A Teaching Case

First Among Equals: The Evaluation of the J.W. McConnell Family Foundation Social Innovation Generation Initiative

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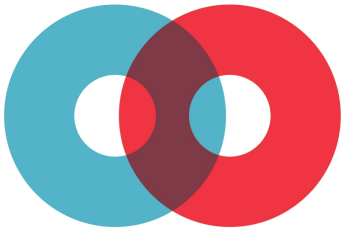

THE EVALUATION ROUNDTABLE

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Introduction

In 2007, the J.W. McConnell Family Foundation in Canada embarked on an initiative that would challenge its role as a funder, its nerve, and its relationships with long-standing grantees, many of whom were close friends of foundation staff. The initiative sought nothing less than to foster a culture of continuous social innovation in Canada. In doing so, the foundation experimented with a new role as an involved and equal partner, rather than simply as a check writer, advisor to, or orchestrator of the initiative. The foundation was also seeking change in a complex system in which it was just one of many players.

Social Innovation Generation (SiG), an initiative funded by $15 million from the McConnell Foundation and eventually another $9 million from the Province of Ontario, brought together four partners that each had complementary and, it was hoped, synergistic skills. The partners were a university; an "on-the-ground" community organization; a public-private innovation center; and the McConnell Foundation, known in Canada for its risk taking.

SiG built on earlier work by the foundation and most of its partners. Its ambitions were large. Partners hoped that by bringing together some of the top thinkers in social innovation representing the public, private, and nonprofit sectors, they could find a way to inspire a cultural shift in how Canada approached and solved some of the most long-standing and intractable social issues. Its approach was purposefully undefined. No explicit theory of change guided the initial work of SiG. Instead, the partners assumed that the group's members would find their way forward together.

A developmental evaluation was commissioned at the beginning of the initiative but abandoned after less than a year in the face of contentious and acrimonious personal relationships that threatened to derail the initiative. For the next four years, the initiative operated more smoothly, but without a formal evaluation. One "node" of the initiative began a developmental evaluation of one of its projects but this came much later in the work. It was only in 2014 that a retrospective evaluation examined the evolution and accomplishments of SiG as a whole.

Much of this teaching case study is about what took place during the difficult early months of SiG while both the initiative and the evaluation were struggling to take hold, though the case continues the story of the initiative long after the evaluation had ended. Consequently, the case is different from others in that it also raises questions of how an evaluation *could have looked* had it continued beyond the initial months, rather than only asking readers to critique how it *did* look.

This case also explores the ways SiG differs from a typical foundation initiative and exemplifies an alternative approach to strategy. That is, an approach in which a foundation does not play the role of primary strategist, but rather recognizes—and tries to operate as if—it is but one of many interconnected strategists. It is a departure from what we have come to know as a more conventional "strategic philanthropy" approach in which the foundation masterminds solutions, creating a comprehensive theory of change and directing the activities of nonprofits through grant requirements and the control of funding

streams. Rather, the mindset behind SiG, and many other types of "collective action" change strategies, is that the foundation generates meaningful goals and strategies in collaboration with others and recognizes that they are one among many independent, yet interdependent, actors.

The story illustrates how uncomfortable and uncertain this kind of work can be. At several points during the history of SiG, the Foundation or any of the other partners could have determined the initiative was not worth continuing, particularly if it had been judged against initial expectations or pre-determined benchmarks for progress. Yet they persevered and now cite a range of results—many of them exceeding the group's expectations—upon which the partners will continue to build.

Finally, the unfolding story of SiG is also one that is not often told in foundation case studies. That story is what happens when foundation staff and their grantees are also friends, and the power dynamics between funder and grantee threaten not only to scuttle an initiative, but to jeopardize long-standing personal relationships. It is also a story in which all players—the foundation, the developmental evaluator, and the grantees—had to continually adapt to keep this initiative moving forward.

The Beginning

When Tim Brodhead became president and CEO of the J.W. McConnell Family Foundation in 1995, he had both a mandate for change and a large dose of skepticism about joining the world of funders. Previous to this post, Brodhead had spent 25 years in international development work in Africa and South Asia.

"My experience in working with funders was that the whole process is artificial and arbitrary," said Brodhead, who has since retired from leading the foundation. "Funders think they are supporting projects, but [when you are doing the work as a grantee] you recognize that projects are totally artificial ways of building something together. People don't live their lives in projects."

Brodhead said that when he took the helm of McConnell, it was a fairly traditional funder—with most of its support going to universities, museums, and hospitals in Montreal and the Province of Quebec However, the trustees, all of whom are McConnell family members, had already begun a process that would take the foundation in an ambitious new direction. Trustees wanted to shift the foundation's limited geographic focus from Quebec to Canada as a whole.

"That made me think that there was an opportunity but also a challenge," Brodhead said. "What does a national funder fund? I came to the conclusion that we should look for issues that were of national concern to Canadians. And I came to a pretty quick notion of change itself."

A Time of Change in Canada and at the McConnell Foundation

In 1995, Canadians faced a number of large and potentially unsettling changes. The Quebec referendum asked voters whether the province should proclaim national sovereignty and become an independent

state. An economic recession had led to high unemployment with many people's wages and salaries frozen. The country had large public deficits—both at the federal and provincial level—and as a result the government began slashing spending and closing institutions such as hospitals.

This foment of change meant the loss of institutions that people valued, Brodhead said. But it also meant an opening to try new things. Times of change and crises can propel institutions, including foundations, to shake up their ways of thinking.

"In Tim, McConnell had someone who was just completely dissatisfied that as a generation we were not leaving the world we had inherited a better place and in many ways had left it worse," said Al Etmanski, president and co-founder of Planned Lifetime Advocacy Network, and director of the SiG@PLAN Institute. "He was prepared to take a risk and put some resources into it."

This period of change—both in Canada and internally at the foundation with its new CEO—gave McConnell the opportunity to consider new ways to make a lasting impact. They wanted to tackle the common scaling failure for foundations: Funding interesting ideas that bear fruit at the local level rarely results in larger-scale substantive change.

In short, the McConnell Foundation was looking for ways to address major concerns in Canada. To do so, it began shifting from funding institutions to funding *processes of change*. By that, the foundation meant looking at a system to identify the specific dynamics in which a funder, with its limited resources, could leverage much greater changes in that system than would be possible through making discrete grants to specific institutions or partners, Brodhead said. He added that funding processes of change meant recognizing underlying trends that the foundation could then fund to catalyze or accelerate. In particular, the foundation believed that Canada had to start approaching problem-solving differently, and that it could help support social innovation as a way of working together to solve tough problems.

From 1999 to 2006, the foundation developed four programs that were precursors to the Social Innovation Generation initiative and that involved some of the future SiG participants. These programs were all aimed at encouraging lasting innovation in the social sector.

A Focus on Social Innovation

Social innovation is a term and an approach that has grown in popularity. But when the McConnell Foundation began investing in this area in the late 1990s, it was still relatively new in Canada. A number of definitions exist for social innovation. In 2003, the *Stanford Social Innovation Review* described it as "the process of inventing, securing support for, and implementing novel solutions to social needs and problems." The *Review* also made clear that for social innovation to occur, boundaries must be blurred between the public, private, and nonprofit sectors.

McConnell's work in social innovation prior to SiG included:

- **The McGill-McConnell** Master of Management for National Voluntary Sector Leaders starting in 1999. This program, led by Frances Westley, a professor at McGill University, was the first-of-its-kind professional development program in Canada for executives in the nonprofit sector that focused on strengthening leadership—rather than management skills—and demystifying social innovation. Michael Quinn Patton was brought in to consult on a developmental evaluation for the program.

- **Applied Dissemination** grants, which ran from 2000 to 2007. Through this program, the McConnell Foundation began to refocus its grants from funding institutions and projects in health and advanced education to supporting change processes. Initially, the intent was to encourage and financially support grantees to track, document, and share ideas and practices so it was easier later to disseminate lessons and apply their innovations to different contexts.

  The Planned Lifetime Advocacy Network (PLAN), led by husband-and-wife team Al Etmanski and Vickie Cammack, was the first organization to receive such a grant. PLAN is a nonprofit organization that supports families in addressing the financial and social well being of relatives with disabilities, particularly after the parents die or become infirm. It had begun a shift from service provision to system change. It created the Registered Disability Savings Program, a tax-deferred program to enable individuals with disabilities, with assistance from family and friends, to save for their financial security. It was the first of its kind in the world. PLAN would later become a partner in SiG.

- **DuPont Canada Think Tank**, which took place from 2005 to 2007. The DuPont Corporation brought together a number of leading innovators around the world, along with the foundation, to explore how to build on lessons from business innovation to address complex social issues.

- **Sustaining Social Innovation (SSI),** from 2004 and 2006, in which the foundation funded PLAN's Al Etmanski and Vickie Cammack, and McConnell Program Director Katharine Pearson to explore how to move beyond individual leadership support to create a sustainable shift in the larger cultural mindset about how to solve such deep social issues as climate change, species extinction, and violence against women.

