

# **Sustainability Innovation Lab**

## *Case Study*

engage!

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Engage!

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## **Introduction**

The focus on the Innovation Lab was a product that presented a new growth opportunity for the company in a number of countries. The different nature of the operations involved created different environmental and social challenges and risks. A 5-day Innovation Lab was designed to enable participants to develop innovative solutions, design principles and work streams to take the product forward in a way which was as socially and ecologically responsible as possible.

The purpose of the Innovation Lab was to help to learn to design projects around the product that create maximum positive impact for all stakeholders. The 5-day Lab offered a process that enabled the first set of project design principles and work streams to emerge from a participants group which carried information from as many stakeholders in related projects as possible. In the spirit of a prototype, learning was central to the experience, with space for experimentation, reflection and innovation. It took place in April 2008, with the first two days of the week taking place in Scotland close to a field visit site, and the next three days in the Netherlands.

There were twenty Lab participants including people from different country units of the company, as well as a number of people from outside the company, representing relevant stakeholder voices, such as those of development agencies and indigenous people, and the topics of water management, and community engagement.

The intended outcomes of the Innovation Lab were:

- A network of external and internal expertise
- Proposals for projects and actions
- Design principles for projects
- Definition of human and organisational capacity needed to deliver on design principles
- Definition of guidance and communication tools needed for project teams

## The Sustainability Innovation Lab Process

Tatiana Glad and Peter Merry from Engage! were invited in as external facilitators to design and deliver this Lab. A pre-condition for Engage!'s work is co-ownership with the client. So in the preparation we had regular co-design meetings with the client. The design template for the process as a whole was based on the U Process, integrating elements of Chaordic Design:



From *Evolutionary Leadership* (2009), Peter Merry

<b>Day</b>	<b>Description</b>
<u>Day 1</u>	<u>Naming the current reality</u>
Morning	Welcome and introduction
	Purpose and principles
Afternoon	Project and Experience Fair
	World Café on collaboration opportunities and blockers
Evening	Storytelling by Activist / Academic
<u>Day 2</u>	<u>Uncovering the current reality</u>
Morning	Personal objects
	Core challenges
Afternoon	Field visit
	Stakeholder relations presentation
Evening	Travel to The Netherlands
<u>Day 3</u>	<u>Re-sourcing</u>
Morning	External stakeholder perspectives
	Future Scope: three forward-thinker presentations
Afternoon	Re-sourcing: conversations in nature
	The next chapter of the product story
Evening	Private dance performance
<u>Day 4</u>	<u>Envisioning and framing</u>
Morning	Open Space: moving to the next level
Afternoon	Creating work streams
<u>Day 5</u>	<u>Action!</u>
Morning	Preparing the work stream presentations with company advisors
	Closing circle
Afternoon	Presenting the work streams to the Sounding Board
	Sounding Board feedback
	Drinks and goodbyes

**Day one – Naming the current reality**

On the first day, we are welcomed into the Innovation Lab by the callers in the company. We spend some time getting to know each other, and developing a set of principles to guide us in the way we work together during the week. After lunch, we move into a Project and Experience Fair, where we create a visual map of the current reality related to the product by plastering the walls of the conference room with the posters, photo's and other materials each of us brought into the Lab. Having walked through the fair, we sit in small groups to consider what surprised us, what potential we see for powerful collaboration, and what blocks us from realising that potential. In the evening, an experienced activist joins us for some informal storytelling about the challenges of interaction between companies and NGO's, providing a unique perspective.

