Social Innovation Generation @ University of Waterloo

THE INTERMEDIARY STRATEGY

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Working Paper

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WORKING PAPER

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Preface

For more than a decade, the J. W. McConnell Family Foundation (Foundation) has concentrated on building the capacity of Canadians to understand, undertake, and adapt to change. As part of their approach, the Foundation has been interested in funding social innovations, believing the capacity of society to innovate is a critical part of the ability to respond and adapt to change. But how does a foundation find social innovations to support? Social innovation often occurs in small niches or pockets of communities. Finding them, sharing them, and trying to scale them up to have impact in other communities in a country as large as Canada is a challenge. To help, the Foundation has worked with intermediary organizations – groups that are intended to connect the localized and otherwise disconnected innovations to the national perspectives of the Foundation. After more than a decade of working together, the intermediary organizations - working in problem domains such as child poverty, social inclusion through sports, arts and environmental education programs, and long term caregiving in the health sector - and the arrangements between them and the Foundation have been as diverse and dynamic as the social innovations themselves.

This report reflects on the lessons that both the Foundation and the intermediary organizations have learned from their experiences working together. Based on interviews with staff at the Foundation and each of the intermediary organizations, as well as workshop discussions where primary results were analyzed as a group, the findings illustrate important tensions between: love and power, allowing for emergence and maintaining a strategic plan, and having similar visions but sufficient difference in strengths and weaknesses. In the end, trying to generate and implement socially innovative initiatives was full of paradox. However, tension was recognized as an important part of the innovation process that did not necessarily need to be resolved, but that both sides needed to be aware of and to understand.

WHAT IS A SOCIAL INNOVATION?

"Nobody can go back and start a new beginning, but anyone can start today and make a new ending" ~ Maria Robinson

For the Foundation's work, social innovation can be thought of as new approaches, programs, or initiatives that radically change who has the power to make decisions, how financial resources are allocated and leveraged, and the values and perceptions of the environment and vulnerable communities in order to better meet social needs. These types of initiatives were not only the focus of the Foundation's support, but were the initiatives that led the Foundation to seek relationships with intermediaries.

WHAT IS AN INTERMEDIARY?

It is not simple to characterize an intermediary or define what an intermediary may do. The Community Problem-Solving Project at MIT explains: "Intermediaries are people and institutions that add value to the world indirectly, by connecting and supporting—i.e., by enabling *others* to be more effective…" and "Intermediaries often work in a fluid environment, where demand for what they do can shift or erode, where the functions of intermediaries and other players may overlap, where the rules are ambiguous."[1]

Indeed, working on socially innovative initiatives, where ideas, community needs, leadership, resources, and plans may all be emergent within the innovation process, the role of any single intermediary working with the Foundation is fluid. But the actual strategy of working with intermediary organizations was also emergent over time, changing with the nature of the problem domains in which the Foundation engaged and the experiences of working together to achieve transformative change.

As a result, the perceptions of both the Foundation and the intermediary organizations on the role of an intermediary are diverse, and they provide a rich context in which these partnerships operate.

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[1] de Souza Briggs, X., 2003. Working the middle: roles and challenges of intermediaries. Cambridge,MA: The Community Problem-Solving Project @ MIT, p. 2.

In some cases, an intermediary organization may be responsible for managing a program on behalf of the Foundation. In other cases, the intermediary could serve as a grantor with the responsibility of providing funds to local community organizations. In these instances, the relationship is "transactional." But in many other cases, the relationship has an emphasis on co-creation and learning. In nearly all the arrangements in this study, the intermediary served to build capacity, providing coaching to local community groups, and to simply connect or "broker" between the community level and the Foundation.

