



Leadership



People  
development



Planning



Innovation



Enterprise



Learning



Impact  
measurement



Effectiveness



Accountability



Sustainability

Hallmarks of Excellence

## #4 Innovation

Imaginative and creative use of original or adapted ideas and techniques. This could involve the application to your work of concepts first applied in other organisations or sectors.



“They always say time changes things, but actually you have to change them yourself”

*Andy Warhol*

# The power of marginal gains

Innovation doesn't always have to mean 'the next big thing', says **David Hopkins**.

The key question which should power innovation is not necessarily how can we do something which has never been done before, but rather how can we improve what we do now? Better trumps new every day of the week.

When we think innovation we often imagine a quantum leap; jumping out of the bath exclaiming "eureka!" with a world-changing idea, but more realistically an aggregation of baby steps forward can deliver the change we desire. Our Olympic cyclists this summer understood the power of incremental improvements when one man led them through a series of seemingly minor tweaks to their routine to give them the edge. Wearing electrically-heated shorts before the race to keep the muscles warm; rubbing alcohol on the wheels to remove dust and improve grip out of the starting gate; and using only orthopedic pillows to ensure a solid night's sleep. Who was that man?

Matt Parker – GB Cycling's "head of marginal gains". Did it work? Seven gold medals for Team GB would suggest there may be something in this "marginal gains" racket...



In a context of delivering "more for less", innovation may in the future lie in looking hard at how we can leverage the resources available to squeeze more impact and more value through tweaking and adjusting. Maybe it's

about getting clever in empowering staff to spot opportunities and think across job descriptions – witness Christian Aid recently training over 100 of their regional and HQ staff in fundraising techniques and making the ask. Maybe it's about new ways we can maximise finite funds supporting our work – witness the partnership between CAF Venturesome and the major donors who are choosing to "recycle" their funds via social investment rather than a traditional donation model. Maybe it's simply about us as a sector embracing the notion that evolution not revolution has its place. And that innovation doesn't always have to be accompanied by the battle cry "Make way – here comes the next big thing!" ■



David Hopkins is senior advisory manager, charities and grantmaking, at Charities Aid Foundation. See [civilsociety.co.uk/charityawards](http://civilsociety.co.uk/charityawards) for more from David

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## On innovation...

**"If you always do what you always did, you will always get what you always got."**  
Albert Einstein

**"Innovation has nothing to do with how may R&D dollars you have. When Apple came up with the Mac, IBM was spending at least 100 times more on R&D. It's not about money. It's about the people you have, how you're led, and how much you get it."**  
Steve Jobs

**"Learning and innovation go hand-in-hand. The arrogance of success is to think that what you did yesterday will be sufficient for tomorrow."**  
William Pollard

**"It's easy to come up with new ideas; the hard part is letting go of what worked for you two years ago, but will soon be out of date."**  
Roger von Oech

**"Don't worry about people stealing your ideas. If your ideas are any good, you'll have to ram them down people's throats."**  
Howard Aiken

**"Creativity is thinking up new things. Innovation is doing new things."**  
Theodore Levitt

**"Innovation is an evolutionary process, so it's not necessary to be radical all the time."**  
Marc Jacobs

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# HMV, Wimpy bars and innovation

**Stian Westlake** muses on the innovation successes and failures that made Wimpy bars what they are today.

Recently it was National Schumpeter Week on the British High Street. Gales of creative destruction swept away three well-known chains of stores whose business models had been made obsolete by the last decade of technological progress<sup>1</sup>.

I'm not going to replay the argument about whether this is a good thing or not. The nation's journalists have ruminated on it endlessly. (My sympathies are with the likes of Allister Heath and the *FT*, who say that although it's terrible for staff who find themselves out of a job, this kind of change is great for consumers and without it, societies don't get richer.)

But it did get me thinking about other odd throwbacks of the British High Street, and what they tell us about innovation.

Consider Wimpy bars. I'm always amazed when I see a Wimpy still open. If HMV and Blockbuster are the dodos and mastodons of our town centres, these businesses are its dinosaurs – adapted for some distant era and hilariously out-of-place today.