Some of the responses to the initial question “Why did you accept the invitation to attend this Lab?”, included:

- *“This isn't about being nice. We're not here to save the world in this job. This is about doing business better.”*
- *“This is what a company like ours should do, bringing all stakeholders into the room to create a new way of doing things. I'm excited about this opportunity.”*
- *“We often focus on the trees, not the forest. This is an opportunity to step back, and to learn from other people. To rewrite the book, not only for this product, but for how we do business.”*

The purpose of the Innovation Lab was framed as making a shift from the traditional perspective of least damaging, minimum impact development, to one of maximum positive impact for all stakeholders. The facilitators shared a number of basic assumptions behind the design of this Lab:

- Creating responsible energy requires innovation in aligning technology, social performance and regulation
- Different people learn in different ways
- There is a diversity of experience in the room; the greater the diversity, the higher the potential for innovation – and for conflict
- Innovation requires us go beyond current thinking and practice, and is likely to feel uncomfortable at times
- The quality of relationship that we build in this group will determine the quality of outcome
- A stretched rubber-band contains high potential energy; a broken one is no good to anyone



Using an exercise on working together in groups, entangling and disentangling ropes, we generated the principles for the way we want to work together during this week. One of the topics that come up is confidentiality.

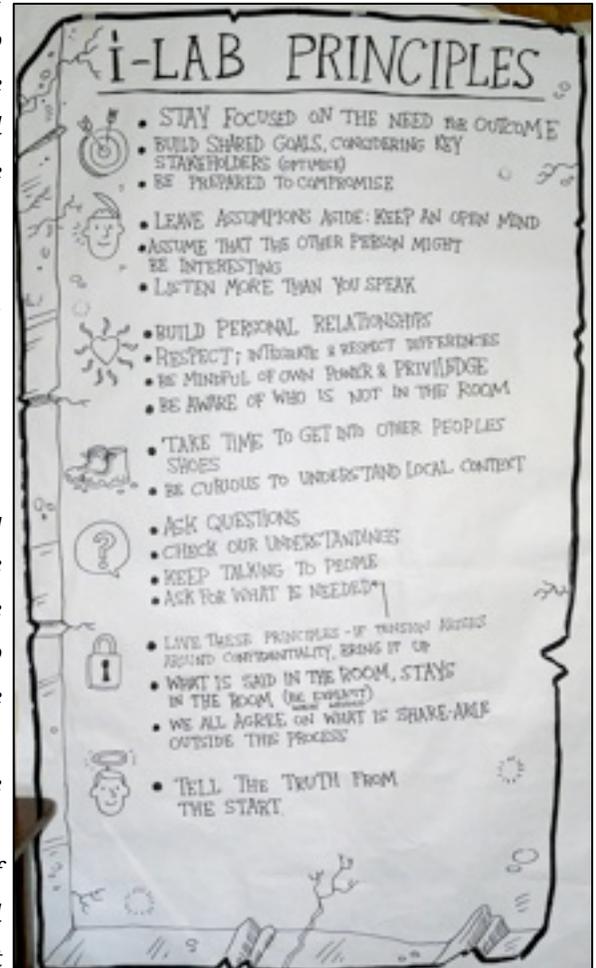
*“The moment you feel you’re withholding something because of confidentiality, you make it explicit and we deal with it. So for now, externals won’t sign confidentiality agreements. The moment you feel this is no longer workable, bring it up. And let’s hold each other accountable to actually living these principles, rather than just sticking them up on the wall.”*

During the World Café on collaboration opportunities and blockages that followed the Project and Experience Fair, we asked three questions. Below are some examples of the outcomes:



1) What surprised you?

- *“That we are now having conversations with the people creating the roadblock on that photo there. We can move beyond dispute.”*
- *“I was surprised by the size of the footprint!”*
- *“The high level of uncertainty and unpredictability. You don’t know when you start, you don’t know what you’re going to get, what the quality will be, what the footprint will be...”*



2) What is the potential for powerful collaboration you see in this system?

Opportunities are identified for collaboration around new standards across industry, as well as around land use, developing a toolbox, central and local government, technical and non-technical cross-learning, stakeholder engagement, footprint, cumulative (socio-economic) impact, water management, and process and supply chain standardisation, and data sharing among operators and small and large industries.

3) What is currently preventing us from realising this potential? What are the blockages?

