PART

I

DEFINITIONS AND STRATEGIES

Innovate, or Die

The only constant is change.

—Heraclitus, Greek philosopher

The highly-acclaimed science fiction writer Isaac Asimov once said, "It is change, continuing change, inevitable change that is the dominant factor in society today. No sensible decision can be made any longer without taking into account not only the world as it is, but the world as it will be." And for the nonprofit world, truer words have not ever been spoken. Asimov had his eyes on society as a whole and his observation was that it was in a perpetual state of change, ever evolving and growing in complexity.

The nonprofit organization is a reflection of a specific segment of society and, therefore, as society and its vast array of segments change, the organizations that are charged with servicing them must change as well.

Change Is Inevitable

To be supremely effective, organizations must actually change and evolve before society and their constituencies change. Yes, the best nonprofits really do change in advance of their core constituencies and in anticipation of the reality that will be the new operating environment. However, that is a very rare thing. This is the paradox that a lot of businesses and nonprofits are not willing to confront.

Every aspect of our current environment is constantly changing. The social, economic, business, health, political, and even entertainment environments evolve on almost a daily basis. For a perfect case study, simply look at the immense change that technology and social media have had on nonprofits and businesses in the last three years.

So if nothing stays the same and everything changes, how are organizations expected to stay current, let alone be ahead of the curve? The answer is creating *future vision* and then unlocking change through innovation.

One of the keys to developing an exceptional culture of innovation is consistently producing projects and programs that *deliver actual value to your constituents* and *deliver on your organization's mission.* Before you begin to deliver innovative programs, you need to consider the environment that you will be operating in over the short term, medium term, and long term. Creating a vision of the potential future environments establishes parameters for innovation and change. The process is commonly called futuring and it's a complimentary activity to the overall innovation process.

Futuring for Effective Innovation

Futuring, future scanning, future scans, future casts, future states; these are all terms we use to refer to the act of or the output from a concerted effort to examine the broad environment and make educated guesses as to *what happens next.* When you begin to embrace the fact that your business or organization exists in an environment that is in a teeming state of flux, where millions of variables interact with six billion individual actors, you begin to realize that *there is no one future to plan for.* You literally have to plan for all the futures. (Well, not *all* the futures, but at least for the futures that are most likely to materialize.) Understanding how the manifestation of those future states could impact your business practices provides you the kind of insight you need to effectively innovate.

In an ideal situation your organization is innovating toward a future, or set of futures. Innovation can work in tandem with futuring in two specific ways: Strategy planning for a future state, and agility planning (or proactively working with your staff to create

an organization that is able to quickly adapt to changes in the operating environment).

You can leverage futuring to develop a future vision of your organization. The process of futuring is more comprehensive than strategy planning because strategy planning, in many cases, assumes that the current state of the world will hold true into the near future, and encourages you to develop business action plans based on those minimally variant futures. Strategy planning is all about what the organization is going to do, and in most cases it does not consider the environment that you may be doing your work in. We understand that strategic planning may be a tool for effectively plotting the overall direction of a company but strategic planning cannot predict exactly how the business environment and market that you operate in will change and what issues or organizational obstacles will surface in the coming days, weeks, months, or years which will directly impact the effectiveness of an organization's strategic plan.

While strategic planning focuses on the organization and what it is going to do to prepare for what might impact its goals and metrics, futuring can help define the various potential environments that an organization may be operating in. Traditional futuring projects carried out by organizations such as the Institute For The Future (IFTF) or members of the Association of Professional Futurists (APF) focus on specific business topics and create a range of scenarios that may develop based on key factors. Members of the APF have created papers and presentations such as "The Future of Human Health Treatments," "The Future of Electricity Transmission," and "American Television in the Year 2020: Hispanic Influence and Business Opportunities" for clients. Futuring insights help clients prepare for potential shifts and changes in their operating environments. By understanding the potential operating environments, your organization can become flexible, nimble, and prepared to react at the first signs of change.

