term assignments to time- or project-delimited involvements and looking for how those assignments fulfill not only a philanthropic purpose but personal desires for satisfaction and intellectual, emotional or skill-related growth or expression.

Finally, he cites structure<sup>6</sup> as a major issue. Community organizations are distinguished by an absence of meaningful and widely understood outcome measures and, consequently, seldom go out of business. There is little renewal through "creative destruction" that occurs in the business world, thus leading observers of the Community Sector either (a) to conclude that funding is dispensed on the basis of small-p political activities and alliances, or (b) "to comment on the apparently inexorable growth in the number of organizations and the consequent increase in competition for attention and public support,"<sup>7</sup> which leads donors further down the path of targeted contributions.

In short, Brodhead describes our present Canadian Community and Public Sector conundra as "letting a thousand flowers wither."<sup>6</sup>

He goes on to suggest a number of possible paths toward a better future, for instance:

✓He agrees with many others that the old funding paradigm based on government grants and contributions from private donors needs to be jettisoned, and possibly replaced by purpose-built new financial institutions to serve charitable and not-for-profit sectors. He cites Vartana, established in 2002 and inspired by similar models in the UK and Europe, as an example, though it was, alas, a victim of the recession. Causeway, founded in 2007 as a social financing vehicle, is also mentioned.

✓Those organizations that deliver services for government, especially, will continue to need government funds and private donations, but also should become much more professionally and competitively managed, he believes, and provides examples of where market initiatives have been successfully used. He acknowledges, however, that there are hotly-contested arguments against the view that these Sectoral organizations should operate more like businesses.

✓Brodhead suggests more use of comparative assessments, and cluster evaluations that explore results obtained using different approaches, or comparable funding practices.

✓Volunteer programs need to be turned on their heads, he says, so “instead of using volunteers to meet organizational needs, work will be configured also to address participants’ personal needs.”<sup>8</sup> He mentions Montreal-based Santropol Roulant as an example of this.<sup>9</sup> This new approach needs to fully utilize information and communication technology to effectively train, integrate and orient new volunteers as a permanent activity.

✓His suggestions for structural change focus on new organizational forms that better serve those organizations whose missions require access to significant capital. Both the US and the UK have moved much further than Canada, to vehicles like Community Inter-

est Companies (CICs) in the UK, and low-profit limited liability companies, called L<sub>3</sub>Cs, in several US states, both of which have opened up other financing opportunities.<sup>10</sup>

There follows from these points an extensive discussion of social innovation, its role and how it can be stimulated. He notes the importance of a national focus (e.g., a partnership and advisory office at the Prime Ministerial level, as in the UK and US), as well as regional and local efforts to link community needs and academic research through knowledge-transfer offices and service-learning initiatives, and cross-sectoral initiatives.<sup>11</sup>

Brodhead also advocates an asset-based approach to deal with the looming public policy question of what we do with the significant “benefits” economy as needs continue to outstrip government revenues.

His action agenda is summarized in two fundamental changes.

First, he enjoins the Community Sector to reposition its self-image as not just the *caring* sector but as the *creative* sector, and no longer identify itself as what it is not (i.e., non-governmental, not-for-profit). This, he says, would have benefits for those who work in the sector, as well as among the wider population and governing elites. He urges government to see the Sector as an indispensable partner, and business to embrace a role beyond the marketing value of the “triple bottom line.” Donors, he adds, should actively encourage innovation. The concept of respectful collaboration looms large in this part of his text.

Second, we all need to go from “muddling through” this present crisis to developing the resilience and adaptability to act in common to innovate, collaborate and celebrate, thereby demonstrating the enduring value of the Community Sector.

***Bolstering the Analytical Case for Transformation***

The need for transformation in all of Canada's economic and social sectors is so well known colloquially that it may seem redundant for me to press on with argument in its favour. However, Brodhead's paper on the Community Sector, in my view, covers a middle point on the continuum of sectoral urgent need. To its left (spatially speaking) is the still relatively quiet dialogue on the need for Public Sector transformation, and on its right is the much more cacophonous dialogue related to the Business Sector's peril. I will spend time later in this paper on the business literature, primarily because -- while it is mostly prescriptive -- the theoretical and analytical underpinnings are so much further advanced and draw on a wide range of disciplines. However, before I head there, I do want to draw to your attention two recent commentaries on our Public Sector that exemplify the transformational need there.

The first of these is a most interesting commentary, recently published by the MacDonald-Laurier Institute, on auto manufacturing and the future of North America, authored by Stephen Blank, a Senior Fellow at the Centre for International Governance Innovation and Senior Research Analyst at Arizona State University's North American Center for Transborder Studies.<sup>12</sup> Blank sets out a history of changes in the continental auto industry during the past 50 years, in which technology and geo-economics utterly changed how automobiles are built and sold.

"Too many well-informed people still think of the North American auto market as three separate and distinct national markets. The reality is that Canadians, Americans, and Mexicans no longer sell automobiles to each other. Rather, we build them together in an integrated market. A quarter of the more than one billion dollars of goods that cross the U.S.-Canada-Mexico borders each day are automotive; not finished vehicles but parts, components, and modules.