As a consequence of the diverse functions, and the fact that a specific role is not easily defined, it was found that the operational relationship for the intermediary could, at times, be confusing for both the Foundation and the intermediary. In some cases, the relationship between the intermediary and the program officer (a staff person from the Foundation) and the relationship between the intermediary and the Foundation-at-large was integrated and aligned. But in other instances, the working situation could best be described as: "me and the program officer" versus "the Foundation." This situation specifically highlights the difficult nature of the program officer-intermediary relationship. The staff within the Foundation, as program officers, must struggle with needing to "hold the line" (that is, the Foundation's "line" or approach to a problem, practice, and vision) while simultaneously trying to build a close relationship with the intermediary and undertake the significant goals associated with social innovation. As one staff member stated: "my role as a program officer is only a small part" of a bigger system.

EXPERIENCES OF THE RELATIONSHIP

Although each intermediary-foundation pairing is a different experience, several patterns, or themes, are consistent over time. These include the role of learning in the relationship, issues surrounding funding, clear communications, and the power dynamics.

The role of learning

Nearly every intermediary organization cited the importance that the Foundation places on learning as an enormous benefit to the relationship and to their work. In particular, the recognition that if learning does occur – as it should in any social

innovation process where new ideas and experiments are being attempted – changing course is not only accepted, but expected and valued:

> "*They are one of the most flexible, intuitive funders I have ever worked with. Other funders can be very bureaucratic and very rigid: you write a proposal and you find out 9 months later that the context may have changed but you signed on the dotted line and they expect you to follow your work plan and report on quarterly outcomes and spend all your money within the year. McConnell wasn't like that. They opened a conversation and a dialogue with our organization to help manage that.*" ~Intermediary

> "*Ultimately, it didn't work quite as planned. But I do know that was what was exciting: that McConnell was open to investing in new ideas and ideas that may not have a proven track record.*" ~Intermediary

The experiences that the Foundation provided for the intermediary to learn from other intermediaries or other social innovators also became highly valued by the intermediaries during the Developmental Evaluation process that the Foundation and intermediaries undertook:

> "*I always think of content and contact. McConnell [Foundation] allowed us to develop our content and our knowledge, but also opened our contacts and networks to a wide range of people. I don't think I would have ever have sat in a room with people like that....They also brought us into a social innovator group and I was just flabbergasted to meet people like that. So I found myself intellectually stimulated as well as my horizons broadened. I found that my issue is probably connected to your issue, and my experience can influence your experiences. There was a lot of cross pollination. To this day, I just find that I'm pleased to be able to pick up the phone and call certain people for advice.*" ~Intermediary

However, the emphasis that is placed on learning in the foundation-intermediary relationship created an interesting tension. The intermediaries grew to value not only the financial support that the Foundation provides, but also the growth and

development in their own understanding of the complex challenges and the broader systems they were attempting to change:

> *"I do rely on McConnell for more than money. It is a partnership of substance because McConnell has much more experience than we do in this realm of dissemination, knowledge transfer, community of practice, application." ~Intermediary*

The result of establishing that type of intellectual connection with the Foundation was that some intermediaries expressed frustration when they were no longer supported. From the intermediaries' viewpoint, it is not the completion of the funding that proves difficult; rather, it is the ending of an emotional and intellectual connection which they have come to value. The intermediaries that have been part of the "family" - terminology that was repeatedly used to describe the relationship with the Foundation by many intermediaries - want to continue to be important to the Foundation and want to know about new initiatives because they have grown to care about more than just their own individual project.

Funding issues: Show me the money! Or... show you what I did with the money? Or...show you what I learned?

As can be expected in a relationship with any foundation, funding and financial resources have several impacts on the relationship.

The first impact relates to the innovative nature of the work in which the Foundation and intermediaries are engaged, and the value placed on learning within that process. To ensure flexibility is maintained to allow for the emergence that can happen in social innovation, the Foundation breaks several funding conventions. For instance, for years, the Foundation did not have an application form for grantees, since templates can stifle innovation and make it difficult to communicate new ideas that have an uncertain outcome. But for intermediary organizations interested in funding, it was unclear how and what kinds of support could be requested and made it difficult for them when they wanted to prove that they were accountable. As well, although they received a clear message about the importance of learning, a few intermediary organizations sometimes still felt uncertain about not meeting the Foundation's expectations.