What is important to keep in mind is that you should not confuse futuring and future casting with contingency planning. Traditionally a contingency plan is something created to provide tactical instructions in the case that a specific event takes place. More often than not, event triggers are catastrophic events that disrupt the organization's or business's ability to conduct business

normally (such as when your business experiences a power outage, severe weather, or other unforeseeable event). Interestingly enough, more and more nonprofit organizations are proactively creating financial contingency plans for the scenarios where they do not meet certain levels of fundraising. Unlike contingency planning, which looks at change in a linear "if-then" format, futuring takes a broader look and focuses on understanding the potential positive and negative aspects of a multitude of future states.

In the 1970s, U.S. automobile companies—content with the belief that gasoline was a cheap commodity that was uninterruptible—were delivering automobiles that were large, heavy, and utilized large displacement fuel-inefficient engines. At the same time, Japanese auto companies were producing cars based on the needs of their population and on the belief that gasoline may become a scarce resource. This resulted in more fuel-efficient, smaller Japanese cars and left the U.S. automobile firms at a disadvantage. The United States just didn't consider alternative future scenarios that involved limited supply and high prices (see Figure 1.1).

The 1973 oil embargo had a crippling impact on the economic engine of the United States but it also impacted the way that the country saw transportation. The business environment changed and the automobile companies in the market that could update their production methods quickly to deliver small efficient cars reaped the benefits. Ultimately, companies and organizations that looked forward and considered alternate potential business
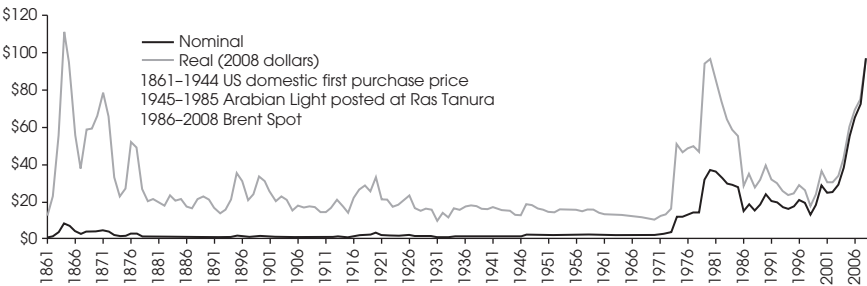

Figure 1.1   Fluctuation of Oil Prices

Source: Energy Information Administration, http://en.wikipedia.org/wiki/File:Oil_Prices_1861_2007.svg

environments and prepared for them reaped the benefits when circumstances changed. The lesson here is, even if the operating environment does not change, having an organization that is capable of adapting to varying scenarios can provide substantial returns in the long run.

Mathias Crawford from the Institute For The Future puts futuring further into perspective in an interview with *Good* magazine by emphasizing that "…the future is not an end state. Tomorrow will someday be today, which will fade into yesterday. As our world moves through this unyielding passage of time, how people act in our world will determine just which of many possible futures we end up with."[1] Developing a future cast is an event that requires frequent revisiting and evaluating. In his interview, Mathais Crawford goes on to reiterate the point by explaining that, "Even though we can't predict exactly what will happen, we *can* make reasonable assumptions about what potential futures might look like, and in doing so, we can begin to make choices today that can help us bring about the changes we hope to realize in the world."

It is these sets of reasonable assumptions that lend themselves to the creation of an agile organization able to react to a rapidly changing business environment, and help give direction to ongoing proactive innovation activities. Reasonable assumptions, not concrete assertions, are the ultimate goals of a well-designed and well-implemented futuring engagement.

Preparing for Change

Being innovative and opportunistic in any business means being prepared for the future, and planning for the future is something that every business and organization should do. A substantial part of your organization's success is going to rely on your ability to look forward and understand the various social, economic, and mission-related elements that are going to impact your business and your constituents.

As we touched on before, we advocate against creating a contingency plan or even a series of contingency plans, but rather we want you to evaluate a number of macro factors and assess the impacts

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[1] *Good* magazine website, http://www.good.is/post/what-futurists-actually-do/

and changes those factors may have on your business. Consider if your organization is actively looking at the future. Whether you are paying attention to the future or not, it will occur. (Please see Appendix 2 for a quiz that will help you assess how well your organization is looking into the future.) Unlike a contingency plan that is reactive, futuring and innovation are proactive steps to identify and then create the reality for your organization.