...North Americans also today share the world's most deeply integrated energy markets; we use the same roads and railroads to transport jointly made products to market; we fly on the same integrated airline networks; and increasingly we meet the same or similar standards of professional practice."<sup>13</sup>

Blank makes the very important point that no one "planned" these developments, and no industrial strategy led to the result. The direction of change was more "bottom-up," driven by individual corporate strategies and structures. But now,

"...the American and Canadian auto industries are no longer centered in Michigan and surrounding states and southern Ontario. Only about a quarter of all auto parts are now produced in this region.... More than three-fourths of auto industry jobs and facilities are now located in the "narrow corridor between the Great Lakes and the Gulf of Mexico formed by two north-south interstate highways, I-65 and I-75."<sup>14</sup> These locations, in the interior of the continent, make delivery of assembled autos more economical by allowing a smaller number of larger plants to reach a larger number of sales sites in less time."<sup>15</sup>

These are profound continental economic and social changes, along with shifts in what companies manage what parts in which countries. Originally, NAFTA assumed freer trade would be among national companies trading at arm's length, "not transnational companies operating joint production arrangements within their corporate systems."<sup>16</sup>

Blank's central point is that for all our biggest industries, constituting millions of jobs, there is much we don't know. In the US, Canada and Mexico there are only a small handful of North American studies programs, no ongoing centres for research on North American energy, North American transportation, or North American industries. Economics, political science and business faculties give it little attention, and there are no journals on North America and no business magazines. "None of the three national governments has a North American ministry and critical departments like transportation and environment don't have a North American desk."<sup>17</sup>

“So we wind up with a remarkable asymmetry between the North American economy which remains deeply integrated and a North American governance system which is very weak, fragmented and uninformed. We depend greatly on a system about which we know little.”<sup>18</sup>

A rather sad case commentary on both the performance of our elected and public service leadership, and but one example.... There are a few logical explanations for this performance (and that of some others), but they all end pointing to lack of courageous and intentional leadership in this sector.

The second short commentary to which I draw your attention regarding the Public Sector, is a small essay posted at *The Mark*, a non-partisan Canadian political webzine. Commenting on the recent election, Gershon Mader, a management and leadership consultant, suggests that these results may offer an opportunity for much-needed transformation in Ottawa, at least at the Parliamentary level. The NDP’s Jack Layton has an opportunity to reinvent his organization, Mader says, by creating “direction, a (sense of) common destiny, cohesion, and an identity with regard to both direction and destination.”<sup>19</sup> A second opportunity arrives with the influx of so many young members, from diverse backgrounds, who are what Don Tapscott calls “digital natives” -- they’ve never known any reality without using information technology. They are familiar with using social media, and innovative ways of connecting with stakeholders inside and outside of organizations.

“The old “Iron-Curtain” culture is doomed in this new environment, whether in business or politics. Our leaders would be well-advised to seize the chance to bring about true transparency and accountability, as they often promise to do. Too often this is sacrificed to silos of interest, secrecy, and a command-and-control mindset. As organizations are flooded with digital natives, this will become increasingly difficult to sustain and we will see changes for the better in both sectors.”<sup>19</sup>

We can only hope....

Analyzing the need for transformational change in Canada's<sup>20</sup> Business Sector truly would be a separate, and voluminous, paper and I see no need to write it here. Scores of business professors, their graduates, and think-tanks have filled bookstores and the internet with their analysis and counsel. Instead, I will look at some of the scientific analysis that applies to all sectors and their fields, and review a small selection of the vast business literature that appears -- to me, at least -- to be relevant in resolving what I might style "the Brodheadian challenges" facing the Community Sector. So, let's now look at....

### ***Some of the Science That Has Brought Us to This Point***

The literature on the management of (mostly business) organizations is rich with prescriptive and suggestive advice for successfully accomplishing transformational change. This should not surprise us, as the consequences for businesses that fail to adapt to their market context -- unlike most Community Sector or Public Sector organizations -- is loss of market share or bankruptcy (unless, of course, you are a developed-world banker dealing in shady mortgage investments....). I will speak in brief detail of two scholars who edge toward causal meta-theory in their work on this point.

Jared Diamond, the polymath researcher and Pulitzer Prize winner, said in an interview a few years ago<sup>21</sup> that his interdisciplinary study of the past 13,000 years of human history showed a long-term trend toward amalgamation -- big settlements and political units which later fragment and then the pieces join again, usually in different and more numerous configurations. Too much unity, he argues, results in minimizing competition and innovation, leading in turn to decline in competitive advantage. The art of successful transformation, then, lies in an appropriate critical mass defined by what he calls the "op-

timum fragmentation principle,"<sup>22</sup> somewhere between too much unity (perhaps, like China) and the perils of hyper-fragmentation (perhaps, like the Indian subcontinent).

"...the idea of optimal intermediate fragmentation is a useful starting point, but it is not a magic bullet. It's not the case that you can look for the natural size of a business. The principle is not that simple. Instead, what managers can profitably do is to be aware of the advantages and disadvantages of big units, and then to be aware of a different set of advantages and disadvantages of small units, and to recognize that, at any moment, the challenge for the industry is to find what unit size and organization give you the most advantages with the fewest disadvantages. Where you fall along that spectrum changes with time."<sup>23</sup> (*Emphasis mine.*)

Diamond also notes that innovation, historically, appears to have been associated with being on the geographic fringes of centres of political power, and it is not always with unified size. He illustrates this with a few, more contemporary, examples like Sweden and Finland, which have survived and developed on the fringe of Europe for thousands of years, and Europe itself, which was a backwater civilization sitting on the fringes of the Fertile Crescent, until A.D. 1000. Similarly, he cites China's technological prowess between A.D. 1000 to 1400, which it lost because of its deficiencies in large-scale political management.<sup>24</sup>

Historian Elin Whitney-Smith, like Diamond, takes a long interdisciplinary view of change and organizations. In her case, she has been refining her theory of economic progress as a series of information technology disruptions that form causal loops.<sup>25</sup> She believes there have been six information revolutions in human history, each of which presented a major change in the organizational paradigm, in how people form themselves into groups.

