

StanfordSOCIAL INNOVATION^{REVIEW}

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Innovation for the Next 100 Years
By Judith Rodin

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Innovation for the Next 100 Years

By Judith Rodin

What social innovation means to the Rockefeller Foundation and the changes the foundation is making to ensure a strong basis for innovation for the next 100 years.

A centenary comes but once in the lifetime of any organization—and it's a milestone we are privileged to celebrate at the Rockefeller Foundation in 2013. This rare and exciting moment presents us an opportunity to think broadly about our rich history, assess our strengths and achievements, and recommit to our mission to “promote the well-being” of humanity throughout the world.

Our first one-hundred-year span has been marked by incredible scientific discoveries, medical advancements, and changes in technology that have revolutionized the world. Although a great deal has changed since John D. Rockefeller Sr. founded the Rockefeller Foundation, our commitment to innovation has remained steadfast.

Innovation is deeply embedded in the DNA of all that we do, from advancing the field of public health to developing the field of artificial intelligence. Our focus has always been to incubate those novel ideas, programs, products, or practices that have a clear positive impact on the social and economic well-being of the world's poor and vulnerable. This commitment still inspires

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us today to do more than just foster greater innovation by ourselves and our grantees; we also bolster and support the field of social innovation as a whole—creating more resilient systems, communities, and people.

In that spirit, we've leveraged our centennial year to convene people from around the world to help us understand the depth and scope of increasingly complex global challenges, as well as the opportunity for innovative ideas and practices to solve them.

This special supplement of the *Stanford Social Innovation Review* is an essential part of that effort. Within these pages we have invited some of the foremost thinkers in the field to share their perspectives on social innovation and offer specific ideas for how we can increase impact and improve lives.

Before hearing from these experts, I want to share what social innovation means to the Rockefeller Foundation, what we've learned over the last century, and how we are making needed changes to ensure that we build a strong basis for innovation for the next 100 years.

A Century of Innovation

The term *innovation* has become a ubiquitous buzzword, meaning different things to different people. It is used to describe everything from the smart phone in your pocket

to a new financial service for the poor. Not only do we describe products and services as innovative, we use the term to describe ourselves. A search through the professional networking site LinkedIn in 2010 revealed that “innovative” was the second-most used term to describe a person.

At the Rockefeller Foundation, we define innovation as a break from previous practice, occurring when different points of view or existing practices are framed, imagined, or combined in new ways. Innovation succeeds when it creates new pathways for solving entrenched social problems, resulting in lasting transformation of the systems that most affect vulnerable populations and leave stronger social relationships in their wake.

We believe that innovation emerges gradually. It is not a bolt of lightning or a light bulb that suddenly brightens over our heads. Often, innovation is an improvement on invention, not the invention itself. It's adaptable, adjustable, and applicable to new challenges.

Building an organization that could evolve with the times and confront new challenges as they emerged was the extraordinary genius of Rockefeller Foundation founder John D. Rockefeller Sr. His foresight to tackle problems around the globe and “attempt to cure evils at their source” broke with the traditional approach to charity that focused on fixing local ills in isolation. And it's the reason the foundation has been able to remain at the leading edge of innovation for 100 years.

Rockefeller did not believe in innovation for innovation's sake. He believed in the greater purpose of discovery and its potential to better society and the way people live. In this manner, he and Andrew Carnegie



were not only the fathers of modern philanthropy, they were the first social innovators. Only they called it by a different name: scientific philanthropy.

Scientific philanthropy—or what Ohio State University professor and author Robert H. Bremner not so elegantly referred to as charity “purged of its sentimentality”—emerged as a response to the indiscriminate, ineffective, and often corrupt giving of aid in the post-Civil War era. The scientific approach suggested—for the first time—that giving needn’t be an exercise confined solely to the emotion of the right brain, but also should encompass the logic of the left. Aid and relief, when systematized, organized, and even prioritized, could make a greater difference in solving immediate problems.

This philosophy was gaining popularity just around the time John D. Rockefeller Sr. hired the Rev. Frederick T. Gates to help him determine how best to distribute his vast wealth. Among his earliest gifts were funds to help establish the University of Chicago and the Rockefeller Institute for Medical Research, which would later become Rockefeller University.

But his greatest investment was in creating the Rockefeller Foundation. The foundation’s focus on the root causes of problems, along with its broad charter, were two of the innovations that led to the development of modern philanthropy.

In 1914, the foundation’s board of trustees appropriated the first funds for use outside the United States—\$25,000 to create the International Health Commission. The commission’s pioneering work helped lay the foundation for many of the approaches used today in public health. The following year, the foundation launched a program of international fellowships to provide training for post-doctoral scholars at the world’s leading universities. At the time, Trustee Wickliffe Rose called the effort “backing brains.”