By 2006, McConnell had been deliberately funding "social innovators" for more than eight years. During that time, its staff had closely participated in each of the projects. Stephen Huddart, then vice president and now McConnell's president, had gone through the McGill-McConnell program when he was the executive director of the Troubadour Foundation and Troubadour Music Inc. Brodhead was deeply involved with the Applied Dissemination grantees as well as a participant in the Sustaining Social Innovation program.

"In the Applied Dissemination program, we had broken through the issue of having the funder in the room and we could talk about everything that was going on," Brodhead said. "To have that honest conversation with a funder is not something that happens easily."

According to the foundation, none of these programs were externally or summatively evaluated for three reasons:

1. The initiatives were planned, implemented, and funded such that no summative decision about continuation arose.
2. The foundation was not trying to create a model for others to adopt or replicate.
3. The in-depth and ongoing involvement of foundation personnel in these initiatives meant that they thought they knew what they needed to know, so an independent external evaluation would not have had internal informational value.

Out of the seeds of these programs and relationships came Social Innovation Generation, which officially began in 2007.

The Start of Social Innovation Generation (2006-07)

In 2006, McConnell's board of trustees approved a $10 million, five-year initiative called Social Innovation Generation (SiG). The original concept was that a set of partners already interested and working on social innovation would pool their financial resources, know-how, and networks to find ways to create a continuous culture of social innovation in Canada that would address the country's social and ecological challenges. It was seen as the next logical step that was borne out of the previous social innovation work that McConnell had funded.

A five-page rationale recommending support for SiG to the board of trustees stated, "Now we feel it is time to focus on sustaining social innovation—not just specific examples but the larger challenge of creating a context in which people and organizations are continuously exploring, testing, and applying new things that work—in a more comprehensive and focused way." The paper described an initial exploratory phase during which staff and a handful of partners would explore "how best to bridge the gap that presently exists between researchers and practitioners. … The goal is not to fund research per se but to enable the social sector to draw more efficiently on the knowledge in universities and, where desirable, to use academic resources for higher-level training."

The structure, strategy, and activities for SiG in that initial proposal were purposefully vague, under the assumption that it would take shape through an intentional collaborative innovation process rather than through an up-front design and orchestration on the part of the foundation. The proposal suggested that SiG might be viewed as an "institute," perhaps housed at a university. Alternately, the proposal (and other documents from the time) describes it as a network or a collaborative. The proposal also offered a loose description of potential program streams, including matching social entrepreneurs with academic researchers; leadership development programming; direct support to innovative organizations and programs (including grants, technical assistance, and networking); and policy advocacy to enable social innovation.

Equally vague, the proposed SiG budget originally included resources for academic staffing and offices (50 percent,) foundation staff[1] (20 percent), and roughly 30 percent for potential allocation to organizational capacity building, Applied Dissemination grants to innovators, and other programmatic work. This lack of specificity was intended to leave plenty of space for the budget to accommodate whatever form SiG might take based on the emerging thinking of the partners in the collaborative. The proposal suggested measuring project success by "the number of innovations achieving real and lasting social change, and the project's ability to engage other partners and funders."

In lieu of a more conventional theory of change, which is not a good fit for the unpredictability of social innovation, the foundation staff and board members drew on complexity theory to frame their expectations for the investment. As described in the book *Getting to Maybe: How the World Is Changed,* "in complex, non-linear, emergent processes, directions can be fluid, ambiguous and ever evolving. Paradoxically, openness to what emerges *becomes* the goal, even though one is simultaneously moving toward an envisioned future. Acknowledging and embracing this tension opens the social innovator to evaluating short-term desired outcomes (how and where are we making progress?) while also rigorously watching for unanticipated consequences, unpredicted (and unpredictable) side effects, spinoffs and ripples emanating from interventions (what is happening beyond our hoped-for results?)"[2]

Lyn Baptist, chair of the board of the J.W. McConnell Family Foundation, explained: "Our presidents Tim Brodhead and later Stephen Huddart are exceptional leaders, and we always trusted Tim in terms of where we were heading as a foundation. When we looked at programs like McGill-McConnell and Applied Dissemination, we noticed that every year the grantees that had participated were so much further ahead in their work when they were not evaluated against preset objectives. Instead, when we enabled them to pursue emergent strategies, with the support of a diverse set of peers and partners, we frequently saw breakthrough results. From the board's perspective, SiG was a means of providing the foundation with the same conditions for success."

The foundation tapped some of its existing partnerships, all of which were already working in social innovation in different parts of the country, to participate in SiG. Although some of the partners and their home institutions took a bit of time to come together, the eventual SiG partners were:

- The J.W. McConnell Family Foundation, with Tim Brodhead as the key representative;
- The University of Waterloo, headed by Frances Westley;
- PLAN, headed by Al Etmanski and Vickie Cammack;
- And MaRS Discovery District, a new nonprofit technology innovation center partially funded by the Province of Ontario, with Allyson Hewitt as the key representative.

[1] Early ideas for SiG included an office housed within the foundation.

[2] Westley, F., Zimmerman, B., Patton, M. *Getting to Maybe: How the World Is Changed*. Toronto: Random House of Canada, 2007.

The conditions for the partnership were promising. Three of the four key individuals in the partnership had worked together for years. The principals and organizations brought diverse and seemingly complementary skills to the mission.

Although the university and PLAN would receive a substantial portion of the SiG budget (about $4.5 million and $1 million, respectively) to work on social innovation independently and participate in any collaborative work that might emerge, MaRS did not receive grant money from the foundation, as it was funded separately by the Province of Ontario for this work. MaRS was also the only participant that did not have previous relationships with others in the partnership.

A Departure in Approach for McConnell

For the McConnell Foundation, which had already been moving away from traditional project-focused grantmaking in some parts of its work, SiG was an even bigger shift. In conceiving of SiG, the foundation saw itself as an equal partner, and not simply a funder. Although the investment in SiG over the life of the initiative represented less than 10 percent of the foundation's total disbursement, it was designed to have an effect on how the foundation approached the other 90 percent of its work. The foundation intended to participate fully in the SiG collaborative with dedicated staff, and it hoped that by doing so, it would improve its own approach to social innovation and increase the foundation's impact.

"At the time we were trying to break out of the orchestrator role," Brodhead said. "That was never going to be enough. For me the issue was we don't understand social innovation any more than anyone else. We are there as learners. We want to learn how to do it. The intent was that the foundation bring its set of resources, but was no more important than the University of Waterloo, PLAN, and MaRS."

Tim Draimin, who had been a McConnell grantee for a few years and would become directly involved with SiG later, said that SiG was a departure from the traditional foundation approach of determining an area to be funded and a strategy, putting out a call for proposals, and then funding a group of grantees.

"SiG was very different," Draimin said. "It had grantees, but it was really focused on a network strategy of how those resources would come together to be more than the sum of the parts by allowing people to follow an emergent strategy. It was a brew of bringing unusual suspects together that were capable of producing outcomes that otherwise would not have happened."

But familiarity with network strategy did not necessarily mean that the partners had a clear sense of what that meant in practice. Etmanski, whose work in SSI had led to the creation of SiG, described the vision as follows: "I think we had a very naive view that somehow putting together a partnership or collaboration of a foundation, a university and a grass-roots organization would be able to introduce social innovation as a means to address Canada's toughest challenges like poverty or homelessness," he said. "We were quite naive. We believed that as soon as we shared these new insights about social innovation, the Canadian world would roll over and do things differently."

The Early Days of SiG Bring Confusion

As SiG hit the ground, the partner organizations were at various stages of their own work in social innovation.

- **MaRS** had been in existence for about two years and was just beginning to translate its experience in fostering private-sector innovations in technology and science into social innovation, with funding from several levels of government, foundations, and fees for service and rental income (and none from McConnell).
- **PLAN** was working to build a movement around its social innovations in the disability field, in part with existing grant money from McConnell.
- **Frances Westley**, a highly respected social innovation researcher, was setting up a SiG institute at the University of Waterloo that would focus on research, professional development, and leadership and applied work on social innovation.
- **The J.W. McConnell Family Foundation** was continuing with its other grantmaking related to social innovation.

But because SiG was intended to bring these disparate actors together to tackle the challenge of creating a wider culture of innovation in Canada, the group's members also met regularly with one another to try to think bigger: What would make SiG more than the sum of its partners?

During the exploratory months of the initiative, many of the partners' meetings primarily focused on debates about structure, authority, roles and responsibilities, definitions, priorities, and the strategy of SiG. They were also trying to find a joint project. Ideas were floated and rejected because they did not resonate with the interests of more than one partner.

From the beginning, a good deal of confusion existed among the partners even about the purpose of SiG as a partnership. The confusion was exacerbated by misunderstandings and power dynamics that quickly came to the surface, including a debate on how much control the foundation had over how the other partners approached their work and what form SiG should take. For example, one of the foundation's motivations for creating SiG was to entice Frances Westley back to Canada after she had left for a position at the University of Wisconsin-Madison. According to Huddart, at one point the foundation envisioned her locating in the foundation's offices so that the staff could work with and learn from her. But this was not communicated clearly to Westley, who wanted to return to a university.