"The first was among hunter-gatherers just before the invention of agriculture; second, the rise of counting and written language; third, the fall of Rome; fourth, the invention of the printing press; fifth, the electric informa-

tion revolution that accompanied trains, telegraph, and telephone; and sixth, the digital information revolution that we are now living through. In the last three, the economics follow the same pattern: a long boom followed by a crash. Then a difficult and turbulent struggle begins. New ways of organizing emerge and the old ways, supported by established elites, fail."<sup>26</sup>

She points out that not all information revolutions are associated with an information technology -- rather, it's about how information *works* in a culture. And, in each of the last three cases, she states, there have been the same two phases to the revolution. For example, with the invention of the printing press, the first phase was characterized by benefiting only existing elites (e.g., the Renaissance state succeeding networks of feudal cities because the printing press enabled organizations to be more centralized and efficient; universities also began to grow to train clergy). These elites may adopt a few elements of the new way to inform and communicate that serve their purposes but, when they perceive a possible threat to their power and way of life, they will seek to quash it (e.g., as the Spanish did in the Inquisition, which spread first across southern Europe). Thus, lasting innovation in an information revolution, Whitney-Smith says, comes from "the edges, from people who are just gaining access for the first time"<sup>27</sup> (as, in the second phase of the printing press revolution, it became the role of English weavers and those in northern countries to change their world through the printing press, creating new forms of production and new institutions).

It is not surprising, then, during this second phase -- which she believes we have now entered for the digital revolution -- that those who have power seek to shut down access by others who seek to innovate and change. I think it is very easy for each of us to think of some current examples of that. Turning to those who seek to make the most of this new technology, Whitney-Smith notes these new companies are less bound by old forms of hi-

erarchical authority (e.g., Facebook, Google, et al.) or they are companies with massive line worker input such as the “open management” companies pioneered by Jack Stack, the founder and CEO of SRC Holdings. Inc. Magazine has dubbed him “The Father of Open-Book Management,” a business practice of sharing financial and decision-making duties among all employees.<sup>28</sup>

Diamond and Whitney-Smith are not the only scholars of their ilk. The Business Sector literature on transformation in the past decade has drawn on research in neuroscience and psychiatry (e.g., how we change patterning when introducing changes in organizations, and better use intelligent memory capacities),<sup>29</sup> psychology (e.g., gamification),<sup>30</sup> biophysics (e.g., system sustainability, quantum coherence)<sup>31</sup>, and evolutionary biology (e.g., evolutionary/genetic connections of cooperation and eusociality)<sup>32</sup>. (*I’m afraid this is one of those talks where you really have to wait to read the Endnotes!*)

Moving down in altitude a few thousand feet, there are a few others whose work it would be important to note for our purposes. One would be Shoshana Zuboff -- you may remember her PhD dissertation, which appeared as landmark, interdisciplinary classic, *In the Age of the Smart Machine*,<sup>33</sup> some 20+ years ago. More recently, she’s been looking at the historic transition in capitalism that is unfolding as mass consumption gives way to the wants of individuals (e.g., as in the radical reformation of the music and gaming industries by iPod and iTunes), and finding that corporations from the “managerial capitalism” era are barriers to progressive changes, and that pathways toward “distributed capitalism” are now clearer. In a recent article in the *McKinsey Quarterly*,<sup>34</sup> she develops a taxonomy of mutations in capitalism that vary in the degree to which they have developed each of the five functions she believes are essential to the new “genetic code.” Those new functions

rise as reconfigurations of assets “defined by the unmet needs of individual end users,”<sup>35</sup> and include inversion (i.e., instead of asking “What do we have that we can sell to you?” ask “Who are you?” “What do you need?” “How can we help?”), rescue (i.e., digitize and distribute as many of your assets as you can), bypass (i.e., leverage digital technologies and new social arrangement to go around the resisting domains), reconfiguration (i.e., let those newly accessible assets be reconfigured by users) and support (i.e., realign your practices with the interests of the end consumer).

“Mutations take root in individual space and they quickly blur the boundaries of industries, sectors, and enterprises -- ultimately making those boundaries obsolete. Is Amazon.com, for instance, in the retail, the logistics or the Web-services industry? The question no longer makes sense.”<sup>36</sup>

Zuboff’s article is both based on theory and very practical, setting out seven conditions under which your organization (business or otherwise) is especially vulnerable to radical, transformational innovation and industry change, and four strategies you can use to rebuild it from the perspective of individual consumers.<sup>37</sup> I have provided these in the End-notes to this talk.