One of those brains belonged to Dr. Howard W. Florey, a former Rockefeller Foundation fellow and professor of pathology and head of the Sir William Dunn School of Pathology at Oxford University. In July 1936, Florey received an initial grant of £250 to be used for lab equipment that would allow him to continue to study chemical approaches to pathology. In 1945, Florey, along with Alexander Fleming and

Dr. Ernst B. Chain, received the Nobel Prize in Medicine for research leading to the development of penicillin.

Perhaps the greatest example of supporting ingenuity was also among John D. Rockefeller Sr.’s biggest gambles. When a young Albert Einstein requested \$500 for his research, Rockefeller told his deputy, “Let’s give him \$1,000. He may be on to something.” We all know how that story ends.

This idea of “backing brains”—engaging partners and other institutions to work toward a strategy or goal—is an enduring trait of Rockefeller’s approach. The foundation recognized, and continues to recognize, that the expertise needed to solve the problems of a complex and ever-changing world does not exist within our walls alone. Investing in the insights of others can unlock the door to innovation. The foundation has also long recognized that knowledge on its own is not enough for innovation. To be useful, knowledge must be shared among networks, both internal and external.

In the early decades of its history, foundation officers were required to keep a journal of their travels, observations, and results, which were then shared with

staff across the organization. To build and maintain strong networks before the advent of computers or social networks, staff members wrote the names of grantees and contacts on small note cards that were filed in big oak card catalogs within our offices—which we maintain still today.

In addition to investing in insights and sharing knowledge, another lesson emerges from our first 100 years—again and again, the greatest social innovations have been born from crisis. Rampant yellow fever and hookworm led to transformative vaccines. One billion people on the cusp of starvation made a Green Revolution possible.

Innovating for the 21st Century

The crises we face today are more nuanced and much more complex than in the past—huge in scale and scope, with no regard for man-made borders, and inextricably linked. Author Jeffrey Conklin calls this new brand of interconnected global challenges “wicked problems.”

Despite their complexity, these crises also present us with greater opportunities. Advancements in technology, travel, and communication mean we can transfer knowledge much faster and with a greater degree of specificity than ever before. We are able to more quickly warn of shocks and disruptions in one region, such as infectious disease, that will affect people in other regions. In other words, we are able to be more democratic, more global, and more collaborative than ever before.

In 2007, the Rockefeller Foundation launched its Accelerating Innovation for Development initiative, aimed at exploring the potential of open and user-centered innovation models to address the needs of the global poor. The initiative sought to adapt and test approaches such as crowdsourcing, competitions, user-centered designs, and user-driven innovation methods across various issues and geographies, particularly in the developing world.



The Rockefeller Foundation has funded many health programs, including (top) dispensaries treating hookworm disease in Alabama, United States, and (bottom) researchers in Accra, Ghana, investigating yellow fever.

Innovations in markets and financial products have also created new opportunities and sources of capital that we couldn't have imagined decades ago. The acceleration of impact investing, a practice the Rockefeller Foundation has helped to grow, has provided access to greater amounts of money to solve pressing social problems. For example, the Rockefeller Foundation played an important role in creating the New York City Acquisition Loan Fund—in which a group of foundations put up the initial high-risk tier of \$36.2 million in capital for new affordable housing projects. This allowed commercial lenders such as JP Morgan, HSBC, and other large banks with lower risk tolerance to provide approximately \$190 million in second-tier debt. In only a few short years, this partnership enabled New York City to build thousands of units of affordable housing.

tions, which, because of broader missions and flexibility, have traditionally been able to commit to programs for the long haul.

That's not to say, however, that ideas should be given a boundless timeframe to develop and scale up. This leads to the third lesson: defining clear outcomes. Goal setting and impact measures need not be the enemies of innovation. In fact, when framed in the context of who will benefit and how, goals and measures can help us achieve even greater impact.

Successful innovations come from a process where the people who will ultimately benefit from a product or service are given a voice in its development. For example, the foundation funded the for-profit company IDEO to work with nonprofits. One of these is Conversion Sound, a social enterprise that develops hearing aids for poor people in rural

Lessons We're Learning

Over the years, we've learned a great deal about what works and what doesn't when it comes to creating and catalyzing opportunities for innovation. First, there must be room for experimentation and risk-taking. Providing this flexibility requires more than just betting on the next Einstein—it means creating space for the next Einstein or Paul Farmer to take risks with his work and, if needed, a place to fail safely. For philanthropy in particular, it's about mitigating the risk by using the capital and other means at our disposal to provide an opportunity for others to invest and collaborate.