"McConnell invited me to come back to lead this initiative," said Westley, the J.W. McConnell Chair in Social Innovation at the University of Waterloo. "I thought it was going to be different than it turned out. When I was contacted, I thought it would be a university-based institute center that I would head up and involve the continuation of research and teaching and also much more practical application of these

theories. The authority and responsibility were not clear right from the beginning. Who was doing what, and why were they doing it?"

The inclusion of MaRS Discovery District into the partnership added another source of confusion. MaRS launched in 2005 to help drive innovation through new collaborations among science and technology, innovators, entrepreneurs, business leaders, investors, and policymakers. In 2007, Tim Brodhead approached MaRS to ask if it was interested in extending the organization's mission to focus on social innovation, as well, according to Ilse Treurnicht, the CEO of MaRS Discovery District. The top officials at MaRS agreed, and the two organizations in turn approached the Province of Ontario to fund a social innovation hub at MaRS. They secured $6 million over five years, which was renewed in 2012 for $3 million over three years.

"Part of the [McConnell Foundation's] intention to bring in MaRS into the partnership was to round out the engagement or linkage to the corporate or private sector," said Allyson Hewitt, a senior fellow in social innovation at MaRS. "Everyone on paper believed in multi-sectoral collaboration. But the first meeting of all the partners was very challenging. There wasn't a lot of clarity about what we were to do."

Added Treurnicht, "We were a little late to the party and a bit of a weird partner at the table that was not like the others."

Developmental Evaluation Begins

As the initial exploration phase of SiG began, the group also engaged an evaluator named Mark Cabaj. He worked for the Tamarack Institute, an organization that supports community development and a grantee of the foundation, and he had been trained by Michael Quinn Patton. McConnell staff also asked Patton to provide Cabaj with coaching and to attend some of the SiG meetings.

Patton, an influential leader in the evaluation field, had pioneered an evaluation approach called *developmental evaluation*, which is intended to support innovative and adaptive development of strategies, programs, products, and organizations in complex environments. Developmental evaluators act as a "critical friend" to program strategists, working collaboratively to help conceptualize and test new approaches by bringing evaluative thinking, helpful sense-making frameworks, and timely evaluative data to the strategy table to support reflection and adaptation.[3]

According to Brodhead, developmental evaluation was the only type of evaluation he and others were interested in doing for SiG. He saw it as having the potential to really make a contribution.

[3] Developmental evaluation is distinct from formative and summative evaluation in that its primary purpose is to support development of a strategy rather than to refine or judge a model program. A key part of developmental evaluators' work is to support continuous learning and sense what questions a team most needs to answer with data at any given time in order to move forward. To do this, developmental evaluators are often "embedded" in the strategy team and present for team conversations about what to do and how to do it. For more information, see Patton, M. *Developmental Evaluation: Applying Complexity Concepts to Enhance Innovation and Use*. New York: Guilford Press, 2011. http://www.guilford.com/excerpts/patton.pdf.

"SiG was so ambitious on the one hand and so vague on the other hand. We didn't have a strategy. We have people with different backgrounds and high levels of skills who were all working on social innovation. If anyone can make a difference, we can. But we weren't sure how," Brodhead said. "We needed to monitor it and maybe see how we cracked it. We needed to able to have a reflection back on our own experience. There were a number of people who had strong personalities, and it was not an easy process. And it would be helpful to have a detached outside observer, particularly to reflect back on what was happening in the way we were addressing the SiG initiative—the progress we were making, the setbacks, and the observations."

Etmanski, PLAN's director and a longtime foundation grantee, saw a developmental evaluation as a way to bring credibility to an exploration stage that is essential in social innovation. He said that as a grantee, he sometimes had to stretch the truth to foundations to justify project activities that he needed to carry out during the exploration phase in his work. A developmental evaluation was a way to make clear that those initial stages, which might include a lot of failure, were essential.

As Cabaj learned more about SiG, he thought that it was a good candidate for a developmental evaluation because it met the criteria for such an approach, including:

- **The situation was developmental**. That is, the context of the initiative required new and constantly adapted approaches.
- **Participants had the authority and capacity to make changes.** Decision-makers had the interest and ability to work in the adaptive way required for addressing complex issues.
- **Participants wanted to get feedback and learning.** SiG participants seemed ready to embrace evaluative feedback and data to help make decisions.

The intent of the developmental evaluation process was to support the partners in their decision-making, and to track the developments, learning, and outcomes of their joint work. It was designed to explore three distinct but complementary areas of development:

- What was the group's shared "theory of change"? How was it changing and why?
- What was the working relationship among SiG organizations? How was it changing and why?
- What were the changes that emerged—wholly or in part—out of SiG's work to strengthen and accelerate social innovation in Canada?

To collect data, Cabaj would attend SiG meetings as a participant observer, interview and survey the participants, and review files. Cabaj also made use of other tools including the panarchy framework[4] and the collaboration continuum[5] to help make sense of what was emerging.

[4] In the panarchy framework, which is drawn from ecological science, change unfolds through various and inter-connected stages, including "exploitation," when ideas begin to take shape and focus; "conservation," when ideas are put into action; "creative destruction," when there is an implosion or collapse; and "renewal," when potential begins to gather under the soil. (Source: tamarackcommunity.ca/ssi9.html)

[5] The collaboration continuum is a framework for thinking strategically about relationships between nonprofit organizations and businesses. (Source: tamarackcommunity.ca/g3s61_2008c.html)

Because developmental evaluation must accommodate changing plans and unanticipated data needs, Cabaj proposed a "step wise" budgeting approach for his evaluation work. After an initial contract for approximately $20,000 CAD to support his time for the initial five months of SiG, which would result in a more robust evaluation plan as SiG took shape, the team would have a better sense of the kinds of data and level of evaluator engagement that would be necessary. They anticipated that a new evaluation budget would be negotiated and disbursed at regular intervals throughout the initiative as new evaluation needs emerged.

Confusion Becomes Conflict

As the partners, Cabaj, and occasionally Patton were meeting regularly to try to figure out what exactly SiG was and to negotiate what it should be doing, tensions began to mount. By all accounts of the participants, the underlying uncertainty and power dynamics began to manifest in behavior that was at many junctures poor, mean-spirited, and hurtful. Perhaps worse, they say, they were directing this behavior at people they considered friends.

"The meetings were mostly frustrating," Westley said. "There were four partners and one partner [the McConnell Foundation] had much more power than the others. It was a weird dynamic. They expressed the desire to come to the table as one of the partners, not as a funder. But one minute they were the funder, and the next they were a partner. No one questioned their right, as a funder, to set the criteria of funding but somehow in the muddle, whatever their expectations were in the beginning were not clearly communicated. All of us felt responsible for SiG, but nobody had authority. It was a very stressful situation."

Westley felt mislead about her role and the resources that would be dedicated to the institute. "When I accepted the offer to come back [from the University of Wisconsin], I thought it was under different terms," she said. "I was stressed out by a sense of responsibility that I couldn't fulfill and confusion about what was expected. At times I felt I had been deceived and at others I thought it was my own fault for not making the conditions clear before I took on the job."

From Brodhead's perspective, he was trying to step out of the typical role of a foundation as an orchestrator but also thought he had a responsibility to his board to show evidence of progress, such as a more detailed proposal from Westley's group at the university for specific projects. It was a demand that she resisted because she interpreted it as yet another bureaucratic hoop to exert control and slow the release of the funds.

"I found it extraordinarily frustrating working with the university and others," Brodhead said. "We had to go to our board with a proposal that was sufficiently robust. I think that maybe I said to the other partners that you have to be more realistic. We had to be aware at any point that our board might say, 'Frankly you don't know what the hell you are doing.'"

Brodhead also pointed out the difficulty of trying to establish a funder as an equal partner when the funder is also financially supporting two other partners.

"We thought about the issue of money in the beginning because you can't work in a foundation and not realize that money colors everything," Brodhead said. "But we probably paid less attention to it with SiG than we should have because we had all worked together for a decade. We probably thought we were beyond that. That was the root of some of our problems."

All of that frustration often boiled over.

"People were storming out of rooms," Westley remembered. "There were terribly wounded feelings. For brief periods, people even stopped speaking to each other."

Etmanski had similar recollections. "It was some of the most uncivil behavior I have ever experienced," he said. "I think it was an inevitable feature of sorting out relationships that had different power relationships. Every one of us was moving into areas where we were uncertain. In that space you look to blame, and you don't blame yourself typically."