But for all its outdated image, Wimpy has a proud history of innovation.

Wimpy is the descendant of the once-massive Lyons Corner House chain, which used to operate tea shops and restaurants across the UK. A sort of Pizza Express-cum-Starbucks for the Keep Calm and Carry On generation<sup>2</sup>. Now J Lyons & Co, which owned the chain, did two very clever things in the heady days of postwar Britain.

## 1. Computing

Firstly, they pioneered business computing. Running a national tea-shop empire in the 1940s meant paying an army of workers each week, and calculating their pay required an army of clerks. Lyons thought there must be a better way. Two senior managers, who had been on a fact-finding trip to the US where they visited the military computer ENIAC, decided that maybe a computer could do the job. Being 1947, they couldn't just pop into PC World, so

they hired two Cambridge academics to build them one from scratch.

LEO1 (short for Lyons Electronic Office) went into service in 1951, and was the world's first computer used for business purposes. They used it for ordering, payroll, scheduling and management reporting, and as the 50s went on, took on external customers, including Ford UK and the Met Office.

In 1964 Lyons' computer division was taken over by English Electric,



which became ICL, which was bought by Fujitsu - but in the short term it's an inspiring story of the role that big businesses can play in developing and implementing new innovation.

## 2. Burgers

If Lyons' ability to deploy computers shows the upside of big company innovation, the story of Wimpy bars shows the downside.

It begins the same way. Lyons managers looked across the Atlantic and saw an interesting innovation – in this case the burger bar and, specifically, a small chain of burger restaurants named after Popeye's impecunious burger-munching pal. They licensed the name and began rolling out the Wimpy brand across their vast restaurant estate.

The Wimpy business ought to have swept all before it. Lyons had a huge installed base of restaurants. They had the supply chains. They knew the restaurant business inside out and the British customer base too. And indeed, by the end of the 1960s, they were

running 1,000 restaurants.

But there was always something of the Lyons Corner House in Wimpy restaurants. The chain took a long time to abandon some the trappings of J Lyons' older restaurants, such as table service, and even after Wimpy was sold by Lyons in 1977, the image of the place as “burgers you eat with a knife and fork” lived on.

As McDonald's expanded in Britain in the 70s and 80s, the brand seemed to be more and more of a liability, and McDonalds, Burger King, and other more pure burger brands came to dominate the market.

There are still plenty of Wimpys in the UK, but the story of Wimpy and McDonald's is emblematic of the difficulty that incumbent organisations have when it comes to innovation. As Clayton Christensen observed, even with great execution (and Lyons were nothing if not great doers), the dead hand of history weighs heavily on big existing organisations, and makes it hard to shake off what worked in the past. ■

1 Jessops sold cameras that did not come with phones, a concept that my small children think is utterly remarkable. The other two sold music and videos to people who preferred not to download or order it online. Perhaps they like the exercise?

I'm not convinced by the argument that HMV was great because it makes it easier to serendipitously discover new music than on the internet. The huge potential of the internet for serendipitous discovery of cool stuff is the main reason I'm not a lot more productive.

The tax protestors UK Uncut tweeted an amusing photo suggesting that Jessops' woes were the result of competition from Amazon, who pay little UK corporation tax. The fact the photo seems to have been taken with a mobile phone before being uploaded to Twitter perhaps says more about Jessops' problems.

2 Lyons waitresses were known as 'nippies'. When reading Eloise to my children I was always puzzled by the line "In Piccadilly the nippy's up - Oh what a laverly morning". A nippy is a café waitress.



*Stian Westlake is executive director of policy and research at Nesta*



# Six ways trustees stifle innovation

Does your charity need innovation? Is your board stifling it? **Katherine William-Powlett** outlines six behaviours that can put the brake on new ideas.

## Stifler Number 1: Being weighed down by history



Boards can get stuck in their ways and react to new ideas with 'We don't do things like that' and 'We have always worked like this'. By doing so they are failing at the first hurdle on innovation: they are not being open to ideas.