> *"What if the approaches don't work out? What does that mean? How will they react? How many mistakes <can we make>? What level of financial commitment is it before people start saying 'oh this is getting expensive and really nothing is happening'. So it's not an absolute, it's a continuum."* ~Intermediary
>
> *"Even though McConnell is very clear, 'we want to hear about how you are changing, we are willing to adapt', there is that sense that if we go back to them and tell them that our original thoughts aren't really working out as we anticipated, then we are going to lose the relationship with McConnell. Or why would they continue to put money into the fund?"* ~Intermediary

Therefore, even when a genuine emphasis is placed on innovation and learning, the risk of losing funding means that some intermediaries will never be completely transparent with the Foundation, effectively creating a "shadow" side to the relationship.

The second impact revolves around the value of the money in the relationship. For many of the intermediaries, using the money carefully was simply further evidence of how much they cared for the relationship with the Foundation:

> *"That's what happened to me. I fell in love with McConnell and the people there. And the relationship was that strong. And I would absolutely do everything I could to build up their reputation and nothing ever to weaken it. So the way that I spent their money, it was like I was spending mine. I would spend mine first and then theirs. It was a very different kind of approach."* ~Intermediary

But while the intermediary organizations grew over time to value their relationship with the Foundation for much more than mere funding, the Foundation often resorted to focusing on the funding when exiting the relationship. That is, the Foundation nurtures relationships with intermediaries that emphasize that the partnership involves more than money, but when the time arrives to finish supporting a project (typically after ~10 years), the message from the Foundation is: "it's about money."

Ending funding relationships is difficult for any foundation, but many foundations have clear timelines that are generally short terms of investment (e.g. 3-5 years).

The Foundation often funds innovations for up to ten years, recognizing that transformative changes take time. Specifically, innovations take time to generate, organize, engage key individuals and groups, and to leverage resources to actually spur on their adoption. Therefore, in making the decision to disengage with intermediaries after lengthy periods (such as 10-12 years), the Foundation staff recognized real questions remain about the idea of sustainability when it comes to intermediaries and social innovations with often intangible benefits. What is it that the Foundation and intermediary can expect to be sustained – an approach, specific projects, relationships?

The third impact on the relationship involved how intermediary organizations could define their success. On the one hand, the intermediary experienced success if the innovation began to effect positive change. Yet, once that occurred, the intermediary organizations were concerned that the Foundation would then shift the investment to other intermediaries and innovations that were seeking support, and they would experience the loss of a key partner. As one intermediary stated:

> *"It would be easy for the Foundation to say 'Now that we've helped to support an organization make that transformation…', it would be easy to say 'OK, we did our part and now we move on to the next challenge'. But the signal you'd be sending is: Geez! If you do that <succeed>, then the communities are winning and all that, but the actual organization has to explain how their success has led to a lack of a relationship with McConnell.... It would be hard for me to coach and encourage another organization to go through a transformation if at the end of that, the story on the street is 'Yeah? Well that one organization did that and look what happened? There's a million bucks less coming through...' "*

Consequently, the Foundation's need to exit the relationship eventually and questions surrounding which final outcomes may be indicators of success **for both parties** often underpinned uncertainty around funding and the financial aspects of the relationship.