A second set of scholars and leaders (including Zuboff) coalesced in 2008 around Gary Hamel, Director of the Management Lab and Visiting Professor of Strategic and International Management at the London Business School.<sup>38</sup> It was a very distinguished crowd at that meeting and they founded the open-source Management Innovation Exchange. The MIX, as it is known, has a lofty manifesto, and a very exciting website, which is open to any who want to join and share their vision or experience.<sup>39</sup> Here’s a small sample from the opening of the Mix Manifesto:

“What law decrees that our organizations have to be bureaucratic, inertial and politicized, or that life within them has to be disempowering, dispiriting

and often downright boring? No law we know of. So why not build organizations that are as resilient, inventive, inspiring and socially responsible, as the people who work within them? Why not, indeed. This is the mission of the MIX."<sup>40</sup>

They are all about Management 2.0, citing that there's a lot that's broken about Management 1.0, which is a fully mature technology. In a recent University of Phoenix Guest Video Lecture, titled "Reinventing the Technology of Human Accomplishment,"<sup>41</sup> Hamel reminded listeners that Management 1.0 -- pay for performance, capital budgeting, task design, divisionalization, brand management -- was mostly invented by people born in the mid-19<sup>th</sup> century to maximize standardization, specialization, hierarchy, control, and shareholder interests -- and that the way we manage has hardly changed in the past 50-60 years. So most of what we do in management, he said, was mostly designed "by people long dead, long retired, or long in the tooth."<sup>42</sup> To succeed against trends of accelerating change, hyper-competition, and knowledge itself becoming a commodity, Hamel said, those in organizations today must have aspirations (e.g., aim high and start working), must be contrarian (i.e., willing to challenge dogma), and be willing to learn "from the fringe" (or else three or four levels down in Fortune 500-sized organizations).<sup>43</sup>

"...zero-sum thinking, profit-obsession, power, conformance, control, hierarchy, and obedience don't stand a chance against community, interdependence, freedom, flexibility, transparency, meritocracy, and self-determination. It's time to radically rethink how we mobilize people and organize resources to productive ends."<sup>44</sup>

The MIX website is all about assembling well-constructed stories, "hacks" (defined as boundary-pushing proposals, disruptive ideas and radical fixes for changing the way organizations work and leaders lead), barriers (help others with their roadblocks and get help with yours), moonshots (a roster of make-or-break challenges to focus energies eve-

rywhere) -- along with blogs and videos that discuss and illustrate the work. They sponsored their first "M-Prize" this past year for best ideas and have just announced a "Management 2.0 Challenge," short-case competition, sponsored by Harvard Business Review and McKinsey & Co.

Importantly, a large number of postings and members of The MIX are from Community Sector organizations, in addition to businesses (and the small number of Public Sector contributors appear to be mostly from the municipal or local level -- no surprise).

### ***Some Examples of Organizations Finding Their Way***

All of this brings us, I believe, to the point of considering some examples of organizations that are currently exemplifying the innovation and creativity to mission achievement that Brodhead counsels for the Community Sector and Zuboff, Hamel and others counsel for all three sectors. They are also using technology to better enable them to achieve their mission. Many of their leaders are from the "open-source" world, and have had experience with the likes of Mozilla, Red Hat, Creative Commons, Wikipedia, and others. Most are well-peopled with folks from Generation 'F' (for Facebook) or 'C' (for Connected) who've never known an unconnected world.<sup>45</sup> We're going to go through these as quickly as the technology will allow, and you can re-visit at your leisure for inspiration.

**Wikipedia** -- Whatever you think of it, it keeps improving and it's doing some wildly wonderful things. It covers a huge number of activities, through the Wikimedia Foundation, [http://meta.wikimedia.org/wiki/Main\\_Page](http://meta.wikimedia.org/wiki/Main_Page), and they've just completed a year-long, exemplary, 'crowd-sourced' strategic plan for the next five years, with some 2,000 volun-

teers (the story of this is on its own site, [http://strategy.wikimedia.org/wiki/Main\\_Page](http://strategy.wikimedia.org/wiki/Main_Page), and as a Moonshot story at The MIX).

**Creative Commons.org** -- <http://creativecommons.org> a worldwide of more than 100 affiliates, committed to universal access to research, education, full participation in culture, and driving a new era of development, growth, and productivity. Joichi Ito, their Chairman and former CEO (a Japanese venture capitalist, technologist and well-known web-blogger and commentator), was just named Executive Director of the renowned MIT Media Lab. Extraordinary guy -- 45-year-old university dropout, smarter than any of us in this room will ever be.... Check him out.

**HCL Technologies** -- <http://www.hcltech.com/careers/>, I've opened to the career page of this Indian IT and software development firm. Their CEO, Vineet Nayar, is famous for their slogan and organizational design, "Employees First." If you have a problem as an employee that hasn't gotten resolved, you post it on an internal webboard that's public to the company. In 24 hours, if it hasn't been resolved by the first level of management, it gets booted up to the next level, and so on. Only the employee can remove it from the whiteboard.

**Groupon** - <http://www.groupon.com>, finds/develops bargains with businesses and then offers them as coupons, one a day, in your city. You buy it that day or never, and then have a specified time period (it varies with the participating business) to redeem it. Harnesses collective buying power for its members. Have gazillions of members and have raised significant amounts of venture capital.

**thredUp** -- <http://www.thredup.com>, enables mail-in kids' clothing swaps. One year after launch they had 10,000 members exchanging 14,000 items a month. They also have a community blog where moms discuss one interesting topic a day.

**Kickstarter** -- <http://www.kickstarter.com>, connects artists who need funding with small donors who want to support them. The first has helped hundreds of projects raise as much as \$200,000 without the hassle of fundraising.