## Stifler Number 2: Conflict



A board in conflict within itself or with the CEO has no space for innovation. I recently spoke to a new CEO horrified at her first board meeting. She described it as 'like a shootout at the OK Corral' and said that they were so busy fighting there was no time for new ideas. Conflict leads to lack of trust and fear, both big negatives for innovation.

## Stifler Number 3: Passivity

A board that just agrees with everything the CEO suggests is not

doing him or her a service. One chair of trustees described this to me as being 'a bunch of nodding dogs'. The CEO role can be a lonely one. The board is there to provide support and challenge. If they just let the CEO go ahead regardless, new initiatives are not scrutinised. This can result in failed innovations that were not properly thought through at the outset.



“ Conflict leads to lack of trust and fear, both big negatives for innovation ”

## Stifler Number 4: Lack of awareness of what is going on in the external environment

Trustees must not bury their heads in the sand about what is happening around them. By acting as antennae for their organisation, they can play an important role in preparing for the future and challenging the status quo.



## Stifler Number 5: Challenging for the sake of it

Challenging the executive does not mean having a personal hobby-horse or treating the agenda as a dartboard and choosing where to throw your

dart. Challenge must be informed by awareness of the external environment and suitable involvement in the organisation; it must be with the purpose of keeping the organisation on mission. Informed challenge in an atmosphere of trust can be very supportive. It allows the CEO to know he or she has the confidence of the board to see new ideas through.



## Stifler Number 6: Inability to debate well



A board that cannot listen and debate new ideas with an informed approach will not be able to explore ideas sufficiently. One chair I interviewed described 'alpha-male jostling' limiting quality of debate. Boards that support innovation give time and space to new ideas in subcommittee meetings and then when it comes to making big decisions at a main board meeting they are all well-informed and ready to debate. A properly explored idea means the board can set the executive free to implement it, confident that they are taking a considered risk. It is freedom to take risks within clear boundaries that allows innovation to occur. ■



*Katherine William-Powlett is a freelance researcher and trainer, who will lead the NCVO Barclays Leadership Programme 2013*

# Innovation in a nutshell



nfpSynergy recently published a new report on innovation, called *Innovation (Still) Rules*. In this excerpt, **Joe Saxton** and **Lucy Gower** summarise the ten things to consider to ensure success.

Innovation is a strategic development tool that helps organisations drive ideas forward in order to achieve their business objectives.

There is no right or wrong way to 'do' innovation. But there are ten key interconnected areas that you must consider in order to succeed at innovation:

## 1. Senior leadership

Innovation must be led, demonstrated and supported from the top. Your trustees, chief executive and directors must ensure that time and resources are available to explore and develop new ideas. They must lead by example, being visibly involved in the generation and implementation of new ideas. They must also lead on sharing, learning from failure, constructively challenging assumptions, managing risk and encouraging teams to try new ways of working in order to achieve the charity's mission.

## 2. Strategic

Innovation is a business growth strategy. However, it is often perceived as 'nice to have' and is one of the first areas to be cut when budgets are being scrutinised. The organisation and its leaders must be clear on why an investment in innovation is crucial and be able to communicate this effectively to staff and supporters. It is also important that the organisation makes strategic decisions on where to focus its innovation efforts in order to achieve the greatest impact.

## 3. Commitment to driving change to achieve the mission

Innovation by its very nature will involve change. An innovative organisation will have a clear and ambitious vision, as well as an appetite for and openness to the idea that change will be required to achieve the best outcomes for beneficiaries. There

will be commitment to driving those changes throughout the organisation.

## 4. Resource

There are a number of ways you can allocate resources for innovation. Examples include an investment budget for testing new ideas, building innovation into individual roles and job descriptions, employing an innovation team or gaining external expert support. In order for innovation to deliver results it must be adequately resourced.

“ In order for innovation to deliver results it must be adequately resourced ”

## 5. Time

If we do not allow time to step back from the day-to-day work and think strategically about how to grow business for the future, then we fail. Time needs to be taken to look outside of the organisation for inspiration, to understand market trends and your audience's needs and to develop thinking and ideas.