Communication: An exercise in clarity

"I would say it's both a strength and a weakness of the McConnell Foundation that we're flexible to the point of being vague…and contradicting ourselves sometimes." ~McConnell Foundation staff

"I think the problem is the nature of our commitment to the emergent: it can lead to misunderstanding." ~McConnell Foundation staff

The Foundation's approach to funding and their commitment to ensuring learning and flexibility in initiatives are highly regarded by all of the intermediary organizations that were interviewed. However, allowing for emergence often means that both the endpoint and the path travelled to that point will be uncertain at the outset. The uncertainty can often lead to a lack of clarity from both the Foundation and the intermediaries. On the one hand, many intermediaries wanted the Foundation to be engaged in the social innovation process, believing that the resources, knowledge, and networks that the Foundation could access were an enormous benefit to the initiative. At times though, when the Foundation did try to be "engaged", intermediary organizations were resistant and perceived the Foundation as being too directive. One of the key lessons learned from this study was that the Foundation is able to articulate the "big picture" with a grand, national vision and perspective, which is a strength. But the intermediary is close to the "on the ground" projects and community needs, which is their strength. To maintain these strengths, both sides need to engage, communicate, and learn, and the Foundation must not interfere with this process by trying to provide direction to the intermediary.

One other factor led to communication issues surfacing as an important area for learning lessons about the intermediary strategy. In some of the early intermediary relationships, the Foundation initiated programs that were then managed by an intermediary organization. Both the Foundation and intermediaries acknowledged that in these types of arrangements it became difficult to be clear about whether it was now the intermediary's own program that they could operate and use to pursue their own mission, or whether it was still the Foundation's program. Part of the difficulty depended on whether the intermediary took the

program in a direction with which the Foundation disagreed, leading them to want to re-establish control:

> *"The Foundation did continue to send some mixed messages… 'this is our program – no, it's your program, no it's our program, no it's the community's program.' And I think that was happening with this intermediary, who was ready to make this their program... and then as the program officers saw where it was going, they became less and less comfortable, philosophically and administratively." ~Foundation staff*

Establishing an unhelpful dynamic was never the Foundation's intention. However, recognizing that it had occurred in some instances, the Foundation staff began to reflect on the fact that it was difficult to hand over a project and not intervene if the new "owner" was seen to diverge philosophically in how they approached it. One result was that in the later stages of the intermediary strategy, the Foundation no longer created programs and worked with intermediaries to manage them; rather, they worked with intermediaries who had their own innovative ideas already and simply needed assistance to scale up the idea or to leverage other resources.

Power versus partner: An inherent tension

Without a doubt, the relationship dynamics that surrounded issues of power had a significant impact on the lessons learned. Numerous sources of power were present in the intermediary-foundation relationship, including: financial, expertise, and the relationships or social capital. Power was always present but the dynamics did evolve through the course of the intermediary strategy, and in the course of individual intermediary-foundation relationships. In fact, an essential element to the intermediary strategy was found to be the need to have the ability to lead, follow, or co-create in different ways at different times within the same relationship.
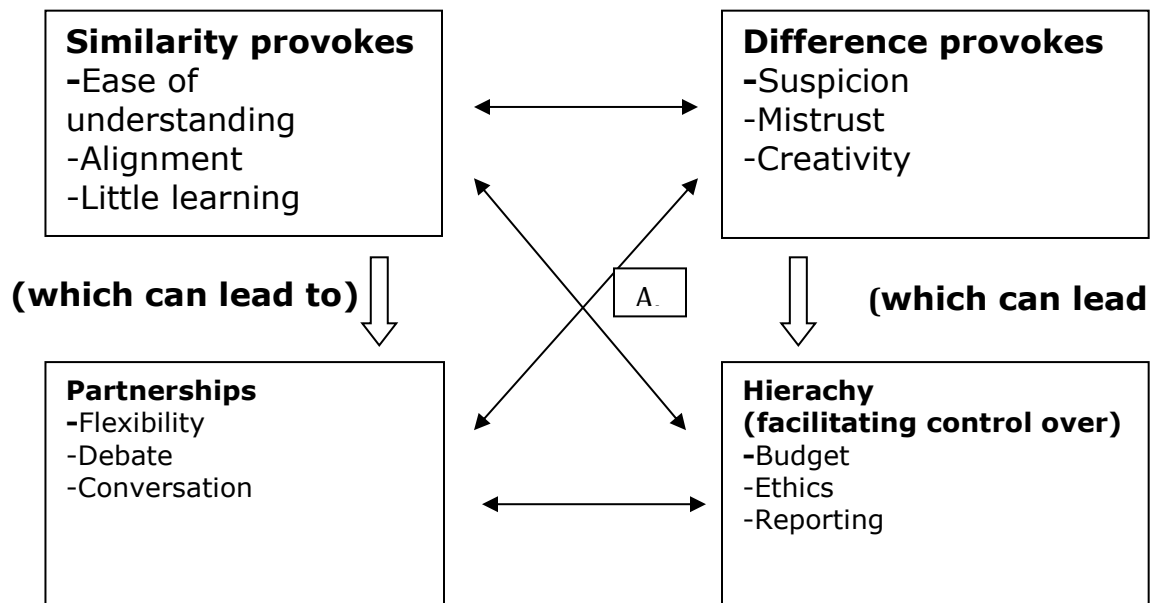
The power dynamic created a situation that came to be represented in workshop discussions as the "Horns of the Dilemma." The "Horns of the Dilemma" is used as a means to consider two opposing ideas, forces, or activities. One side of the horn represents situations where the intermediary organizations perceived the Foundation as being more powerful in the relationship, and the inequality created