What is blocking us from realising the potential for collaboration is the degree of uncertainty, organisational fragmentation and mis-alignment, a nervousness to commit, risk-aversion, the large footprint, fear of reputation damage, lack of adequate legislation, negative associations with the product, few resources, difficult access to local communities, lack of tri-sector dialogue, legacy of distrust in communities, community dependence on welfare, immaturity of

the industry, scale of stakeholders to involve, different values and language, water issues, and lack of data and knowledge sharing, among others.

Working with visual harvesters, the content generated in the room – and the overall group learning journey – were captured in the form of large drawings that were later provided to participants in electronic form to be able to best take the workshop experience home.

The input from the Activist Academic guest speaker in the evening challenged people at personal and organisational level. One quote was:

*“There are many things you cannot do, because you are tied into the global business environment. But there is one thing you can do. What you can do, is you can choose to not lie. Don’t cover it up. Because only when the truth is told can society make conscious decisions and raise the level playing field. Tell the truth about the issues. That way you can hold on to your integrity, as humans and as a firm.”*

### **Day two – Uncovering the current reality**

Continuing yesterday’s work on blockages, we identify the core challenges in the work. The issues that arose included topics such as:

- Commitment and resourcing
- Relationship to stakeholders
- Cross-sector dialogue
- Community ownership
- Approach to uncertainty
- Footprint and technology
- Data and knowledge
- Organisational mis-alignment

By accepting that we are part of the problem, we can also change it! In the afternoon we go on a site visit and learn more about how a local company in the same sector manages its stakeholder relations, with a strong emphasis on being locally rooted and longer-term oriented in its engagement process.

### **Day three – Re-sourcing**

Today, the external stakeholders who are present in the room offer their perspectives on water management, land acquisition management, the external international context, and community involvement. They challenged the people in the company on what they were currently seeing. This included the following statement from a representative of a multilateral institution:

*“What I’ve seen in the past days is that you still look very much from your own perspectives, and you fail to see the global picture. You’ve identified the internal challenges, but I think it’s important that you look at the external challenges and constraints, too. I perceive that many people in your company still do not perceive the complexity involved with this product at the global level. Globally there is a trend (UN, World Bank) to create more rigorous policy around stakeholder involvement and environmental impact. And look internally: do you have the capacity to deal with this adequately? You can’t afford to be unaware of these international standards. This should be part of your projects from a very early stage: you have to develop environmental and social impact plans. And then make sure you have the resources to follow through into implementation, too!”*

Next up are the presentations of three forward-thinkers who have been brought in to stretch people’s minds with innovations in listening, energy and water management. In the afternoon, after taking some time for a walk in the park, the main themes of the next chapter of the project story are starting to crystallise. One is around putting together a toolbox for dealing with high levels of uncertainty, which is often in the way of the commitment required for projects to be successful. Another theme is around water management and creating a matrix of ‘water produced’ vs. ‘local water context’, to be filled in with opportunities and solutions during a cross-learning meeting with a range of water experts. A third theme deals with co-development as a more holistic approach to project and community development. In the evening, we enjoy a private dance performance by a leading-edge choreographer-dancer.



**Day four – Envisioning and framing**

In the morning, we explore the question: “What actions do you want to take to move this product to the next level?” Over the course of the conversations that take place in small groups, a number of work streams are identified:

1. Business design – creating an internal and external network of experts on relevant themes
2. Standards – creating an options catalogue and a set of standards
3. Permitting and licensing – creating a toolbox for dealing with uncertainty
4. Co-developing a community-based approach – projects with local communities
5. Supply chain and local content – identify and leverage local opportunities and capabilities
6. Water management – plot solutions on ‘local water context’ vs. ‘water quality’ matrix
7. Land acquisition management – do more research to understand the local context

**Day five – Action!**

On the fifth and final day of the Innovation Lab, advisors from the company come in to help us prepare for the presentation to the Sounding Board in the afternoon. For each of the workstreams, we identify the core message, the next steps and the needs, and create a visual presentation on a piece of flipchart paper. In the afternoon, we move into another room for the presentation to the Sounding Board, which is composed of senior members of the company. Their feedback on the presentations is very positive, with constructive suggestions on how to continue.