Change is not always a cataclysmic event punctuated by news stories and fanfare. The 2008 financial collapse is a great exception to this rule. The implosion of the real estate market and the domino impact it had on the global economy were covered in depth for months on end. But most change does not happen that way. Most change goes unnoticed and, in fact, creeps up on us. In many situations we accommodate for the change; developing workarounds and alternative processes until that change hits a critical mass. We try our best to avoid acknowledging the change and plow forward, executing the same business plan and using the same tactics that seemed to work, hoping that nothing will alter our output or productivity.

The North American car seat is a perfect example of a workaround developed in an attempt to avoid facing the fact that we are getting fatter. In October 2006, Mark Hogan, president of Magna (Canada's biggest auto parts supplier) was quoted in an article titled "*Battle of the Bulge"* discussing modern society's obsession with weight-watching. He mentions that this reality may have finally hit the auto world full throttle: "Vehicles are getting bigger because human beings are getting bigger."[2] People are getting bigger in height, width, and weight. However, an entire continent did not wake up one day and become overweight overnight. It took years of slow change, and lots of accommodation, to reach the crisis point. As a point of reference, according to "*The Obesity Epidemic in the United States,"* a 2007 study conducted by Youfa Wang and May A. Beydoun, by 2015, 75 percent of Americans will be classified as overweight[3] and that kind of change takes decades.

These kinds of slow changes can either be a boon for your organization or wreak havoc on it. As a business you have to be

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[2]http://www.cleanmpg.com/forums/archive/index.php/t-2297.html
[3]http://epirev.oxfordjournals.org/cgi/content/full/mxm007v1

aware of changes taking place and diligently future cast to see what kind of impact it may have on you. But making sweeping changes just before the moment of crisis is not an effective way to maximize the resources your organization has to offer its constituents. Over the last 75 years, the world—and the nonprofit field in particular—has seen major environmental changes that have made substantial impacts on the nonprofit field. These seismic changes sent shock waves through the entire world but had unique impacts on the nonprofit realm. Some were technological, some were social and economic and, in most cases, these massive changes impacted all three areas of society. We simply want to remind you of the past so you can have an appreciation for what may come in the future.

We tend to look at seismic shifts with perfect hindsight. We can evaluate and dissect them for greater understanding but, in our past tense review, we sometimes lose perspective of the calamity they caused at the time. Even the changes that were gradual and took hold over a long period of time caused extensive upheaval once the impacts of the changes began to impact usual business, social norms, and practices.

If we can embrace the idea that change is constant, we can begin to structure our organizations around that idea. We can THEN create flexible organizations that can identify change while, or even before, it happens. With this knowledge in hand, the organizations we have been involved with have consistently been ahead of the game and reaped the rewards of being the first to move.

Consistency in this endeavor is the key to success and we want to share a few examples of some major shifts that changed our business forever. The following is a case study in how change—slow change—crept up on the nonprofit sector. With perfect hindsight, we can see the slow and methodical change occurring, and almost laugh at the fact that an entire sector missed such a fundamental shift in American society. Consider that at the time this change began, the nonprofit landscape was very well organized and hierarchical. The business model was successful and the roles each individual played were set. Juxtaposed next to ideals of futuring and innovation, the nonprofit field in the 1950s and 1960s looks overly-regimented and restricted.

The Shift that Changed Local Fundraising Forever

In the early part of the twentieth century, direct solicitation was seen as an effective way to raise both revenue and awareness for nonprofit organizations. Most organizations had a formal fund-raising plan that brought in a steady stream of predictable revenue from households. The premise was to empower supporters to reach out through their personal networks for donations. Programs depended on tight networks consisting primarily of geographic neighborhoods.[4] And the social movement of a post-World War II America enabled this fund-raising tactic. New home development in the suburban areas was creating bedroom communities for veterans. The Levittowns[5] of America were primed for intimate face-to-face, personal fundraising and interaction.