difficulties. On the other side, the relationship was described with love and a sense of equality. True innovation is most likely to occur when the Foundation finds the difficult balance between the two horns.

The following characteristics illustrate the contrasting "Horns":

POWER	LOVE
Short term – when the relationship was described as needing to end due to the finite means of the Foundation	Long term – described as ongoing, mutual and infinite need for engagement and intellectual or emotional support
Relationship was viewed as a means to an end (instrumental)	Relationship was viewed as an end in itself (affective)
Evaluation was perceived by the intermediary as a tool for the Foundation to control them	Evaluation described as an important and effective source of learning
Dispassionate – program officers and Foundation staff perceived as not being engaged sufficiently	Engaged – Foundation viewed as maintaining a healthy interest in the initiative
"Holding the line" – when Foundation staff recognized the need for strategic discipline	Building a relationship was described with affection and support for the emergent strategy
One way communication was considered unclear (opaque)	Two way communication ensured transparency
Hierarchy – when the Foundation was perceived as more powerful, a hierarchy prevailed in the relationship	Equal partnerships were considered familial and successful
Dependency was established when the Foundation may provide the sole source of funding to an organization, leaving them extremely vulnerable	Interdependency was deemed more likely to lead to positive outcomes and gave intermediary organization's greater confidence

The crosscutting tensions of these horns of the dilemma and the power and love themes could also be better understood from the following depiction:

Similarity provokes
-Ease of understanding
-Alignment
-Little learning

Difference provokes
-Suspicion
-Mistrust
-Creativity

(which can lead to)

A.

(which can lead

Partnerships
-Flexibility
-Debate
-Conversation

Hierachy (facilitating control over)
-Budget
-Ethics
-Reporting

A. *Generative collaboration = partnership among those that are different. This requires excellent communication to handle the mistrust and creativity, if hierarchy is not to emerge.*

Again, while these tensions can be partly addressed through open, transparent communication, a certain amount of tension is inherent to the creative process for social innovation.

TYPOLOGY OF INTERMEDIARIES

Through the research and analysis on the intermediary strategy, patterns emerged that showed that the intermediary organizations engaged with the Foundation could be classified into three different groupings.

> *Phase 1 intermediaries:*
> - Foundation created and intermediary administered
> - Foundation often sole funder
> - Phase 1 intermediaries less transparent but also less trusting of Foundation
> - Interfered with risk-taking capacity – a necessary part of social innovation

The first group was represented primarily by the intermediary organizations with which the Foundation worked in the early phases of the intermediary strategy. These cases involved issues in which the Foundation had their own ideas about novel approaches to addressing specific problems that communities were facing and had created some new initiatives and programs. However, rather than hire numerous staff within the Foundation to administer the program, the Foundation sought an intermediary to provide that support.