## 6. Insight

If you do not understand your audiences, you are taking a big risk that your idea will work. A commitment to invest in understanding your supporters, prospects and the marketplace is essential to successful innovation. For example, using focus groups or insight specialists can enable you to develop products and services that meet your audience's needs.

## 7. Accepting risk

If something is new, it is not guaranteed to work. However, there are risks attached to continuing the same activities in a rapidly changing world. There must be a measured approach

to risk-taking, an expectation that not every idea will work and an emphasis on transparency and sharing success and failure, both internally and externally.

## 8. Process

A good process provides a framework to enable ideas to progress. It ensures that ideas are developed around a strategic focus, based on consumer insight and are shared organisationally, providing opportunities for collaboration among teams. A process also helps to say no clearly to the ideas that are less likely to help the organisation achieve its mission.

## 9. Clarity on the innovation focus for your organisation

There are three 'types' of innovation:

- incremental innovation; making small changes to processes or services to make a big difference to impact or outputs
- radical innovation; developing something so different that it will change the not-for-profit world
- new product development innovation; strategic development of products and services. Be clear and communicate to staff and supporters which one, or which combination, you are focusing on.

## 10. Long-term vision

Accept that innovation takes time, ensuring it is prioritised as a long-term, business development strategy and not a fad or a 'quick win'. Actively develop innovation across the organisation, which could include recruitment, staff training, regular communications and events as well as measures for income, collaborative working and idea development. ■



Joe Saxton is driver of ideas at nfpSynergy and Lucy Gower is an independent fundraising consultant

# For overall effect

The overall winners at the last three years' Charity Awards explain how their project demonstrated innovation.



© Halo Trust

## Halo Trust, Charity Awards 2012 overall winner

"Halo has refined its survey methodology over 24 years of fieldwork and now enjoys an enviable reputation for accuracy within the mine-clearance community. It uses a very tight and accurate evidence-based method of survey, known as 'polygon survey', which has significantly reduced the size of suspected hazardous areas around the world, dispelling the notion that the mine problem is intractable and paving the way for realistic and accurate planning for the elimination of the mine threat.

"The backbone of Halo's Sri Lankan programme is manual mine-clearance which is high on quality and low on cost. Most manual deminers are equipped with detectors which alarm against even the smallest metal components in landmines. The newest detectors, developed for the US Department

of Defense, can differentiate between metal clutter and landmines; and as a key partner of the US government, Halo was the first civilian organisation to be granted a licence for these dual-sensor detectors and was asked to develop humanitarian operating procedures for this groundbreaking technology.

"Where Halo uses machinery to improve the efficiency of the demining process, most machines are not specially built for demining but are instead simply modified agricultural machines.

"In 2011, Halo Sri Lanka was able to boost the productivity of clearance operations by 26 per cent after it introduced a more efficient team-based clearance drill which was developed by Halo in Cambodia."

Valon Kumnova, desk officer,  
Horn of Africa & Sri Lanka



## Mencap, Charity Awards 2011 overall winner

"One of the more innovative outcomes of our Getting it right campaign has been an interactive theatre project with the General Medical Council. The project asks doctors to reflect on their own practice through an interactive theatre session. The sessions aim to support healthcare

professionals to become more aware of their own approach to people with a learning disability and learn how to adapt the actual way in which they deliver care, to ensure better health outcomes for patients with a learning disability."

David Congdon, head of campaigns & policy



## CSV, Charity Awards 2010 overall winner

"The Volunteers in Child Protection model was first developed in the USA and CSV's executive director, Dame Elisabeth Hoodless, was very impressed by this work. Following the death of Victoria Climbié and the Lord Laming Report she had the courage and conviction to develop a UK

model of volunteer support for families in crisis. Many – including a number of other renowned children's charities – believed it was not possible to involve volunteers in this work but CSV has proved that it is both possible and successful."

Sue Gwaspari, director, part-time volunteering



## KEY DATES FOR 2013

ENTRIES NOW OPEN

ENTRIES CLOSE: *Friday 8 March*

SHORTLIST ANNOUNCED: *Tuesday 7 May*

PRESENTATION DINNER: *Thursday 13 June*

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