**Philanthroper** -- <http://philanthroper.com>, Groupon for nonprofits! Started in January this year, and they pick a charity (or two or three) a day to raise money and make big use of Twitter to get it. Mostly they raise it \$1 at a time. Philanthroper is but one example -- recent studies show that those who use online tools raise six times more, on average, than those who use offline media only. Twitter is the only method by which the average fundraiser beats his goals, and those who use Twitter raised near 10 times more than those who did not use Twitter. Adding Twitter to any other effort increases the likelihood of donations. And social media have now surpassed letter-writing as a channel for fund-raising by in participants in a survey by Blackbaud and RunWalkRide Fundraising Council.<sup>46</sup>

**Ben & Jerry's Fair Tweets** -- Started May 4, 2011, and one of my favourites for consciousness-raising, <http://www.fairtweets.com>, leave some shortfall in your 140 characters in any Twitter message, and they will turn it into a message and link about Fair Trade. You just have to download a Firefox or Chrome browser extension, think "short tweets" and they do the rest....

**InnoCentive** -- <http://www.innocentive.com> -- This methodology and cloud-based technology platform -- another open-source initiative -- connects corporations, govern-

ments and non-profits to internal and external communities of problem-solvers to find solutions to their pressing challenges.

**SeeClickFix** -- <http://www.seeclickfix.com> -- an “active citizenship” platform, that enables people in a neighbourhood or region to report problems, concerns or issues. The extra publicity often finally activates a highway department or municipality to deal with the issue.

**TechSoup Canada** -- <http://www.techsoupcanada.ca> -- provides mostly free webinars and equipment for NGOs to help them utilize general and specialized technology better.

**TreehouseGroup** -- <http://treehousegroup.org> -- a collective of Toronto-area thinkers who facilitate idea exchanges with people from diverse backgrounds.

**TakingITGlobal Canada** -- <http://canada.tigweb.org>, an organization of youth online that are interested in global issues and creating positive change.

**Catchafire** -- <http://catchafire.org> -- like Taproot and Sparked, a way of finding professionals or folks with skills who will donate their time to a volunteer organization or social enterprise.

**Shesthefirst** -- <http://www.shesthefirst.org> -- a charity run by young women to support education of girls in the developing world. Their website shows the many cool ways that work with both their donor and recipient communities online.

**Shapewhatstocome** -- <http://shapewhatstocome.com> -- a great communal mentorship and peer forum for young women interested in shaping the world, sponsored by Levi. The graphics are engaging and -- again -- this group has formed an online community. Check out their traveling journals -- quite spectacular!

**BetterMeans** -- <http://bettermeans.com/front/index.html> - launched near the end of 2010 as an Open-Enterprise platform where people can start and run companies in a decentralized way. That doesn't mean open source projects are democracies; they're meritocracies where people earn influence and leadership over time with good ideas and good contributions. BetterMeans is not an open-source project itself because, as they note on their FAQ, they haven't yet figured out a business model that sustains them and keeps their software open source. An interesting experiment.

**RandomHacksofKindness** - <http://www.rhok.org> - is a community (founded in 2009 as a partnership between Google, Microsoft, Yahoo!, NASA and the World Bank) that focuses on developing practical and open-source solutions to global challenges. These challenges can range from disaster risk management to climate change adaptation. Solutions so far have included apps such as I'm OK, an SMS app that lets people in disaster-afflicted areas notify family members of their status, and CHASM, an app for landslide risk visualization. These apps are made by thousands of software experts, volunteer devs and designers from 26 cities around the world. Currently, they've completed about 120 projects. Projects continue year-round, but events can be organized to create sprint scenarios and one of these is happening this weekend in Nairobi.<sup>47</sup>

**HackforChange** -- <http://www.hackforchange.com> - from Change.org, Hack for Change is a weekend-long event to be held in San Francisco on June 18 and 19, 2011. At the hackathon, 50 developers and designers will split into teams and spend 24 hours creating web or mobile apps they believe will affect positive change. Developers can use any publicly available APIs in their apps.<sup>48</sup>

**Code for America** -- <http://codeforamerica.org> - This organization assembles teams of crack developers to build open-source apps for governments. Each year, many cities and states apply for the CfA program, and many more developers vie for a spot as a CfA fellow. The chosen hackers are sent to the cities where the apps will be built and used. Each dev is given a stipend, as well as mentorship and post-program recommendations.<sup>49</sup>

**CitySourced** -- <http://www.citysourced.com/default.aspx> - is a startup that gives governments tools to collect information and alerts via a mobile app -- pick your phone technology!<sup>50</sup> Too bad it's not yet available in Canada....

### ***So What's Next for Transforming Canada's Community Sector Organizations?***

Brodhead, you will recall, recommends that the sector reposition its self-image as the *caring* sector and the *creative* sector, and for government and business to play their role, respectively, as indispensable partner and something beyond the marketing value of the "triple bottom line." Everyone should collaborate, innovate and celebrate.

While I don't disagree at all with those prescriptions, Tim Brodhead is a nicer person and more of an optimist than I am. I feel more at home with that crowd at The Mix, and those folks who, when presented with a barrier to important decisions or actions, say "well, I guess I'll ask forgiveness, rather than permission!" I've read Peter Elson's very good book on the history of our Canadian Community Sector, and have lived through every federal government phase of its sectoral interaction since 1984 (a portentous date, now that I think about it...). And I think it's going to be a frosty day down below before any of us sees any sustainable, positive action on federal interaction or true partnership

with the Community Sector in this country. There may be some hope in a few provinces and Brodhead enumerates this very short list.

There is, however, hope for the municipal level, because they are just as desperate as the Community Sector folks are. That seems to be where there is some innovation and Management 2.0 steps being taken, at least by a few.

