Is Your Nonprofit Built for Sustained Innovation?

Here are (6) Six useful starting points for nonprofits that want to build their capacity to continuously innovate.

Organizations that excel at continuously generating innovations over time can look very different from each other. They can work in dissimilar fields or deliver poles-apart services; their assets and capabilities may vary widely. But through our research, we have identified six elements common to nonprofits with a high capacity to innovate:

1. **Catalytic leadership** that empowers staff to solve problems that matter
2. **A curious culture**, where staff look beyond their day-to-day obligations, question assumptions, and constructively challenge each other’s thinking as well as the status quo
3. **Diverse teams** with different backgrounds, experiences, attitudes, and capabilities—the feedstock for growing an organization’s capacity to generate breakthrough ideas
4. **Porous boundaries** that let information and insights flow into the organization from outside voices (including beneficiaries) and across the organization itself
5. **Idea pathways** that provide structure and processes for identifying, testing, and transforming promising concepts into needle-moving solutions
6. **The ready resources**—funding, time, training, and tools—vital to supporting innovation work.

Recently [The Bridgespan Group](https://www.bridgespan.org), with support from [The Rockefeller Foundation](https://www.rockefellerfoundation.org), surveyed 145 nonprofit leaders on their organizations’ capacity to innovate, which we define as a break from practice, large or small, that leads to significant positive social impact.¹ For the large majority of this group, innovation is more than just a catchall slogan—it’s an urgent imperative to which 80 percent of them aspire.

Innovation. The word is so ubiquitous, it’s lost much of its buzz and most of its meaning. Nevertheless, our research suggests that most leaders of nonprofits believe that to advance their missions, they must imagine and create new approaches to solving vexing social challenges.

The problem is, just 40 percent of these would-be innovators say their organizations are set up to do so. This gap worries us, because most respondents say that if they don’t come up with fresh solutions to the social sector’s myriad challenges—such as improving the academic performance of at-risk middle schoolers, increasing African farmers’ crop yields, or dramatically reducing the number of diarrhea-related deaths of young children worldwide—they won’t achieve the large-scale impact they seek.
If that weren’t concerning enough, these organizations are confronting a volatile environment that will likely amplify their struggles and widen this aspiration gap. Roughly half of the survey’s respondents say that their organizations are subject to regulatory shocks or policy shifts. (We fielded this survey before the Trump Administration’s federal budget was introduced.) And many others face growing competition from other social sector organizations for funding, talent, and influence.

According to our survey, most nonprofits know that delivering the same services in the same manner is insufficient. But unfortunately, most also struggle to anticipate emerging opportunities for distinctive offerings or approaches that might extend their reach or magnify their impact. Perhaps that’s not surprising. Deviating from the norm—to pursue novel principles, embrace unorthodox thinking, and learn from instructive failure—is difficult. Like their peers in the for-profit world and the public sector, it often takes a crisis for nonprofit leaders to truly break with the status quo.