Early Insights From the Developmental Evaluation

It was within this highly charged context that the developmental evaluation was taking shape, and Cabaj was a participant observer at many of these tense meetings. According to Cabaj, in a more stable, pre-planned initiative, the role of the evaluator at these early stages might have been to begin clarifying the theory of change and identifying what interim outcomes should be measured and how. But because the SiG partners did not yet know what their work would look like or what their goals were, and because the interpersonal interactions were slowing progress, Cabaj's work as a developmental evaluator had a different focus.

Cabaj was in continual contact with SiG partners and attended the meetings with the intention of carefully observing partner dynamics, emerging hypotheses about how the group could effect change, and listening for opportunities to collect data that might answer some of the team members' questions about the nature of the challenge they were facing, their theory of change and strategy. He also spent a lot of time interviewing participants to explore what was emerging for them as part of the process, including the causes of tension among the SiG partners.

In December 2007—only two months after Cabaj came on board—he identified to the partners five patterns he had found in the observational, survey, and interview data he had collected as well as from a review of documents:

- **SiG Pull Factors.** Through interviews, participants identified "pull factors" for their participation in SiG. Those included increased institutional legitimacy by association with partners and branding of

SiG, access to other expertise, access to other networks, a synergy of approaches, and access to resources.

- **Theories of Change.** There appeared to be two very broad but different theories of change guiding the work of SiG participants on the overall strategy to accelerate social innovation. These theories were not necessarily exclusive, but there was no evidence that they were helping or hindering the joint work.

- **Outcome Expectations.** Almost all participants described a hope or expectation for a similar set of SiG-generated outcomes over the next three years. Some participants considered social innovation a means to an end (e.g., a stronger environment) while others viewed social innovation as an end in and of itself (e.g., a culture of innovation in Canada).

- **Working Relationships.** Participants had different perspectives on how "tightly" or "loosely" they ought to work together. Some participants were more collaborative than others, and a few people played a more active role in the workings of SiG than others did.

- **Decision-Making.** Some participants were frustrated with the process of decision-making in SiG. Among the frustrations was that it took a long time to make a decision, it was not always clear who had the final say, and sometimes decisions didn't stick (they were open for interpretation and discussion or were changed). Some participants said decisions and mechanisms that related to the allocation and accounting for financial resources were complicated and required a disproportionate amount of time and energy.

As it turns out, Cabaj's observation about decisions related to the allocation and accounting of financial resources was timely. Those decisions caused particular tension between Frances Westley and the leadership of the McConnell Foundation. Westley thought the foundation had promised her significant resources to start her own university center and was withholding some of the funding. McConnell staff, meanwhile, thought they had a responsibility to their board to make sure they had some type of proposal from Westley that they could use to justify releasing more funding. The developmental evaluation surfaced and reframed this tension as an example of a cultural divide that is common to working across different systems or sectors but can get in the way of progress.

"One of the things it is important for a developmental evaluator to have is a deep sensitivity for the dynamics of innovation," Cabaj said. "I didn't wig out [about the acrimony], though I was taken aback by the ferocity of it. But to me it's normal in a process for things like this to happen. As a developmental evaluator, I was saying to people that nothing is catching, it's just spinning. I helped them to explore what some of the causes of their struggle might be."

Looking back at that period, Cabaj said that he thinks there is value in developmental evaluators acting as a relief valve for participants struggling with the ambiguity and pressure of emergent processes.

"I suspect the biggest value at times was simply listening—not whatever else I offered," Cabaj said. "The complexity approach calls this 'working in the shadows.' When the formal processes of communicating and getting things done is not fully able to get the job done, stuff happens in the shadows. The bigger the struggle in formal processes such as meetings and administration, the bigger the shadow. There was a big shadow in SiG in the early years and I spent a lot of my brief time there in the shadows because that is where people were."

Many of the partners confirmed how important Cabaj's role as a participant observer and listener was.

Allyson Hewitt of MaRS said: "Mark would have conversations with me after the meetings in a way that tripled my understanding of what had just happened. He would ask what I thought about what just happened and really helped me see things in new ways. That reflective learning was critical."

Similarly, Cheryl Rose, associate director of program development at the Waterloo Institute for Social Innovation and Resilience, said she found value in the developmental evaluation during an important time.

"It helped us to see both the ways we were really converging and finding agreement and where we were quite far apart," Rose said. "Just having that made explicit illuminated it and made us deal with it. One thing that was particularly helpful was this whole area of what we individually and collectively mean when we say social innovation. SiG was trying to keep a particular focus on a certain area of change that was slippery and we would lose track of it. The evaluation brought us back to this intellectual framework that seemed important to us. The evaluator would say, 'You may think you are all agreeing on this, but you are not actually.' It didn't always bring us back on track but it sometimes showed us when we were on different tracks."

Holding the Line as a Developmental Evaluator

Cabaj described that one of his responsibilities as a developmental evaluator is to "speak truth to power," or being willing and able to point out data that suggests that powerful people in the process appeared to be the source of conflict that prevented progress. He also said that not all of the SiG participants felt he had the authority to play this role.

Allyson Hewitt vividly recalled an instance that for her captured the challenges Cabaj experienced in maintaining his role with sufficient authority so that independent and strong-willed leaders would listen to his observations.

"There was one meeting where one of the players asked Mark to take notes for it," Hewitt said. "Mark in his lovely gentle way said that some people think that developmental evaluators are most helpful when they stand back and observe. The person said: 'Thank you very much. Please take the notes.' I knew then that we had lost the evaluation. That fundamentally changed the power dynamic. Mark wasn't a

developmental evaluator, he was a note taker. Mark was put in this place and wasn't able to give us the reflection that we needed."

Patton, who had been coaching Cabaj and was both close colleagues and friends with Brodhead and Westley, however, was quite comfortable speaking truth to power, and had sufficient respect from the partners to be heard.

"Mark and I had a conversation about what to say, when, and how hard to push the findings about this conflict," Patton said. "I told Mark I thought he was not entirely comfortable in how to manage and report the conflict. In the end, we decided it was safer for me to confront Tim about the conflict with Frances. He might listen to me."

Cabaj disagreed that he was uncomfortable with conflict. He said that the key issue for him was what a developmental evaluator does with conflict, and it was not clear to him the appropriate response in this situation. He also remembers that Westley wanted someone with the gravitas of Patton to help with those issues.

Patton came to Montreal in the Fall of 2007 and had two meetings with Brodhead, Huddart, and Westley about the tensions. As he recalled, he told Brodhead that the foundation needed to release some additional promised funds to Westley. Brodhead and Huddart agreed. He also told them the forced collaboration of SiG to develop a shared project and aligned goals wasn't working, and the foundation was not holding true to its understanding of how change works in complexity. Patton remembers telling Brodhead, "You can't force people to make conventional project proposals. You made a promise for people to self-organize. You have to honor that promise and turn people loose."

From Cabaj's perspective, Patton stepped out of the role of a developmental evaluator when he confronted Brodhead.

"I think the issue needed to be raised," Cabaj said, "and Michael had sufficient credibility to raise it. How to deal with it was more of an organizational development issue, rather than one for developmental evaluation. I admit that even now I still struggle with the blurred lines between evaluation's job of providing feedback on key developments and sharing opinions on and/or getting involved to sort them out."

Despite this intervention on the part of the developmental evaluation, misunderstandings and tensions continued not only between the foundation and Westley, but among the other players. At various times during SiG's first year, each major player—Westley, Etmanski, Hewitt, and Brodhead—threatened to leave. Brodhead said he considered leaving because he thought his participation was becoming more of a hindrance than a help, especially in keeping Etmanski, whom he viewed as crucial to the initiative, involved. Etmanski said that it was not Brodhead's involvement that made him want to leave SiG: It was the overall atmosphere.

"I may have walked away twice," Etmanski said. "I don't think I've experienced anything like this in my professional life. We brought out the worst in each other."

They all came back. With the exception of Hewitt from MaRS, who was new to the group, each said it was the long-standing friendship that kept them in the group.

"Tim Brodhead is someone I really care about as a friend, as well as a colleague, " Westley said. "At one point he was furious with me, and I cornered him at a meeting and said: 'The most important thing to me here is our friendship. I'd rather you took away the money than lose your friendship. ' I meant it. The work was important, but it was the friendships that kept SiG together in the first, hard years. Without it, I think it would have fallen apart."

The Developmental Evaluation Ends

After about a year of meetings, however, it became clear to participants and the developmental evaluator that the original "tight coupling" conception of SiG, in which the partners would decide together on a joint project, was not working. Tight coupling forces formal structures, explicit relationships, and more detailed plans; "loose coupling" is more self-organized, emergent, and go-with-the-flow.

Cabaj said he saw this as a natural place for him to stop the developmental evaluation. The case for doing developmental evaluation at that point did not seem strong, he said.

"Nothing was developing," Cabaj said. "How often can you say, 'Not much is developing and there seems to be tension emerging'? Moreover, I felt that I had lost some credibility with the group with Michael Quinn Patton stepping in to address the deeper struggles between Frances and the foundation. It was a good time to make a change." In his last meeting with the group, Cabaj recommended that developmental evaluation begin again once the group had sorted out the debates that were holding up their progress.