So here is where I part company with the route Brodhead prescribes we travel -- or, at least, I take a bypass. I believe the Community Sector must re-skill itself, by hook or by crook -- especially with a view to the efficiencies and innovations that applied technology can provide them, and look to radicalizing themselves while federating with others of similar mind from any of the three sectors (a la Zuboff or The MIX).<sup>51</sup>

I also believe that, as academics, most of us need to become more technology savvy, at least enough to be aware of sites we can visit to pick up new ideas and techniques. Critically, I also think we academics can be of some help to the Community Sector through our research (as well as any teaching or service contributions). There has been a lamentable tendency in the past 15 years in universities to push quantity over quality, where and when colleagues are seriously undertaking their research responsibilities. A recent commentator in *The Chronicle of Higher Education*, lamenting this trend in his own field of literary studies, said "...the volume of scholarship...has become so heavy that the cream can't rise to the top."<sup>52</sup> With appropriate humility, we should realize that quite a lot of what we research as academics is inconsequential to everyone but us and, if we're lucky, some other academics.

Equally, there has been a concurrent preference in many fields -- not so much our own, but still... -- toward research of the "disinterested observer" variety. I think it's time to re-

embrace Argyrian, Lewinean (or even Freireian)<sup>53</sup> values of action and participatory research with our practitioner colleagues, especially those in the Community Sector. There's a lot that can be gained by a reflective process of progressive problem-solving to bring expert "design thinking"<sup>54</sup> to improvement in organizational knowledge, strategies and practices. In any event, if you read enough quantum physics and quantum coherence research, you'll find that our efforts as "disinterested observers" seem to affect outcomes anyway, although in ways we may not fully consider or realize at the time.

In searching for impact to focus our efforts, I think we should be looking at organizations that are at the "fringe" or the "cutting edge" (however you would like to think about it) -- those who are "positive deviants" (an asset-based, problem-solving, community-driven way of looking for unusual but successful behaviours among peers that can be encouraged for positive change).<sup>55</sup> To invoke that well-known aphorism, within any change is opportunity. What more exciting and meaningful legacy of our work can we possibly leave?

## Endnotes

<sup>1</sup> With apologies to Tim Brodhead for the play on words of the title for his excellent paper, referenced below.

<sup>2</sup> This effort is dedicated to Bob Payton, former head of the Exxon Educational Foundation and a creator of the Center for Philanthropy at Indiana University, and Brian O'Connell, co-founder of the Independent Sector organization, both of whom died this year. They made a great contribution to what Tim Brodhead calls the "Community Sector" and for all the right reasons. I was fortunate to know and learn from them both at an early stage of my career.

<sup>3</sup> Brodhead, Tim (2010). "On Not Letting a Crisis Go to Waste: An Innovation Agenda for Canada's Community Sector," *The Philanthropist*, 23(1), 93-117.

<sup>4</sup> Brodhead chose to limit his scope of commentary to the registered charities within the Community Sector. Updated from his time of writing, according to the Canada Revenue Agency, there were 85,229 registered charities as of December 31, 2009, up from 84,011 on December 31, 2008. Canada has proportionately the second largest charitable sector in the world, after the Netherlands, and an equal number of incorporated not-for-profits. According to Imagine Canada, the 2003 survey of National Survey of Nonprofit and Voluntary Organizations (NSNVO) showed the core nonprofit sector (which excludes hospitals, universities, and colleges) accounts for 2.6% of GDP or \$29.1 billion; it has 1.5 million full-time equivalent (FTE) workers (paid and volunteers), which is 9.2% of the economically active population.

<sup>5</sup> Lynn Eakin (2009). "The Invisible Public Benefit Economy: Implications for the Voluntary Sector," in *The Philanthropist*, 22(2), 93-101.

<sup>6</sup> For further discussion, see also Bromberger, Allen R. (2011), "A New Type of Hybrid," *Stanford Social Innovation Review*, Spring, pp. 49-53. Also Bell, Terena (2011), "Being the Only B," *Stanford Social Innovation Review*, Summer, pp.27-28.

<sup>7</sup> Brodhead, *op.cit.*, p. 109.

<sup>8</sup> *Ibid.*, p.101.

<sup>9</sup> More information on this organization can be obtained at [www.santropolroulant.org](http://www.santropolroulant.org). Warren Nilsson's work on their organizational dynamics -- *The Southern Wall: The Art of Engagement at Santropol Roulant* (2009), may be downloaded in PDF format from that site or from Google Documents.

<sup>10</sup> Brodhead, *op.cit.*, pp. 106-107 writes, "Community interest companies (CICs) were introduced in Britain in 2005. They operate like businesses but must demonstrate that they create a community benefit; they may issue shares to raise capital but there is a cap on returns and an "asset lock," which means that profits and assets must be retained by the community, not distributed to shareholders. By the end of 2009, some 3,300 CICs had been set up and were doing business in fields such as low-cost housing, home support, recycling, etc. Community development venture funds, initially a partnership between government and the private sector and now wholly private, provide investment capital, while other institutions provide advice, mentoring, and professional services to budding social entrepreneurs and enterprises. A similar development in the U.S. has led to the creation of new entities called low-profit limited liability companies, or L3Cs, by several states. Like CICs, they can raise private capital by issuing shares or through other financial means, and their purpose is to use market mechanisms to meet community needs." He adds that spinoffs from these two initiatives have resulted in "social impact bonds" in the UK, and the ability for US foundations to make program-related investments (PRIs) using their assets, not just grants.

<sup>11</sup> *Ibid.*, pp.109-110.