For many years, fundraising programs that relied on neighborhood relationships provided a steady and reliable stream of income. As this kind of program expanded and revenue increased, management structures evolved to support it, spurring the development of local community offices. The geography and proximity of the neighborhood was the driving factor in business development. States were broken into regions and regions were subdivided into city-level units. Sometimes there were even multiple offices to service larger metropolitan and suburban areas. Fundraising grew in tandem with the support structure because at the time it was critically important to have a physical infrastructure to support mission delivery and revenue activities. The neighborhood or city office became the nexus of activity for the organization at a local level and everything flowed through a storefront office or volunteered space.

This model worked and it worked very well for a long time. Large nonprofits grew and expanded their reach, delivering services to many more people in many more communities across the country. And there was one person that was playing a critical role in this strategy: the matriarch of the household. In post-World War II

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[4]Ideas leverage personal network: http://www.breastcancer.org/about_us/supporters/community_guide/ideas.jsp

[5]https://secure.wikimedia.org/wikipedia/en/wiki/Levittown,_New_York

America, it was typical for moms to have a number of non-earning years. Not just six weeks of maternity leave—but multiple years![6]

Women who stayed home from work served a critical and vital role in the family structure. In an interview with *Mother Jones*, Amelia Tayagi explains that "It used to be that a stay-at-home parent was a sort of safety net—she (and it was usually a "she") not only took care of the children, but she was there if anyone got sick. Or if Grandma broke a hip, she could step in and provide care without costing the family financially."[7] Beyond being a safety net, the stay-at-home mother was also a social net. She was involved with her community and was connected with the neighbors, and this web of personal relationships is what made her a powerful fundraiser.

As things were fairly steady for a number of years, this localized personal fundraising methodology manifested itself into a number of different programs. Most prominent was the "Notes to Neighbors" campaign, proving that if the person writing the note had enough of a personal connection with the recipient, the solicitor could usually raise money easily from the neighbors. But things began to change in the 1970s. Ever so slowly, the finite neighborhood social mesh began to change and break down. The tight-knit hyper-local networks deteriorated and people began to lose that connection with neighbors. What happened (along with the rise of urban and inner city communities and apartment living) was more women began to enter the workforce full time.

When women went into the workforce, they then began to develop and maintain relationships with the people they spent the most time with: their co-workers. The old neighborhood fundraising programs were based on a definition of community that was antiquated by the end of the 1970s. They were programs for communities in terms of geography, not in a changed social context.

Traditionally a "community" was defined as a group of people living in a specific location. When people asked you what community you lived in, they used to be referring to the geography, not the social network. At the same time, the word community refers

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[6]Citation and research on how many households were dual income in 1950s census data can be found here: http://www.census.gov/prod/www/abs/decennial/1950cenpopv2.html

[7]http://motherjones.com/politics/2004/11/two-income-trap

to a group organized around common values. Today, we know community at its core represents a group of people with a shared level of social cohesion who happen to coexist within a location (be it geographically as in work or a neighborhood but also in places like a community sports team or a digital space city in your favorite video game).

So, slowly and without major fanfare, the definition of community has changed and it changed right under the noses of the nonprofit community. "Community" was a shared location and space where people held common values and organized around common goals. That definition of community was now called the workplace. As women entered the workplace, they were spending nine hours—give or take—of their day building relationships and friendships outside of their home geography. They were creating bonds and fostering a personal network of influence untied to their street, neighborhood, or even their city. These women were sharing a physical location, common values, and were working together to reach common goals in the workplace. With that demographic shift, the central community place went from the neighborhood to the workplace and it took many nonprofit organizations much too long to recognize the impact of this shift and adjust their fundraising tactics accordingly.

Taking Advantage of Change

When the nonprofit world realized that the central focus of social life was the office, they began to create workplace-based fundraising campaigns. As we said, they realized this change well after it had already taken place but looking at lagging indicators trying to understand why income streams from neighborhoods were drying up, they began to try to supplement the loss of revenue from the neighborhoods by focusing on developing workplace solutions. Some of these workplace solutions relied on the same kind of networked solicitation as the neighborhood programs. In addition, they began to leverage the employer-employee relationship by linking their programs with employer systems such as direct draft from pay checks. From an innovation standpoint, the *population* paradigm shift of the 1970s presented an opportunity not unlike the *technology* paradigm shift we are seeing in the 2000s.