For these first intermediaries, the Foundation's innovative program often became the sole focus of either the entire organization, or at least a major section of the organization. The implementing intermediary often relied on the Foundation for 100% of the funding for the initiative. Both the Foundation and the intermediaries acknowledged the difficulties with taking on programs that were developed by the Foundation. One obvious impact of that dependent relationship and the ensuing power imbalance was the precarious position these organizations were in with regards to losing the financial support they required to exist. However, the same vulnerability often led intermediaries to perceive a less trusting relationship overall with the Foundation. Trust can be crucial to the success of any relationship, but trust is essential in order for people to be willing to share the risks associated with innovation.

The result of the intermediary approach in this phase was fragile – intermediaries struggled to find other sources of funding that would help sustain the program after the terms of funding with the Foundation would be complete or to adopt the program internally and still maintain a strong relationship with the Foundation. Moreover, the intermediaries often invested the limited time and energy that they did have trying to persuade the Foundation to continue their funding, or in trying to persuade their own board of directors as to why the program contributed to their overall mandate and should be continued with internal resources.

Due to the "power versus partner" tensions and the low levels of success in the early relationships, which often were revealed through the evaluation and learning processes that the Foundation undertook with the intermediaries, the Foundation developed a new approach to selecting and working with intermediary organizations.

Phase 2 intermediaries:
- Co-creators, co-learners
- Close, familial relationships
- Clearer, separate functions between intermediary and foundation
- Need for dispassionate analysis when time to end relationship
- The most disappointed intermediaries when relationship does not continue

Rather than seeking an intermediary to implement a Foundation-created innovation, the Foundation began to work closely with intermediaries to generate and test innovative initiatives. The Foundation sought intermediaries that were already interested in trying novel approaches to resolve key challenges in their relevant problem domains. In these experiences, the Foundation and the intermediary were often closely aligned in their learning about the innovation they were attempting to introduce, and both were intimately involved in the process of its creation.

Additionally, a key part of the intermediary strategy involving the funding arrangements between the Foundation, the intermediary, and the community based grantees was altered in this phase. In the case of two of the intermediaries in phase one, the Foundation provided funds to the intermediaries and, in turn, the intermediaries served as granting bodies to the communities in which they worked. Divesting decision making power about how funds are used is an

alternative approach in philanthropic practice, but in these cases, both the intermediary and Foundation perceived the results as problematic. The difficulty with the intermediary serving as a grantor was that it created conflicts for the intermediary when the organization (a) tried to give advice, (b) tried to build a trusting relationship with the community, and (c) made final decisions about grant awards. Even the intermediaries that never administered grants recognized in interviews how valuable it was to keep the intermediary function separate from the granting function, with one intermediary participant quoted as stating:

"The great thing is it <keeping the money separate from the intermediary> keeps it clean...it's really good if the Foundation can be the bad cop and we can be the good cop, which means mentoring, training, convening. Because let's face it, if somebody is trying to be both the good cop and the bad cop and you've got small organizations, it's the bad cop role that they remember. So now you've broken or jeopardized the mentoring relationship." ~Intermediary

The importance of this lesson has stayed with the Foundation, and today the Foundation maintains a direct relationship with community based grantees, using the advice and local knowledge of the intermediary organizations to simply inform their granting practice.

The most significant difficulty in this phase involved the development of such close working relationships between the Foundation staff member and the intermediary. Most often the relationship between the program officer and the intermediary was described as a strong, open, and trusting one. Quite often though, the intermediaries perceived the program officer was yet another intermediary themselves, serving to navigate, advise, and counsel the intermediary on the Foundation's wishes, intentions, and funding objectives and clarifying miscommunications. The result was that the program officer faced real tensions by being an inherent part of the initiative itself and by being the one to communicate the Foundation's position when there were conflicts or when the funding would be coming to a close.