Second, in addition to space, innovation needs time and demands patience. The Rockefeller Foundation's work to eradicate yellow fever began in 1916, but the vaccine that would ultimately achieve this goal would not be developed for another thirty years. Even with the advanced technological capabilities and the immediacy of the Internet, innovation still requires incubation and an enabling environment to develop. This continues to be an opportunity for founda-

India. Through the IDEO process they discovered that because authority commands such respect, particularly in the rural parts of India, hearing aid technicians would be more effective if they wore uniforms. That wasn't an idea that could have come from any lab or research facility, but it made a huge difference in the success of the program.

Last, we have learned that although these new approaches to social innovation hold unprecedented promise, in many instances, the thinking and the technology have outpaced the ability of organizations to effectively implement and scale up the solutions in the real world. One thing we've seen consistently is that the capacity for implementing new approaches in the field often cannot keep up with the pace of innovation methods in development. We believe that innovation must be just as much about capacity-building among organizations, communities, and individuals. And that is the focus of our current work at the Rockefeller Foundation, driven by our twin visions: ensuring that the benefits of globalization are reaching vulnerable populations, and building the resilience of those populations against the shocks and disruptions of the 21st-century world.

Innovating for Resilience

As I mentioned, one of the important lessons we've learned is that big, systems-changing innovation often takes great patience—time, quite frankly, that we don't always have when helping vulnerable populations. As we spend time searching for the next vaccine or the next mobile technology, people are suffering under the weight of extreme poverty, dirty water, droughts, and floods. They are struggling to maintain their crops, educate their children, or access the health care they need to keep their families safe and healthy.

We cannot predict the future form and scope of the shocks that communities and systems will have to withstand and recover from—whether they result from climate change, financial crisis, armed conflict, or social upheaval. In the face of these challenges, innovating for resilience—resilient networks, communities, and organizations better able to respond to and adapt to these unexpected events—is among the most important kinds of innovation we can pursue.

Take climate change, for example. These shocks will continue to increase as warming temperatures heat our planet, and as global populations shift to cities and areas closer to

low-lying coasts. By 2070 about 60 percent of the world's population increase will be in Asia, which will be home to seven of the ten cities most exposed to flooding. At present, Asian cities lack the resources to prepare for and manage the shocks of weather events. But fortunately, innovations in flood management that are both affordable and effective may help mitigate the disastrous impacts we've seen in the aftermath of previous floods in the region. Among them is the concept of failing safely. With proper plans in place, transportation lines and electrical grids can be shut down in advance of major

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weather events to ensure that they can be restored much more quickly than if they were allowed to fail on their own.

Innovating for resilience is critical if we are to protect against the disruptions of a 21st-century world. As we do so, we should keep in mind the qualities resilient networks, communities, and organizations share. Among them are:

Flexibility | able to change, evolve, and adapt at a rapid pace.

Redundancy | able to change course and adopt alternative approaches.

Resourcefulness | able to identify problems, establish priorities, and mobilize resources and assets to achieve goals.

Safe failure | able to absorb shocks and the cumulative effects of slow-onset challenges so as to avoid catastrophic failure if thresholds are exceeded.

Responsiveness | able to re-organize and re-establish function and order following a failure.

Learning | able to internalize experiences and apply those lessons to decrease vulnerabilities to future disruptions.

The goal of social innovation, and those who work in the field, should be to make our world more resilient than it is vulnerable; to do what we can to reduce the shocks and disruptions; and most important, to ensure

that all people, particularly the poor, can withstand that which we cannot prevent or even predict.

The Next 100 Years

We all have a role to play in fostering innovation. Governments can enact smarter policies, businesses can open new markets and distribution channels, and investors can infuse greater capital into products that deliver social as well as financial returns.

Here at the foundation, we've begun thinking about our own strategy and the role we will play in fostering innovation over the

next 100 years. We're putting in place a model and a strategy that will allow us to be much more nimble, and that will build our ability to test new ideas and learn from our experiences. We are asking ourselves tough questions, not just about what we do, but how we do it. How are we using our tools and our history for innovation? Are we using these effectively?

The articles that follow describe more ways of thinking and catalyzing innovations for the betterment of humanity. I urge you to read these not simply as an academic exercise—after all, innovation is about changing realities for people, and must be considered in real contexts. Instead, consider what concrete, practical steps you can take to enhance flexibility, redundancy, and resourcefulness in your own organizations or ones you work with. Then push yourself and those around you to share with and learn from one another. Just as one actor cannot solve problems alone, innovation is not a job for a single mind. Work to create an environment where collaboration is interwoven in the culture, and a commitment to innovation is clearly communicated and measured.

However we move forward, we must not be afraid to experiment, to make strategic bets, and to take chances. As John D. Rockefeller Sr. said, "If you want to succeed you should strike out on new paths, rather than travel the worn paths of accepted success."

The insights that follow will help us take those next steps. ●