So why did it take so long for nonprofits to recognize such a dramatic shift? One reason it took us so long to recognize the shift is because *we were busy working*. We were busy working at our jobs and executing our individual roles. And while we were working, the world changed ever-so-slowly at a pace perceptible to those who were looking for change but not to those who were preoccupied with matters of daily operations. The operational mindset that organizations hold at the front lines and with their volunteers is based on productivity and execution, therefore, the entire sector missed the early cues: fewer mid-day bridge games, people walking in the streets on work days, a decline in book clubs. All of which pointed to the fact that there were fewer women in the neighborhood staying home and not working.

Strategic planning is most certainly part of your organization's annual or semiannual activities, but more than likely it is done at the highest executive level. As a sector, we focus our energy on executing programs against our mission and often fail to think about the larger environment in which we operate. More specifically we fail to think about the environmental changes and how they could impact our organization. At the field level, we are missing the chance to evaluate the sociological clues that can tell us a lot about the future state of the environment in which we work. Without insight into the future we are powerless to make the incremental changes to stay on the leading edge of change and risk being overtaken by world-changing advents like women leaving home to work en masse. Throughout this book, though, you will learn that future thinking and innovative ideas are not only activities for the Board of Directors and higher-level executives. Organizations are most effective when they engage every staff member, volunteer, and constituent in an effort to create the most holistic vision of the future and develop programs and projects to make that vision a reality.

From the population shift example, we can learn that change and opportunity are abundant and there are ways we can work, steps we can take, and activities we can participate in to prepare ourselves to take advantage of the next major shift. As an industry, if we look out for the correct factors, we may be able to see the major trends before they have adverse impacts on our business models. If we had been more in tune with the population shift in the 1980s and the future it was going to present us, we may have been able

to create innovative programs at the time to take advantage of the new reality. A comprehensive innovation program could have identified the shift as it was beginning and then engaged everyone, including the women who were leaving the home for the office, to contribute ideas toward a solution.

Applying Such a Shift to Today

Taking what we learned from the previous case study, let's shift focus to the current trend of social media. Social media is, by any account, forcing a paradigm shift in the way that nonprofits conduct their business. Not unlike the evolution of women in the workplace, social media as a game-changing technology evolved over a period of years. Organizations that were scanning the business environment in recent years saw the slow and incremental changes in online technology. Their future casts helped to create a vision of how they could engage their constituents and they pressed forward with innovation efforts to deliver on those scenarios. This is why we will use social media as an overarching case study in this book—because it caught so many nonprofits and for-profits unprepared and forced them to change the way they did business, immediately.

Social media is such a powerful change agent that it demanded that the business rules and standard operating procedures be rewritten to accommodate it. It imposed itself on the nonprofit arena quickly and created whole new ways to do, and lose, business. Social media became catalyst to many great ideas, and the enabler of many bad ones. But like so many major paradigm shifts, we lose perspective as the years pass. Our institutional memories are shortened with each passing year and we forget the technologies and social shifts that previously turned an entire industry on its head. Just like we forgot about the population shift of the 1970s, we will soon forget about life before Facebook and MySpace and Twitter and lose perspective on the scope of change that these technologies brought to our industry.

Yet social media was not the first piece of technology to impact the nonprofit industry. Technology has been creeping up on the nonprofit sector for decades and the emergence of social media is just the most recent. For instance, our institutional memories

forget what fundraising, event planning, and advocacy work was like before the fax machine revolutionized the way that nonprofits communicated and marketed to their constituents. Similarly, most of us have no concept of how an organization could have operated without a telephone system. Technologies like the telephone and the fax machine brought tremendous value as they became widely adopted.

Therein lies a historical clue, something we should recognize and remember. When technologies exponentially grow in value with the addition of each new user, they have a major impact on how nonprofit organizations conduct their business. To put this idea into perspective: One person with a fax has no value (you can't fax a document to yourself), but two people with fax machines have value, add in a third and a fourth, and the value grows exponentially. Robert Metcalf wrote about this very phenomenon and his theory on the value of a technology network—one that links people together being the number of users squared—is now called Metcalf's law.