> *"...you know, I lie awake at nights with this one....it's the very first initiative that I took on here, and...I've been to every annual meeting, and I've written and spoke <about the initiative> and so on, and I care about this thing deeply, and I'm really passionate about it. And at the same time I have to be dispassionate about it as someone who's working for the Foundation..."* ~Foundation Staff Member

Thus, the experience of being a partner and being a powerful actor in the foundation-intermediary relationship was difficult for both sides, but especially the Foundation, to reconcile.

Phase 3 intermediaries:
- Perceived as most successful by both intermediary and foundation
- Wait and watch approach to develop partnership
- Intermediaries had own infrastructure, own resources, and own passion for the innovation
- Focus less on generating innovation, but on capacity to leverage other resources and have more significant impact

By the later stages of the intermediary strategy, the Foundation had experienced both difficulties and successes in generating innovations, handing over ownership, and exiting long term partnerships. As part of the emergent process, the Foundation continued to again alter their strategy and in this final phase experienced highly successful relationships. Two key features of the foundation-intermediary relationships made phase three the most successful: a "wait and

watch" approach to funding, and finding intermediary organizations with existing structures that were more likely to engage the Foundation as a partner, instead of considering them as a powerful actor.

The "wait and watch" approach was not necessarily a deliberate strategy that the Foundation adopted, but rather emerged as a practice over time. The approach involved a program officer spending time with various organizations to learn more about the different problem domains they had became aware of, and in which they were asked to work and support. In phase three, the Foundation sought groups that had already piloted their own model of innovation, rather than looking for intermediaries that could take on an innovation created by the Foundation or that could work with them to generate one. The issue from an innovation standpoint then became one of scaling out and up to have a broader effect.

The intermediary organizations that were engaged in the latter stages of the intermediary strategy often had their own infrastructure in place, as they tended to be well-established membership organizations or associations. Therefore, the intermediaries had their own governance structures, operating principles, and different forms of financial, intellectual, and social capital. These formal operating structures and processes served as checks and balances for the partnership, thereby minimizing the tension created by the Foundation's power, which was experienced in their intermediary relations in phase one and two. For instance, as a membership association, the intermediary not only has a responsibility to the Foundation but also to a broader membership. As a result, the intermediary often could not, and did not have to, deviate from what they perceived as the mission, regardless of whether the Foundation perceived it as a divergence from the initial vision. Effectively, this distributed the balance of power to a number of groups rather than concentrating it with one donor, and the intermediaries perceived this to give them leverage when dealing with the Foundation.

Many of the phase three intermediaries operated closer to an "even playing field" with the Foundation in that the intermediaries had resources of their own, as well as credibility in their work given that the social innovation was often their own creation and had been piloted by them. As well, the intermediaries in this phase had a passion for the problem domain, and they were not simply adopting a Foundation created program that was divergent from their organization's original mandate. Likewise, given their experience in the problem domain and from their

pilot programs, these intermediaries were more comfortable with complexity and the emergent nature of socially innovative initiatives than some of the phase one organizations that were simply requested to take on a program that had been the Foundation's in the first place. Finally, phase three intermediaries were described as "the most willing to walk away from the relationship." Since they had other programs and other resources, they were engaging with the Foundation out of a desire to achieve innovative results in an area they cared about, not because it was a sole source of revenue that ensured their continued existence.

WHAT MAKES A SUCCESSFUL INTERMEDIARY-FOUNDATION PAIRING?

Throughout the intermediary strategy, the Foundation took different approaches to working with intermediaries. What was discovered was that the "best" pairings depended on the stage of the innovation and the ability of the intermediary and Foundation to communicate clearly and address any issues about mis-aligned visions or mis-balanced power dynamics. Some intermediary organizations were better suited to administering foundation-created initiatives, while others were effective partners in the co-learning process that is intrinsic to social innovation. But in the end, based on the perceptions of both the Foundation staff and the intermediary organizations, supporting well-established organizations to scale up their own innovative initiatives was perceived as the most successful relationships. Co-learning, co-generating, or handing over initiatives to be managed were inevitably fraught with tensions that were at times so difficult they overshadowed the purpose of the work and the need for social innovation.