From Rose's perspective, Cabaj had a particularly difficult job. She said three fairly well formed and strongly led independent initiatives within SiG were not going to give way to anyone's views.

"It's sort of like a family having an argument and someone is looking through a window and pointing out, 'Hey, you guys are arguing a lot and you aren't getting along,'" Rose said. "The evaluator's role is to surface that. It can be experienced by people as an irritant."

Brodhead added: "At one of the meetings, Mark said, 'I can't seem to find a role that is helpful.' Mark is not someone who enjoys dealing with conflict. He found it awkward and unpleasant. It was hard for him to be dispassionate and say, 'What I'm observing is some childish behavior.' If it had been someone like Michael with his experience, there is no question that developmental evaluation would have been enormously helpful. It would have helped us get a better grasp of what was going on."

"This is not a criticism of Mark," Brodhead added. "We needed someone with the sheer credibility to say: 'Look, this is what's going on. You might as well face up to it.' It would have accelerated the process quite a bit."

Westley thinks that the developmental evaluation started too soon in the formation of SiG: "It was pre-developmental evaluation really. What we really needed at that stage was a labor negotiator."

The McConnell Foundation staff agreed that it made sense to end the developmental evaluation. "We were quite delighted to include developmental evaluation at the beginning of SiG," Brodhead said. "When things started to go off the rails, it seemed like there wasn't anything to evaluate. It was a big mistake on our part to end the evaluation. We discontinued the developmental evaluation at a point when we were about to make a breakthrough in how we were functioning."

Exiting Observations From the Evaluator

In October 2008, Cabaj submitted a draft report that summarized his experience and observations of his work as developmental evaluator from November 2007 to March 2008. The report noted the following ways in which participants found the developmental evaluation helpful:

- Post-meeting summaries of key developments, issues, and questions. For example, Cabaj pointed out that participants were not sticking with decisions they had made in previous meetings, they were operating with different assumptions about who was able to access different foundation or MaRS resources, and they were unable to agree on a concept for a website because they could not agree on a common definition for social innovation.

- New ways to frame or interpret the activities or issues SiG is addressing (e.g., the collaboration continuum and the use of the adaptive cycle framework as a lens for SiG's evolution).

- The "side conversations" on the phone or in meetings where they were able to communicate their opinions more freely, explore their understanding and reflections on the work of SiG, and work through options for upcoming decisions or activities.

Cabaj's report also noted that participants reported that developmental evaluation could have made a greater contribution in two ways:

- A more intentional process of assisting participants to identify, reflect, and document their learnings on a more regular basis, particularly for the smaller scale efforts where the group was working productively together. Participants identified a need for a greater documentation of their learnings about the nature of social innovation and how to support it. Westley, for example, raised her hope that this would happen several times and made an effort to create mechanisms for online discussions and explore ways to encourage reflection processes for participants.

- Surfacing and helping to address issues related to imbalances in power, resources, and in interpersonal conflicts and disagreements.

In addition, Cabaj raised the question of evaluation capacity within SiG, given the expanding volume of SiG activities that the individual SiG partners were executing and the need for the evaluator to be at face-to-face meetings where key developments emerged. Expanding the role of the developmental evaluator was considered expensive and unsustainable, given the set of SiG resources dedicated to evaluation and Cabaj's limited availability.

Because the team determined that the time was not right to continue with developmental evaluation, Cabaj did not develop a full evaluation plan for the next phase of the initiative as was originally intended. Ultimately, the foundation paid $17,000 for the 20 weeks of DE provided by Cabaj.

Looking back, Brodhead said that the foundation probably short-changed the evaluation. "The whole notion of SiG was so new," he said. "We might have said we can't really afford to put resources into a full-scale evaluation that, in retrospect, we should have done."

McConnell Puts a Moratorium on New Funding

During the period of dissent and wheel-spinning in SiG, the foundation made a major decision. In December 2007, a moratorium was put on new grant commitments for two reasons. First, the foundation had made $50 million in commitments to capital campaigns, leaving little for new grantmaking. But Huddart said that there was another, equally compelling reason for the moratorium.

"SiG was deemed to be so important and in such a state of crisis that we had to focus our efforts on getting it right," Huddart said. "It was a tough decision for Tim to make. But we decided that we would use the opportunity to develop an appropriate shape for SiG. It would take a lot of our time to do that. it also gave us an opportunity to look at our existing grant portfolio for those aspects of what we were doing that fit or complemented SiG's goals. What is socially innovative about what we are already doing? The moratorium made it clear that the foundation was committed to creating a social innovation strategy around otherwise disparate grants."

The worldwide recession also had the effect of moving social innovation into sharper relief for community organizations and policymakers.

"During the financial crisis there was a lot of interest in new approaches to funding," Treurnicht said. "Enterprises were seeing a decrease in funding from grants and others, so finding ways to increase revenue was the only thing that was growing. MaRS became a visible resource for those new social entrepreneurs."

Similarly, the recession brought into question many of the old business models of "profits above everything," Huddart said. "The recession affirmed the value of something like SiG," Huddart said. "And it provided a direct and valuable opening for social finance work to come forward."

A little over a year after SiG began, foundation staff worked with a consultant and trustee Lyn Baptist to assess all of the foundation grants to determine the degree to which they were working toward social innovation. Even some that seemed to fall in the social innovation category, such as a program to create community leaders who could ultimately work together in collective action and policymaking, were found not to have the impact the foundation hoped. Grants that failed to meet the criteria for high-impact social innovation were ultimately ended.

Using what it was learning from SiG about the concepts and process of social innovation during this time, and its commitment to using social innovation as the basis for all of its work, the foundation eventually identified sustainable food systems and aboriginal issues as its two areas of strategic focus. Both issues lent themselves to systemic change that could use social innovation as a framework for change, Huddart said.

Middle Phase (2008-11)

Also in 2008, not long after the foundation made its decision to halt new grantmaking, the SiG partners intentionally moved from "tight" to "loose" coupling. Loose coupling meant that they would continue to work on independent projects in earnest such as a graduate program in social innovation at the University of Waterloo, social entrepreneurship workshops at MaRS, PLAN's policy work on disabilities, and others. Doing so relieved some of the tension and helped their institutions more deeply bond around the issue of social innovation, noted Cabaj in a February 2014 summary of SiG's work. This bonding was particularly important for MaRS and the University of Waterloo, which were comparatively new to the concept of social innovation. That individual bonding was also an important step to make it easier to work on joint initiatives with others, Cabaj wrote.

Brodhead had this recollection of the period: "We were no longer trying to force a common purpose on everybody," he said. "That was what was posing the strain—trying to get four people with their own strong views and experiences who also represented institutions that were quite different to get on the same page. We couldn't achieve that common purpose because people were not willing to give up their own set of issues. The loose coupling removed the pressure to come to a common agreement. We said let's make it more organic."

The partners continued to meet periodically to share information on what each was doing and look at ways in which they could coordinate their projects or complement one another. However, the pressure was now off for them to find a singular initiative that they could all work on. As a result, participants said they felt free to pursue the work in social innovation closest to their heart and expertise. That freedom gave them the chance to accelerate their activities and make real progress, they said.

Hiring an Executive Director for SiG

Although the looser structure appeared to be working, the McConnell Foundation leaders still felt the need for a coordinating presence for SiG. In September 2008, they used a portion of the original $10 million SiG budget to spin off a stand-alone SiG office and hired Tim Draimin, who at the time was the CEO of Tides Canada, as director. Draimin seemed to be particularly well suited. He had been taking a leading role in Canada in social finance, a key ingredient in social innovation. Social finance is an approach to managing money that delivers social and/or environmental benefits and, in most cases, a financial return. It introduces a way of tapping into private capital to tackle community challenges by supporting community organizations and business ventures with social purpose objectives.

Draimin had been attending SiG meetings as an interested observer, and at Tides Canada was heavily involved in the social finance initiative Causeway, which McConnell had partially funded along with the Ontario Trillium Foundation. That project intended to catalyze a social finance capital marketplace in Canada. As in his new job at SiG, Draimin's office was within the MaRS building and as such, he had close contact with Allyson Hewitt and Ilse Treurnicht.

Draimin's role was important, Brodhead said, because the foundation wanted to continue to find ways that the individual SiG "nodes" (the new name for the partners) could coordinate their work. Foundation staff didn't believe that it would happen automatically and needed someone whose principal role was to encourage the coordination. Brodhead anticipated that Draimin could also serve some of the same developmental evaluation functions as Cabaj had.

The decision to hire Draimin was met with mixed responses, as well as doubts as to whether he could serve both the coordinator role and the developmental evaluator role.

"Initially, I was annoyed," Westley said. "In my mind I was feeling that I was supposed to be leading the initiative. Then I thought: 'What the heck? I'm not responsible for it, and that's a tremendous relief.' I'm going to do what I need to do in my own work. It was like a huge weight lifted off my shoulders."

A Central Coordinating Effort

Rose had another perspective on what came to be called SiG National, headed by Draimin.