Telephones and fax machines are two pieces of technology that seem to conform to Metcalf's law. Each additional member on the network adds exponential value. That is the clue we should have been looking for in the late 1990s and early 2000s as the Internet was becoming more and more mainstream. The telephone revolutionized us. The fax revolutionized us. But fast forward to 2003, seeing how we lived through those massive changes, and it's a wonder how we didn't really leverage the next massive change. We did not properly future cast and got blindsided by the social media revolution.

Social media's mission statement, if it has a mission statement, would most likely be, "To provide the citizens of the world with the opportunity to connect and share their lives actively with each other, to learn from each other, and contribute to the lives of others." Once again we see another shift in community: from geographic to the workplace to online. Even as many nonprofits think of themselves as experts in community, some of us still missed this change. How are we as an industry so late to this party? We were late because we weren't looking at the future and did not develop programs, projects, or the capacity to address and leverage the changes social media would bring to the world.

Texting Donations: An Opportunity Arising from Change

Since we are talking about telephones revolutionizing our communications and the major shift of social media that has recently taken place, let's look at an example of an opportunity that arose between these two shifts: texting.

Encouraging cellular phone-based donation opportunities really began in 2005 and 2006 with CARE and their SMS Short code "4GIVE."[8] But the move to adopt mobile phone donation platforms has been slow. According to a report by USAID, compared to nonprofit organizations (NPOs) in Europe, NPOs in the United States have been slow to adopt mobile donor programs and activist coordination programs.[9] Groups in Russia, Albania, and Poland have been using SMS technology for years because they were in a position where, in some cases, the only technology they had access to was cellular phones and they were highly innovative with the tools they had. If NPOs in the United States were future casting with technology shifts in mind, as well as looking around to see what others in the industry were doing globally, we may have adopted mobile programs much sooner.

Executive Engagement

From the previous examples, we can see how change happens and understand how it significantly impacts an organization that is not paying attention and preparing for what comes next. As we mentioned quickly in the introduction, one of the most important elements of building a culture open to innovation is getting your executives engaged and finding buy-in from your top-level staff.

Each executive sees the world in a different light, though, and your ability to show the value of innovation to a wide range of executives really begins with understanding their business challenges and how innovation may help each of them reach their goals. When reading the rest of this book, it will be good to consider the insight we offer next so you can present the upcoming concepts of innovation

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[8]http://www.nptimes.com/Jan06/npt0115_1.html
[9]http://www.usaid.gov/locations/europe_eurasia/dem_gov/ngoindex/2009/article2.pdf

to your executive staff and board in terms they will understand and welcome.

- **Your Chief Executive Officer (CEO)/Executive Director (ED):** Your organization has a strategic mission and your CEO/ED is responsible for shaping and delivering on that mission. He or she is working on developing partnerships and creating high-level relationships with other executives so that they can leverage those relationships to move your mission forward.

   Innovation as an approach to business can provide your CEO with a thoughtful, curious, and nimble organization able to make large strategy changes easily. Our approach to innovation, as you will soon find out, focuses on creating a culture of inquiry and exploration from the top of the organization to the bottom, delivering on the promise of an agile and proactive organization. A comprehensive innovation plan could provide your CEO/ED with insights on and solutions to business-changing events that lurk on the five- and 10-year horizon.

- **Your Chief Operating Officer (COO):** Your COOs spend their days making sure that your organization is running like a well-oiled machine. They are responsible for operating your organization in such a manner so you can effectively act on the mission set forth by the CEO and board of directors. Their preoccupations revolve around making sure that the way you conduct your business drives the mission, delivers value to your constituents, and conforms to all of the rules and regulations associated with operating a nonprofit organization.

- **Your Chief Financial Officer (CFO):** At your nonprofit, your CFO or similar financial officer is busy poring over financial records and making projections for your next budget cycle. Your CFO is most likely involved strategically in long-term financial planning and is concerned about the income of the organization as well its long-term sustainability. Every CFO is working to minimize expense and budget properly so they can continue to provide services well into the foreseeable future.