Ultimately, the intermediary strategy was an emergent approach which shifted over time, and as it did, the relationship between the Foundation and the intermediary moved from being one of unilateral dependency to one of interdependence, but with greater complexity. No single approach was either entirely "right" or "wrong" and every intermediary-foundation arrangement provided opportunities for rich learning and possible transformative change.

Intermediaries highlighted as a particular strength the Foundation's efforts to emphasize the importance of letting creative emergence occur, that is, making space for the unexpected, as a critical part of social innovation. The Foundation attempted to create that space by not having specific indicators or deliverables for

intermediaries. However, without clear goals for final products, the intermediaries perceived a lack of clarity around some initiatives and indicated a need for improved communications by the Foundation.

Additionally, the Foundation, regardless of how much they believed they had reduced power imbalances, were inherently in a position of power due to their financial and intellectual resources, and due to the networks and social capital to which they had access as a national philanthropist. But, given the combination of skills needed to generate, select, adopt, and implement social innovations, intermediary organizations helped the Foundation in achieving their mission and, in turn, the Foundation often helped resource the intermediaries to achieve their mission.

Social innovation is a complex process and no formula exists for foundations interested in creating opportunities for social innovation to flourish. As private and philanthropic funding becomes an important source of support for innovation around the world, the lessons captured here, based on the frank openness of the Foundation staff and intermediaries, will be critical for those interested in ensuring their investments contribute to transformational change.

Author Biographies

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Michele-Lee Moore is a PhD candidate in Global Governance at the Balsillie School of International Affairs and a McConnell Fellow at SiG@Waterloo. Her research interests include global environmental governance, networks, social innovation, and the mobilization of different forms of scientific knowledge into policy and practice. Previously a water strategy advisor for the Government of British Columbia, Michele-Lee completed her MSc at the University of Victoria.

Frances Westley

Frances Westley is the J.W. McConnell Chair in Social Innovation at the University of Waterloo. Her research, writing, and teaching centers on social innovation in complex problem domains, with particular emphasis on leadership and managing strategic change. Her most recent book entitled *Getting to Maybe (Random House, 2006)* focuses on the inter-relationship of individual and system dynamics in social innovation and transformation. Dr. Westley received her PhD and MA in Sociology from McGill University.

About Social Innovation Generation

Social Innovation Generation (SiG) is a collaborative partnership between the Montreal-based J. W. McConnell Family Foundation, the University of Waterloo, the MaRS Discovery District in Toronto, the Causeway national social finance project, and the PLAN Institute in Vancouver. It seeks to address Canada's social and ecological challenges by creating a culture of continuous social innovation. The project is designed to enhance the conditions for social innovation in Canada, including providing practical new support for social innovators in cultivating organizations and initiatives.

The SiG project is focused very specifically on social innovations that have durability, impact, and scale. Our interest is on profound change processes and our overall aim is to encourage effective methods of addressing persistent social problems on a national scale.

To find out more, please visit www.sigeneration.ca.

About the University of Waterloo

SiG@Waterloo is an important partner in the national SiG collaboration and is housed in the Faculty of Arts at the University of Waterloo, recognized as one of Canada's most innovative universities. In just half a century, the University of Waterloo, located at the heart of Canada's Technology Triangle, has become one of Canada's leading comprehensive universities with 28,000 full and part-time students in undergraduate and graduate programs. In the next decade, the university is committed to building a better future for Canada and the world by championing innovation and collaboration to create solutions relevant to the needs of today and tomorrow. Waterloo, as home to the world's largest post-secondary co-operative education program, embraces its connections to the world and encourages enterprising partnerships in learning, research, and discovery.

To find out more, please visit www.uwaterloo.ca.