"This was a time for individual identification," she said. "The individual pieces of work could get clearer on what they could bring to the table. We hadn't yet had a good sense of ourselves and what would be possible in our work. We needed to plant our own roots and get a sense of ourselves before we could engage with the whole SiG initiative. SiG National provided a central coordinating effort to help us look at the big picture as we hunkered down."

From the start, Draimin said, he was careful how he construed and communicated his role.

"All of the partners said, 'Tim is not the boss of me,'" Draimin recalled. "I felt my job was to keep the conversation going. I took responsibility for facilitating ongoing SiG meetings. I wanted to let people develop more self-confidence about where they were going. I saw my role as letting people do their own thing and be on top of their own work."

Draimin organized meetings of all the nodes but less frequently. Several participants said that those meetings were much more productive than in the past because the stress of finding a common goal was gone.

During these meetings, participants talked about the work they were doing, and out of those discussions came some joint efforts, notably on social finance. Draimin also looked for opportunities in social innovation that the nodes might want to work on together or pursue individually. In addition, in late March 2009, he led a study tour to the United Kingdom for SiG participants to learn about the work and history of social finance there and to spend some time together in a more relaxed environment.

In some ways, Hewitt said, Draimin also took on the "sounding board" role of a developmental evaluator.

"Tim was given the wonderful job to be the vehicle for communication between the units," Hewitt said. "If I was really annoyed or didn't understand what was happening at one of the other nodes, Tim could actually spend time with each of those players and help sort things out. He was able to share the concerns without having to own them."

Much of Draimin's work was also continuing the social finance initiative he had begun at Tides. In that sense, Draimin's role was as much about his expertise in social innovation as his expertise in leadership.

During this period, the focus of SiG was on creating tangible work to show some proof of concept of SiG, Brodhead said. Many seeds were getting planted through individual SiG nodes, cooperative work, and changes at the McConnell Foundation.

First Theory of Change Drafted

As part of its commitment to letting a strategy emerge through the partners' work together, the foundation had resisted developing a theory of change at the outset of the initiative. However, in November 2008, two months after Draimin started his job, and 18 months after the kickoff of SiG, Brodhead drew up a draft theory of change for SiG. It was based on the learnings of SiG thus far and on the early results of the various SiG projects.

"I drafted the theory of change because we were feeling we needed a better handle on what we thought had to happen in order to make the changes we were hoping for," Brodhead said. "We were trying to be more explicit and say here are some of the factors we need to influence in order to bring about the change we are seeking. You operate a lot on certain assumptions or insights that are implied, but when

you sit down with other people you realize they don't have the same assumptions. I wanted to find out if we had the same assumptions. The theory of change said, 'This is my view on what I see happening.'"

The theory of change stated that "SiG's vision is a society which recognizes, promotes and celebrates continuous innovation to resolve important social challenges facing Canada." It further stated that the vision linked to the foundation's mission in the following way:[6]

"In a rapidly changing environment, strengthening resilience, inclusion, and sustainability requires that we work with complex and interdependent variables, that we explore and test new approaches, and that we develop a better understanding of how innovation can be recognized and supported. SiG embodies both a set of programmatic initiatives to support innovation outside the foundation and a prod to generate innovation inside the foundation, i.e., in our policies and practice."

The draft theory of change listed the following assumptions:

- That a multi-sectoral set of partners can work together effectively and thereby create synergies that amplify their individual and collective impact, and that governance (decision-making, accountability) can be informal, consensual and dependent on personal relationships.
- That the foundation's experience through its Applied Dissemination grants, along with the work of PLAN and others, can generate a body of practice that advances the understanding of social innovation.
- That there are social innovators in Canada who constitute a market and who, if supported appropriately, could advance the foundation's mission.
- That suitable programs can be designed and delivered by SiG members to implement objectives and that the necessary resources will be available.
- That SiG will have credibility and legitimacy to leverage change not just in the not-for-profit sector but generally (e.g., through dialogue with government).
- That SiG will in time engage other actors to reinforce its message and add other insights and assets.

Each of the individual SiG initiatives began drawing up theories of change, as well. During this phase, SiG initiatives run by the individual nodes started to stabilize and began to bear fruit. Several of them involved coordination or collaborations among the nodes.

"I think we sorted out the sweet spot for SiG in all of that tumult," Etmanski said. "We were focusing not so much on the early stage of innovation but on proven innovators and how to bring them to scale."

[6] The J.W. McConnell Family Foundation's mission statement says it "engages Canadians in building a more innovative, inclusive, sustainable, and resilient society."

SiG Projects Begin to Show Results

During this period, SiG participants naturally and organically began to connect and work together on several projects, Brodhead said. The team had discovered that conditions for joint action could not be forced, but rather had to be created slowly over time as partners focused on the work for which they individually had the most passion and interest. Among the key activities and initiatives that took hold were the:

- **Canadian Task Force on Social Finance.** This was a blue-ribbon task force launched in 2009 whose task was to create an agenda with policy recommendations to help Canada bring a social finance capital marketplace to fruition. It was the first SiG project in which all the SiG nodes played a role. Ilse Treurnicht from MaRS chaired it, Al Etmanski was an advisor, Tim Brodhead served on it, and Frances Westley's team provided research. It also involved top government officials, nonprofit leaders, and business executives, including a former prime minister.

  In December 2010, the task force published a report that laid out seven actions pivotal to mobilizing private capital for public good. A number of the recommendations have been taken up, including mentions of this work in provincial and national government budgets.

  In 2011, MaRS developed and housed the Centre for Impact Investing as a place where people could learn more about social finance. The center was jointly funded by several foundations and corporations, including $1 million from the McConnell Foundation and approximately $300,000 from the Rockefeller Foundation.

- **Graduate Diploma Program.** The University of Waterloo created a Graduate Diploma in Social Innovation. In this executive diploma program, professionals from the social, private, and public sectors worked together on self-identified projects to address some of Canada's largest social problems. Launched in 2011, the program has been completed by approximately 100 participants.

- **Entrepreneurship 101.** MaRS expanded its work with private sector entrepreneurs to include leaders in the social sector. Working with SiG, MaRS built a practitioner-related curriculum that social entrepreneurs could take both in person and online. It was meeting a growing interest in Canada, particularly among young people who wanted to create businesses or social enterprises that made money and provided a social good.

- **BC Council on Social Innovation.** In 2011, Al Etmanski organized and co-chaired the BC Council on Social Innovation, which included the government, unions, and private and community sectors. The purpose of the council was to assist the British Columbia government in seeking new and innovative ways to help British Columbia communities address deep social challenges. The council produced a March 2012 report with a series of recommendations that led the government to adopt recommendations on social innovation, including creating a hybrid corporate structure, which was a social purpose corporation, a crowdsourcing platform for ideas to improve the public

service, and a Minister of Social Innovation. The Council was later renamed BC Partners for Social Impact, which Etmanski describes as MaRS without a building.

These individual efforts in particular were important to the evolution of SiG, Draimin said.

"People developed more self-confidence in the impact they were making," Draimin said. "Having that under their belt made it easier to come back to the table and talk about how they could collaborate more."

"We were planting seeds like crazy," Hewitt said. "We were bringing in every global leader we could get our hands on to talk about social innovation. We were holding convenings and catalyzing hundreds of discussions. We were in the 'let a thousand flowers bloom' stage. We hadn't begun to understand what the tall poppies would be."

During that time, SiG participants also began coming to a consensus on an intellectual framework focusing on system change and working on complex problems that would require complex approaches, Rose said.

"There was a jelling which made it easier for us to talk about this work together," she said. "There was a growing acceptance that our different activities and interventions actually rested along a whole scale, and we could see the connections between them. We had a common purpose around social innovation as system change."

Questions That Weren't Asked

Looking back, Hewitt said it would have been useful to have a developmental evaluation during this phase of rapid growth in SiG.

"It would have been really helpful to have someone ask the question: What is next?" Hewitt said. "It's great that you're doing all of these convenings. Where are you going to take them? We were too busy being busy, and we weren't focused on leveraging the incredible momentum we were creating. We would do lots and lots of things and hope that something would resonate."

Brodhead had a similar feeling. "With an evaluation, it would have been a lot clearer how these various pieces came together and what SiG's contribution was," he said. "It would have been a lot easier to chart if SiG had been followed and monitored and written down as it happened."

An evaluator could have helped the SiG partners slow down and do some reflective learning, Treurnicht said.

"We were so immersed in social finance, which had been identified as one of the priorities of SiG by the foundation, that it felt as if there wasn't much strategic thinking in that period," Treurnicht said. "People

were unbelievably busy in what they were trying to do. An evaluation might have been helpful in keeping the flow of learning more active."

Etmanski, meanwhile, thought a developmental evaluation might have surfaced what was *not* innovative about some of the social innovation work that the SiG initiative was undertaking.