The feedback in the final closing circle included:

- *“Thank you. It’s been a humbling week, I came in with a high regard for this company’s people, and that’s only deepened.”*
- *“Thank you for your time, for your help in building tools, and for your good humour and fellowship.”*
- *“Thank you for the opportunity. I hope my participation has been valuable, and I hope I’ve sent a strong signal that we’re very much up for talking about both technical and non-technical issues. The talent in this room has condensed over four years of experience on the ground into this one week. There’s only one thing left for me to say: I’ll see you at the finish line and buy you a drink!”*
- *“I think in the future I can invite you to China to see our operations, and hopefully the product!”*
- *“Thank you for your invitation. This was the first time discussing a complex problem with different stakeholders like this. It was difficult, but I think it works.”*

- *“Thank you, I learned a huge amount, particularly from the external people, who’ve been very open. I’m pretty certain the light I saw at the end of the tunnel is not a train. And if it is, I won’t be alone.”*

Feedback from the senior “sounding board” included:

- *“Congratulations on articulating such a complex issue in such a short amount of time. We certainly think we’re going to have to do things differently here. Not so much the technical, which, if anything, needs stripping back. It’s the social that’s complex here. Great ideas!”*
- *“The challenge is not technical; it’s in working with the communities in a way that is sustainable, committed, and good business. What I liked about what I heard today, are the innovative approaches, such as the community-based work. We talked about ‘go slow to go fast’, about going in early. One thing we should keep in mind is that everything we do costs a lot of money, and we can’t commit to things that aren’t going to create value. I’d like to see this applied. Try it, and see what works and what may not work.”*
- *“Great, this is really a good structure to look at this. The sum of all these elements gives a great picture of where we want to go with this. Let’s apply it to a project we’re working on. Let’s go in organically and not jump into it with full completeness upfront. We have a huge opportunity to learn here.”*
- *“Yes, doing and learning, rather than building a generic model upfront. The toolbox grows organically, rather than collecting things in a more hypothetical way.”*
- *“People come to us all the time saying things need to be different. You’ve done a great job bringing that together. It fits very well with how I look at this.”*
- *“Very impressive work, you’ve focused on the right things. What intrigued me is you’re looking at the issues from an integrated perspective, flipping problems on their head and working on them with local communities to turn them into assets.”*
- *“I’m taken aback with the diversity of perspectives in the room. We need to really work on local issues, and you’ve done a great job emphasising that. I’d put a bit of emphasis back on the technical solutions. Let’s not forget that that will help satisfy regulators and communities, too.”*
- *“I sponsored this. We aim to de-risk projects in an early stage. We use new processes like this, and from what I’ve heard it seems to work. If it works for this, it might work for different problems. I’m happy if you are!”*

**In Summary:**

Engage!'s learning in this event was a deeper trust that the wisdom to some of our most intractable problems is truly in the room – given the opportunity to bring an intimate but highly diverse cross-section of stakeholders together to focus on a key issue. Often, we observed the macro system dynamics themselves play out in the course of the workshop, but often worked through as the conditions facilitated people to more authentically talk to each other in ways that day-to-day work pressures do not allow. Holding space for participants to find and follow new connections themselves was a particular new experience for many participants. The cross-cultural opportunity in such a diverse group was in unveiling different ways of thinking about a similar product challenge/opportunity across the geographies of a multinational corporation. In terms of the design and delivery process, the client engagement in co-creation of the Lab process proved to be a fundamental critical success factor. It was clear that while this Innovation Lab was customised to the dilemma and context of this particular client, the process architecture and manner of hosting are relevant to other large-scale multi-stakeholder issues seeking to spur innovation and action in a short period of time.

*For more information, or to discuss the applicability of Engage!'s approach to a tailor-made Innovation Lab with you, please contact [info@engagency.nl](mailto:info@engagency.nl)*