<sup>12</sup> Blank, Stephen (2011), "Driving Continental Integration: Auto Manufacturing and the Future of North America," [http://www.macdonaldlaurier.ca/files/pdf/Stephen\\_Blank\\_Driving\\_Continental\\_Integration.pdf](http://www.macdonaldlaurier.ca/files/pdf/Stephen_Blank_Driving_Continental_Integration.pdf), is a revised version of an article scheduled to be published in the *American Review of Canadian Studies*.

<sup>13</sup> *Ibid.*, p.1.

<sup>14</sup> Thomas Klier and James Rubenstein, "Who Really Made Your Car?" Employment Research (Upjohn Institute, April 2008) p.3.

<sup>15</sup> Blank, *op.cit.*, p.5.

<sup>16</sup> *Ibid.*, p.10.

<sup>17</sup> *Ibid.*, p.11.

<sup>18</sup> *Ibid.*, p.11.

<sup>19</sup> Mader, Gershon (2011), "Leading Canada's Newbie Parliament: The House of Commons Faces an 'Organizational Transformation,' and That May Be a Good Thing," *The Mark*, May 16, <http://www.themarknews.com/articles/5157-leading-canada-s-newbie-parliament>.

<sup>20</sup> There is not much that is uniquely Canadian about this general category of business literature, although scholars like Roger Martin and organizations like the Conference Board of Canada and the Centre for the Study of Living Standards (especially through its quarterly publication, *The Productivity Monitor*) have anchored Canadian data in discussion of broader transformational concepts. For purposes of this paper, I have chosen a few seminal sources devoted to generic theory and practice, although they are non-Canadian in origin.

<sup>21</sup> Rosenberg, Randall (2001). "Jared Diamond: The Thought Leader Interview," *strategy+business*, Third Quarter/Issue 24, pp. 1-9, <http://www.strategy-business.com/article/20101?pg=0>.

<sup>22</sup> *Ibid.*, p.5

<sup>23</sup> *Ibid.*, p.6

<sup>24</sup> *Ibid.*, p.3.

<sup>25</sup> Kleiner, Art (2011). "A Long-Wave Theory on Today's Digital Revolution," *strategy+business*, Third Quarter/Issue 63, pp. 1-5, <http://www.strategy-business.com/article/00074>. Also see Elin Whitney-Smith, "The Dynamics of Information Revolutions: A Causal Loop Model," <http://www.systemdynamics.org/conferences/2005/proceed/papers/WHITN418.pdf>.

<sup>26</sup> Kleiner, *op.cit.*, p.1.

<sup>27</sup> Kleiner, *op.cit.*, p. 4.

<sup>28</sup> According to Aggarwal, R. & Simkins, B. (2001). "Open-book management—Optimizing human capital," *Business Horizons*, 44(5), 5-13.

<sup>29</sup> See, among others, Schwartz, Jeffrey, Pablo Gaito and Doug Lennick, "That's the Way We (Used to) Do Things Around Here," *strategy+business*, Second Quarter/Issue 62, pp.1-20. Regarding "intelligent memory," see applications in business creativity in Duggan, William (2010), "How Aha! Really Happens," *strategy+business*, First Quarter/Issue 61, pp.1-6.

<sup>30</sup> "Gamification" has been defined as the use of game play mechanics for non-game applications, particularly consumer-oriented web and mobile sites, in order to encourage people to adopt the applications. It also seeks to encourage users to engage in desired behaviors, taking advantage of humans' psychological predisposition to engage in gaming. See also Corcoran, Elizabeth (October 29, 2010), "The 'Gamification' of Education," O'Reilly Media, republished by Forbes.com (<http://onforb.es/9CvRyn>), and Smith, Ross (May 16, 2011), "The Art of the Game," Management Innovation Exchange, <http://bit.ly/iCstsA>.

<sup>31</sup> See, among others, work by Canadian (U of T) scholar, Elisabetta Collini, et al. (2010), "Coherently wired light-harvesting in photosynthetic marine algae at ambient temperature," *Nature*, 463:644-647 or, for a more colloquial description of the potential of quantum physics in biological organisms, see Mae-Wan Ho (1999), *The Rainbow and the Worm: The Physics of Organisms*, 2d edition, World Scientific Publishing Co., or Riley, David, Rollin McCraty and Suzanne Snyder (2010), "Mae-Wan Ho, PhD: Pursuing the Science of Global Coherence," *Alternative Therapies*, 16:4, pp. 88-95).

<sup>32</sup> See especially Nowak, Martin, Tarnita Corina and Edward Wilson (2011), in *Nature*, 471:7339, pp. E9-E10. Also Nowak, Martin and Roger Highfield (2011), *SuperCooperators: Altruism, Evolution, and Why We Need Each Other to Succeed*, Free Press.

<sup>33</sup> Zuboff, Shoshana (1989). *In the Age of the Smart Machine: The Future of Work and Power*, Basic Books. A social psychologist and philosopher by training, she was one of the first women tenured at the Harvard Business School. Now retired, she is still actively reflecting and writing, her most recent book (2002) being *The Support Economy: Why Corporations Are Failing Individuals and the Next Episode of Capitalism*, co-authored with her husband, former Chief Executive of Laura Ashley, Jim Maxmin, and published by Viking.

<sup>34</sup> Zuboff, Shoshana (2010). "Creating Value in the Age of Distributed Capitalism," *McKinsey Quarterly*, <http://bit.ly/crUUfZ>, pp.1-12. (Note: a free registration is required to access the article on the McKinley Quarterly site.)

<sup>35</sup> *Ibid.*, p. 11.