"To have someone evaluate our work with a conceptual framework would have been helpful," he said. "We might, for example, have spent more time linking our efforts with grass-roots activists and less time focused on raising awareness about social innovation within government. To have someone with that lens would have been helpful to point that out and ask questions: Why are you doing what you are doing? How does it link to your original intention?"

Rose, however, is unsure whether a developmental evaluation on SiG as a whole would have helped SiG participants during this period.

"I think we are a naturally reflective group anyway," she said. "We are aware of the emergent quality of a complex situation. Many of us are very familiar with developmental evaluation. We understand what it's about—reflecting, paying attention to what happens, and pulling that learning in. In SiG both its great strength and its stumbling block are the personal relationships. Would a developmental evaluator have brought that out in the open more? I'm not sure if it would have helped. Even though people had disagreements and tensions, they all deeply cared about each other and the motivation was very high to work it out. I'm not sure an outsider saying this needed to be addressed would have helped."

The University of Waterloo Launches Its Own Developmental Evaluation

The only member of the SiG initiative that was doing developmental evaluation of its own work was the University of Waterloo. Westley had asked Michael Quinn Patton, and her associate Sam Laban, to evaluate the Graduate Diploma Program. Laban took the lead on the evaluation and received ongoing coaching from Patton. Westley said the developmental evaluation has helped her to step back to see some serious challenges in the diploma program with a broader perspective.

"The developmental evaluation had a calming influence," she said. "I would get upset about something and the process of reflecting on that would remind me about the origins of the difficulty and the fallacy of personalizing it. Something about the developmental evaluation helped me see that it wasn't anyone's fault. Good professionals were put in a situation where it was a failure of clarity. The evaluation allowed me to navigate through that as the person in charge with more grace and wisdom than I would have without it."

The other SiG initiatives—MaRS and PLAN—did not have a specific evaluation component to their work. Hewitt said that her focus during that period was reporting to the province on the impact of the SiG@MaRS work and of the collaboration, and that most of that reporting focused on activities and outputs such as job and wealth creation numbers of its clients and the social entrepreneurs it helped.

A New President of the McConnell Foundation

In February 2011, Stephen Huddart was appointed as the president and CEO of the J.W. McConnell Family Foundation to replace Brodhead, who was retiring. Huddart had been with the foundation since 2003 and had been closely involved with the funder's work in social innovation. His appointment as president and CEO was an important milestone for the foundation's work in this area, according to Draimin.

"It was a felicitous outcome when Stephen was invited by the board to become the CEO," Draimin said. "The board could have declared that they weren't going to entertain internal succession and someone else could have come on board—a new leader with new ideas, and where SiG would have fit in would be anybody's guess. Because Stephen was hands-on with SiG, to continue it was a natural thing to do, especially with the growing list of outcomes that the partnership could point to."

When Huddart took over as foundation president, Brodhead continued on as a senior advisor to SiG. Because Brodhead was not directly responsible for funding, however, the dynamics of his participation changed, according to Westley.

"Tim Brodhead is an extraordinarily imaginative and brilliant guy," Westley said. "Everyone felt lucky to have him around to have conversations. When he no longer had to wear two hats [as funder and partner], he could relax and make contributions we all valued deeply."

Current Phase (late 2011 to 2014)

In Huddart's first year as president and CEO, McConnell staff had to determine whether to recommend a renewal of SiG to the foundation's board. It was a time in Canada when much more work around social innovation was taking place, thanks in part to the work of the SiG nodes, according to Draimin.

Despite the early challenges, the SiG initiatives were producing visible results and starting to make the impact McConnell had hoped for. It made sense to renew the program, Huddart said. However, he and the McConnell staff believed it should be renewed for a shorter period and less money, in part to signal that this phase was seen as transitional.

During this period, when there was no overarching developmental evaluation, Huddart said the foundation was still evaluating "all the time," through reflective conversations with fellow staff, meetings with SiG participants and others, and research and case studies on social innovation and SiG itself that were conducted by the University of Waterloo. The foundation also hired Kevin Chin as its knowledge and evaluation officer in 2011, the first person they had in such a position since 2006. Chin's role was to help make sure that all of the learning and evaluations generated by the foundation were harnessed and used internally and externally.

Brodhead, who still played a key role in SiG, said this of the decision to renew the initiative: "What was clear to us was that the activities that the foundation funded—the Graduate Diploma Program at the University of Waterloo, the Social Finance Task Force at MaRS, etc., were having an impact. There was enough evidence that SiG was working, but it wasn't by any means complete. It was pretty fragile. It needed more nurturing."

In December 2011, McConnell's board of trustees renewed SiG for three years for $5 million. The purpose of the second round of funding was to allow the work in progress to reach completion and to allow the SiG nodes to plan for the aspects of the work that should continue, Huddart said.

"Rather than having an open-ended renewal, we wanted a shorter one that was designed to turn up the flame," Huddart said. "It was designed to bring some programs to a conclusion and encourage others to make an evidence-based case for continuance. We also felt it was important to leave room for other funders to support parts of the work."

The proposal said that the next phase of the SiG initiative would be considered successful if:

- The relationship between government and the voluntary sector in at least two provinces and at the federal level is fundamentally improved through the introduction of innovations such as social impact bonds, Changemaker competitions and incentives for charities to collaborate and track their impact.
- The Foundation's new Innoweave platform for sharing tools and building networks for social innovation in Canada is supported by governments, corporations and foundations, and has at least 10 modules that can be downloaded and used for training. It is used by Imagine Canada, United Way, and community foundations, and is one of the top three sites of its kind in the country.
- Social innovation labs—and other tools and methods developed by SiG nodes—are in regular use by foundations, governments, and corporations, enabling collaboration on complex social and environmental challenges.
- Social innovation is widely recognized as an essential capacity for bringing about needed changes in society.
- Graduates from the Waterloo Diploma Program in Social Innovation are developing new collaborations and innovations in their work, some of which result in proposals to the foundation.

PLAN and the University of Waterloo each received less money than in the first round of SiG funding (PLAN got $690,000 in this round compared with $1.37 million in the first round whereas the University of Waterloo received $995,000 compared with $4.75 million).

The foundation also funded $1.3 million for SiG National—about $200,000 less than the first round, and provided MaRS with a separate grant of $1 million to establish the Centre for Impact Investing, a social finance hub and project incubator.

Reflecting on the approval process for this phase, Brodhead noted that a developmental evaluation might have provided the foundation with more tangible evidence about why SiG would be worth funding.

"We were doing it partly on gut feeling," Brodhead said. "A developmental evaluation could have given us more tangible evidence about why it was worth continuing funding."

Still, Brodhead and Huddart said that it was clear that the foundation wanted to continue funding SiG, pending the board's approval. An evaluation of any type would not have changed the decision—it simply might have provided more context for it and direction for the future of SiG, they said.

Lyn Baptist, chair of McConnell's board, concurred.

"We were feeling that things were moving in a positive direction, and there needed to be more time for this to continue," she said. "We always had very comprehensive reporting covering what was taking place, what others were doing, including frank discussions about what was not working and that to me was like an evaluation. It goes back to what I said about trust. It wasn't just trust of Tim and Stephen and the staff. We always knew the partners. I've known Al [Etmanski] for 15 years and Frances [Westley] and the MaRS team, and they were very trusted. I don't think we thought additional evaluation would have made a big difference."

For Hewitt, the decision to renew SiG marked an important turning point and one in which the SiG nodes could begin to reflect on their vision for social innovation or "post-SiG" work if McConnell or the Province of Ontario does not continue funding it past this renewal.

"One of the things we haven't done particularly well is engage significant funders besides McConnell and the Province of Ontario," Hewitt said. "An evaluator might have helped us understand how to be more sustainable. We never had those practical discussions about what we wanted next and how we could make it happen. I think an evaluator could have helped us do that."

Knowledge Hub Brings Together SiG Initiatives

During this time, the individual projects continued to make progress with separate accomplishments as well as joint ones. But the individual SiG nodes had not yet jelled in a collective identity, despite ongoing regular meetings organized by SiG National. About this time, Cheryl Rose and Geraldine Cahill, the communications coordinator for SiG, began a project to help create something that all participants could feel some ownership in. According to Rose, in speaking to people at SiG meetings, she realized that there was no central place for those interested in social innovation to learn about all of the education, research, and practical work coming out of SiG. She and Cahill began working on what became a "knowledge hub" that gathered together the work of all parts of SiG. The hub also featured a motion graphic that explained what SiG meant by "social innovation."

"Everyone could feel some ownership in the knowledge hub," Rose said. "The motion graphic was particularly helpful. We had been trying for years to say what we mean when we talk about social innovation. We were never successful until now in finding words that are genuine, honest, and accessible. When we did it, it felt like really wonderful momentum for us. We were all excited about it. It was something we did on behalf of all of SiG."

In another step to making the work of social innovation more accessible, McConnell launched Innoweave, an initiative with the objective of providing community sector leaders with new tools and processes to support social innovation. Innoweave is set up as menu of resources from which leaders can learn more about things like social finance and developmental evaluation by enrolling in on-line modules, attending workshops, and applying for grants to enable them to work with coaches to put new tools into practice.