- **Your Chief Mission Officer:** Every day your Chief Mission Officer is striving to drive meaningful programs through your

organization. In our opinion the Chief Mission Officer has one of the most innovation-oriented and future-looking jobs at a nonprofit. The most critical thing to remember is that they balance the needs of a number of parties. Because this position is responsible to so many stakeholders, your future or current Chief Mission Officer could benefit the most from innovation as a business strategy.

• **Your Chief Marketing Officer:** Chief Marketing Officer, or Director of Marketing, is a position that we believe every forward-thinking nonprofit should have. Nonprofits of all sizes should have a person engaged in forward-facing marketing, not just a combination development/marketing person. The nonprofit of the future needs both.

  Your Chief Marketing Officer is tasked with identifying your key constituents and developing services for them. They review market research data to better understand those they are trying to serve, and work to align your products and programs with their needs. Understanding your constituents is their main job and their insights are the driving force behind your new products and programs.

• **Your Chief Fundraising Officer:** Without a doubt, your Chief Fundraising Officer or Director of Development is one of the hardest-working members of your executive team.

  Innovation as a business strategy will help your Chief Fundraiser quickly identify new fundraising opportunities wherever they exist. By pulling in ideas from the entire organization, an innovation program can consistently feed new and relevant fund-raising ideas to your Chief Fundraiser. More importantly, a culture of innovation can drive real-time insights from your donors which can help them adjust campaigns, communications, and even invest in new channels.

• **Your Human Resources Director:** Today your Human Resources Director is caught in a precarious balancing act of maintaining the best staff in the right positions through good times and bad. As the needs of your organization drastically shift (to more digital marketing, for example) your long-time staff and skill-set specific workforce won't necessarily be able to deliver on new needs in addition to their existing roles.

As you will learn in this book, part of the innovation process is future casting. Your human resources department should be a central part of these discussions because they will be tasked with finding the staff to fulfill the additional goals in your future organization's mission.

- **Your Board of Directors:** If your Board is like most non-profit boards, it consists of long-time donors, advocates, and volunteers who have dedicated a good portion of their time, energy, and money supporting your cause. They most often have a critical knowledge base and skill set that make them highly valuable advisers.

  Your Board sets the strategic direction of your organization and as a collective has the responsibility to think big about the future of your organization's mission and the environment in which it will need to perform its duties. Your Board most likely gathers once a year for a multi-day conference where they talk strategy, sit in education sessions, and break off into committee meetings for the rest of the year. Your Board is highly educated, very intelligent, and holds strong beliefs about what the best direction is for your organization.

  Innovation can play a role in helping your Board explore the potential strategic opportunities that exist for your organization. As a management technique, innovation can play a role in your annual Board meetings as a way to identify and evaluate long-term trends and business opportunities. Each piece of the innovation process in this book will drive value to your Board, helping them to individually and collectively take broader looks at the larger issues on the horizon.

  One benefit of having a Board that actively participates in innovation is having an extra set of eyes actively looking for new opportunities and environmental changes that can impact an organization's business models. As you'll learn in Part 2, organizational innovation as we define it revolves around the core principals of being more aware of your organization and the environment you work in, having a business structure designed to gather and act on information gathered through awareness activities, and developing staff resources to execute the programs that will move your organization forward.

Conclusion

For too many years the nonprofit industry has been merely reactive. Social, environmental, and economic paradigm shifts have crept up on us and fundamentally changed our business models. In the following chapters, we will introduce you to our formula for innovation and how it can help you predict the future toward taking practical steps on how to implement innovation within your organization.

As we've shown in just a few examples here, change is inevitable, and future casting toward innovation can make the most of that change. Even as you read this book, the environment you are working in today will be different tomorrow. Because of this, we have to ask questions like, "why are you making plans for tomorrow that only count on the realities of today?" And, "shouldn't you be taking into account that there could be a variety of possible futures?" These are questions that should be asked at the highest level of your organization. Innovation is more than a process—it is a culture that gets infused into an organization from the top levels and then throughout. Getting your executives and Board to embrace innovation as a valuable tool is a solid first step toward success.

In Chapter 2, we define innovation and offer strategies to help you and your organization not only survive in the future, but *thrive.*