<sup>36</sup> *Ibid.*

<sup>37</sup> The seven areas of vulnerability Zuboff identifies include:

1. The products or services you offer are affordable to few but desired by many.
2. Trust between you and your customer has fractured. The average person's trust in business has been in steep decline for the past 30 years, and the distance between what today's businesses can deliver and what individuals want is only growing. This problem makes all consumer-facing industries—especially financial services, health care, insurance, autos, airlines, utilities, media, education, and pharmaceuticals—particularly vulnerable.
3. Your business model is concentrated, with a high level of fixed costs, a large percentage of which could be distributed, delegated to collaborators, or shifted to the virtual world. Here, too, most existing industries are deeply vulnerable.
4. Your organizational structures, systems, and activities can be replaced by flexible, responsive, low-cost networks. A neighborhood watch, citizen journalists, online peer support, and peer-to-peer reviews and information sharing are all examples.
5. There are hidden assets, outside institutional boundaries, that are underutilized but could replace your fixed costs, add capacity, or add new capabilities.
6. You don't have all the tangible or intangible assets required to meet your customers' needs.
7. Your end users have needs and desires that you haven't imagined and have no way to learn about. Unless you make a strategic commitment to explore I-space, you'll learn about this vulnerability only when your end users migrate elsewhere. This has already been the experience of executives in industries such as recorded music, newspapers, broadcast news, and travel. (pp. 11-12)

And the strategies for rebuilding she identifies as: (1) federate with loose coalitions of enterprises to meet individual needs, (2) mine underutilized assets outside your organizational structure, including assets from individuals, (3) divide the work into segments that can be accomplished by individuals (sometimes the same ones whose needs you hope to meet), and (6) focus on individualized metrics and assess your performance by how well you are meeting individuals' needs. (pp. 1, 5, 6)

<sup>38</sup> Hamel's landmark books, *Leading the Revolution* (2003, Harvard Business Press) and *Competing for the Future* (1996, Harvard Business Press), have appeared on every management bestseller list and have been translated into more than 20 languages. His latest book, *The Future of Management* (2007, Harvard Business Press), was selected by Amazon.com as the best business book of that year. Over the past twenty years, Hamel has authored 15 articles for the *Harvard Business Review* and is the most reprinted author in the Review's history. *The Wall Street Journal* recently ranked him as the world's most influential business thinker, and *Fortune* magazine has called him the world's leading expert on business strategy. He has also written for *The Wall Street Journal*, *Fortune*, *The Financial Times* and many other leading publications around the world.

<sup>39</sup> <http://www.managementexchange.com>

<sup>40</sup> <http://www.managementexchange.com/about-the-mix>

<sup>41</sup> <http://bit.ly/jtdEi8>

<sup>42</sup> *Ibid.*

<sup>43</sup> *Ibid.*

<sup>44</sup> *Ibid.*

<sup>45</sup> There are now many good resources that discuss organizational implications (and radical disruptions) from employees of this generation (now coming into their 20s). A short list to start might include:

Birkinshaw, Julian, and Stuart Crainer (2008), "Theory Y meets Generation Y," *Management 2.0 Labnotes*, Issue 10, pp.1-7.

Hamel, Gary (2010). "The Facebook Generation vs. The Fortune 500,"

<http://www.managementexchange.com/blog?page=6>

Friedrich, Roman, Michael Peterson, Alex Koster, and Sebastian Blum (March, 2010). "The Rise of Generation C," Booz & Company white paper,

[www.booz.com/media/uploads/Rise\\_Of\\_Generation\\_C](http://www.booz.com/media/uploads/Rise_Of_Generation_C).

<sup>46</sup> From graphic of data results published on *Mashable.com* May 18, 2011, <http://mashable.com/2011/05/18/social-good-ecosystem-infographic/>

<sup>47</sup> <http://mashable.com/2011/05/27/hacking-for-good/>

<sup>48</sup> <http://mashable.com/2011/05/27/hacking-for-good/>

<sup>49</sup> <http://mashable.com/2011/05/27/hacking-for-good/>

<sup>50</sup> Most of the Public Sector-related sites in this list demonstrate creative mixes of pervasive broadband, social media, web services, mature GIS (Geographic Information Systems), with various data sets and open APIs, along with desktop ISP.

<sup>51</sup> Books on the subject of federating and building collaborative partnerships also fill many bookshelves and e-readers. For an extremely helpful analysis of these kinds of relationships, especially in the Community Sector, I recommend "Generative Relationships S T A R" by Dr. Brenda Zimmerman and Bryan Hayday. The article can be found on their consultative practice website, <http://www.change-ability.ca/publications.html>, or can be found by a different title in Zimmerman, Brenda J. and Bryan C. Hayday, "A Board's Journey Into Complexity Science", *Group Decision Making and Negotiation*, vol 8, pp. 281-303, 1999.

<sup>52</sup> Mark Bauerlein, *Chronicle of Higher Education*, May 26, 2011, <http://bit.ly/kH8pTy>

<sup>53</sup> Chris Argyris, Kurt Lewin and Paolo Freire....

<sup>54</sup> Brown, Tim and Jocelyn Wyatt (2010), "Design Thinking for Social Innovation, *Stanford Social Innovation Review*, Winter, pp.30-35. This article provides an excellent introduction and discussion of applying "design thinking" to Community Sector issues and organizations.

<sup>55</sup> <http://www.positivedeviance.org/> -- this initiative based out of Tufts University is one example of this process.