"As a platform strategy, Innoweave emerged from SiG to enable organizations and sectors to work together on social innovation," Huddart said. "As a disruptive social innovation, Innoweave is showing how to get high-quality management support at a low cost into the hands of organizations making change."

Considering the Role of Institutions, Not Just People, in Making Change

For Treurnicht, an interesting and important evaluation question that was not considered until recently in SiG is to look at the role of institutions in creating change. Powerful and committed individuals drove the early work of SiG, she noted. But something as complex as "creating a culture of continuous social innovation" requires the work of institutions and perhaps new kinds of institutions.

"A powerful thing for me is if we are really serious about driving a new kind of change, we need new kinds of institutions," Treurnicht said. "What is the catalyzing agent for this kind of complex change? How do you create agreement between groups that are quite different in geography, skill sets, and lived experience in a rapidly changing innovation landscape? How do you understand and learn from the contributions of individuals and the relationships they had with one another? An evaluation could look at these kinds of questions."

In December 2013, the McConnell Foundation decided to commission a retrospective developmental evaluation by Mark Cabaj that will look at Treurnicht's questions among others. The timing of the evaluation was partly influenced by the commissioning of this teaching case. It also seemed like the right juncture to commission a formal evaluation of the initiative as a whole, Huddart said.

"With an initiative of this size that has shaped us as much as it has and represented such a big investment, it's important to harvest the learning and inform our strategy going forward," Huddart said. "A key decision is whether to continue SiG in some way or form. Should the foundation consider an extension or a reshaping or restructuring of its commitment to this?"

Etmanski was similarly hopeful about the evaluation.

"Mark's work will be extremely useful for us," Etmanski said. "It will help us determine those achievements we want to build on, those that have enough momentum we can leave to others and those areas we should focus on because no one else is paying attention to them. Sometimes you can be overly impressed with a government strategy but then you look and see that its impact has been dampened."

Impact of Social Innovation Generation

Assessing the impact of Social Innovation Generation as of early 2014, participants say they see much more evidence of change than they believed would take place in those early, fraught days of SiG. They describe the impact in the following broad areas:

- **Culture of continuous social innovation.** "The original purpose was very, very broad—to create a culture of continuous social innovation, not to identify specific solutions," Brodhead said. "We wanted to go beyond that and normalize the notion of innovation in addressing social problems like the business sphere that does continuous innovation. Have we reached that point? No, we haven't. We now have a lot of discussions about social innovation, but there is still resistance to the idea that we should be encouraging nonprofits or the government to try new ways of addressing problems by making mistakes, failing, and taking risks. That larger purpose remains unfulfilled. What we have done is contributed to bringing the concept of social innovation to Canada—to starting that conversation."

- **Government attention to social innovation.** Participants point to increased government interest and commitment to social innovation including taking up recommendations from the Canadian Task Force on Social Finance, the creation of an Office for Social Enterprise by the Province of Ontario, and the work of the BC Council on Social Innovation. For example, the British Columbia government established a cross-departmental group on social innovation to implement the recommendations of the BC Council on Social Innovation and has put into place nine of the 11 recommendations.

- **Research and thought leadership.** Westley said that the work of the University of Waterloo in producing research and frameworks for social innovation is attracting interest across the world particularly from the European Union.

- **Private-sector interest in social innovation.** It is during this period that several SiG participants say they can see the impact of the initiative collectively and in their institutions. At the beginning of the initiative, social innovation was just one of four platforms in MaRS, but now it is woven in throughout all of its work. MaRS is seeing an increasing number of young entrepreneurs interested in starting businesses that have a "triple-bottom line" (i.e. profit, social, and environmental concerns.)

- **Nonprofit shifts.** The concept of social innovation as a new and potentially more effective way to tackle long-standing social problems is now sprinkled throughout Canada, according to Etmanski. Longtime activists are looking at new conceptual frameworks of tackling long-term social issues, he said.

- **Foundation shifts.** The McConnell Foundation has used its learning from SiG to inform and change its work in a number of ways.

"The whole granting program of McConnell has changed because of SiG," Brodhead said. "If the foundation is looking to fund anything, it doesn't go after isolated projects or start-ups. It's really saying what is the larger picture and where are the points of intervention where we can have the most leverage? It's now so much a part of the way that staff thinks and board members think, it's just gone into the water supply."

As a result of its involvement with the initiative, the foundation undertook a performance review of the organization, rather than individual staff members, in October 2007. The review was aimed at helping the foundation better understand and tackle complex system change, Huddart said.

The review identified areas that needed work, particularly leadership and communication. Specifically, the review found that McConnell's hierarchical structure impeded innovation, according to Huddart. The funder also received poor ratings on its internal culture. As a result, the foundation set up cross-sectoral working committees on issues such as knowledge management and communications. The larger purpose of these committees was to help the foundation become something that reflected what it was learning about systems change, Huddart said.

The foundation has also become an "impact investor" as a result of its involvement with SiG, Huddart said, and now looks at how it can integrate granting and investing to greater effect. The foundation recently established a social finance unit and plans to structure initially five and eventually ten percent of its investments to reflect mission and program priorities.

The diversity and distribution of SiG activities makes it challenging to establish a strong case for many of these results in the retrospective evaluation. However, the evaluation did confirm a dramatic expansion of activities promoting social innovation by the partner institutions, with significant cross-institution integration and influence. The evaluation identified over forty improvements to the "infrastructure" for social innovation in Canada for which SiG nodes can claim some contribution, including cross-sectoral collaboration platforms, knowledge hubs, increased public and philanthropic funding streams, university programs and public agencies dedicated to social innovation, and notable increases in research and development.[7]

[7] Mark Cabaj completed a retrospective evaluation of SiG in the Fall of 2014.

Additionally, even after such a rocky start for SiG, participants uniformly spoke of the satisfaction they felt in participating in the initiative.

"When we were set loose, we accomplished much more," Westley said. "Everyone now feels like they are part of SiG and that their own work was enhanced by the achievement of others. I ended up being quite proud to be part of it. Ultimately in terms of the broader impact, I think SiG has been a roaring success."

Added Treurnicht: "The last three years have been quite extraordinary, actually. And I think the result of that is it feels to me almost that we've come full circle in our view in what we bring to the table and get out of the table. We have learned from the SiG coalition how you embed a social innovation narrative in all of our work. It feels like it's part of our DNA. We have benefitted as an organization massively from the partnership."

Conclusion

In 2007, the J.W. McConnell Family Foundation embarked on an initiative that was in some ways completely new to its way of working. It did not appoint an intermediary to oversee the work. The foundation saw itself as an equal partner with the others in the initiative—two of which it was funding. It had a guiding principle for the work but no theory of change. But in other ways, the foundation was keeping to its traditional role as funder in its need for clear projects and proposals from the organizations it was funding and in its approach to controlling the purse strings.

Long-standing personal relationships among the grantees, and between the grantees and foundation personnel, played key roles in both exacerbating some of the original tensions and in keeping the initiative together during particularly rocky times. As SiG shifted from its original "tight" coupling to a looser confederation of initiatives, the work began to bear fruit.

Developmental evaluation was part of SiG as a whole only for a brief time at the very beginning of the initiative and now, as the work is winding up in its current incarnation. Throughout the initiative, participants recognized the value of a formal evaluation but were often not quite sure how to make the best use of it. Several participants also said that they had other valuable means of gathering information and data to make decisions.

The SiG initiative raises questions about the role of a foundation when it is just one of many players in an effort to secure system-wide change. It also brings up issues of the role that evaluation should play in ongoing learning in such an uncharted landscape.

"The act of letting go of control and unilateral direction has been an interesting lesson and learning for us," Huddart said. "There is value in having different perceptions than ours about work that we are doing. However, what we see as a tolerance for ambiguity and a patient approach to deciding strategy can look

to people outside the foundation like we are unfocused or unable to commit to a single clear course of action. ”

“The fact that the Foundation proceeded with SiG without a plan for its formal evaluation led to our developing an evaluative culture within the initiative. Having a research program in social innovation as one of the partners helped, giving us language and frameworks to describe systemic change. The National Office acted as a quasi developmental evaluator – such as by calling the partners before and after key gatherings to set and gauge the tenor of meetings, for example, and reporting back to the group.”

He concluded that the foundation’s experience with SiG has generated new program models around systemic change, and additional evaluation challenges: “How do we phase evaluations over time, at multiple levels of scale? Is it feasible to embed journalistic or ethnographic research in large scale programs to look for new narratives and signs of cultural shift? Can this be enhanced with the use of ‘big data.’ How do we integrate evaluation, knowledge mobilization and communications?”

“Being one of the acting partners and the primary funder led to some tensions, but over time we loosened our grip on the wheel and let things emerge,” Huddart added, “and thus we accomplished and learned things as a partnership that we otherwise might not have on our own.”