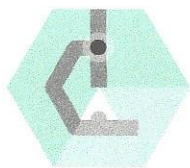


Nurturing *Innovation*



INNOVATION



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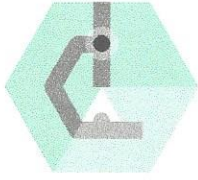
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A great idea
isn't enough.
Leaders must
create an
environment
that allows
teams to
collaborate
successfully
over time.





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ABOUT THE ART

Felicity McCabe photographed circus troupe trainees in Ulaanbaatar, Mongolia, for her project *42 Feet*, documenting their passion, endurance, and ambition.

DESPITE AN AVALANCHE OF initiatives in cross-sector collaboration and open innovation, businesses still struggle to develop game-changing ideas and bring them to market. Many people argue that the problem is that we still don't have enough new ideas, and we need to work harder at getting diverse people into the conversation. New, imaginative ideas wouldn't hurt, of course, but that prescription misses an important truth: Successful innovation involves more than just letting a thousand ideas bloom.

As studies of hackathons and other accelerated forms of innovation show, all too often very little happens after the initial brainstorming phase. The organizers of these initiatives tend to focus on facilitating the collision of ideas and talents without planning for the long term. Those taking part in the initiatives enter with every intention of making a long-term commitment, but most are unprepared for or underestimate what lies ahead.

The reality is, innovation is more than generating an idea—it is a long, collaborative journey. Daniel Epstein, the CEO of Unreasonable Group, an organization that brings together a global network of entrepreneurs who are tackling some of the world's most pressing challenges with investors, creatives, and business leaders, explains it like this: "Business in the 20th century was oftentimes defined by having a competitive advantage. Business in the 21st century will be defined by having a collaborative advantage." A considerable body of academic research into social networks, psychology, creativity, and the entrepreneurial process validates that point of view. It shows that innovation is more likely to succeed when it is a curated process in which an intermediary takes responsibility for sparking and sustaining collaboration among the people involved.

In this article, we draw on that research and on our own and describe the crucial roles that intermediaries can play. We show how they can support innovative collaboration throughout the innovation journey—from providing opportunities for innovators to make connections, to helping them develop those connections into relationships, and finally to sustaining and refreshing those relationships as the collaboration evolves.

STEP 1

Making Connections

Beyond simply bringing people together and providing a structure for their conversations, the intermediary must spark trusting relationships. A good example of how to do that comes from Unreasonable Impact (UI), a partnership between Barclays and Unreasonable Group. (We have worked with all three of these organizations in various capacities, including as mentors, academic advisers, and clients.) UI provides a network of entrepreneurs with the resources they need to develop their ventures and solve challenges that arise in order to rapidly scale.

UI runs three programs each year that bring together a select group of growth-stage businesses. Those programs typically last from five to seven days, and include sessions that address entrepreneurs' critical needs, from understanding regulatory shifts to scaling up manufacturing. Entrepreneurs also have the opportunity to connect, get feedback, and share concerns. To date, the participants have built more than 300 ventures across 53 countries, generated more than \$7 billion in revenue, and hired more than 25,000 full-time employees.

To understand the process better, and as part of Accenture's research on the power of cross-sector collaborations to address complex social issues, three of us conducted a series of interviews and workshops with 28 collaborators. We found that UI's success in setting up collaborations can be largely attributed to two factors.

Careful selection. Most open-innovation research has focused on defining the most generative framing for challenges and how best to broaden participation. UI takes a different approach: It handpicks the projects and the people invited to join its community. In addition to considering



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IDEA IN BRIEF

THE PROBLEM

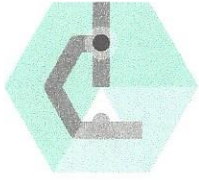
Despite a multitude of initiatives in cross-sector collaboration and open innovation aimed at generating innovative opportunities, businesses still struggle to bring to market game-changing ideas.

THE REASON

Firms and innovators focus too much on facilitating the collision of ideas and talents without planning for the long term. But innovation is about more than generating ideas—it is a long, collaborative journey.

THE SOLUTION

Innovation is more likely to succeed when it is a curated process in which an intermediary takes responsibility for enabling and sustaining collaboration and connection among the parties involved.



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financials, the social impact of businesses, and the diversity of the broader community, the UI team makes sure that the venture founders it invites are aligned with the mission, values, and beliefs of the UI community.

The selection process is rigorous, and success isn't the only criteria. UI team members look for personalities they believe will contribute to the community, and that means being able to collaborate well. One UI fellow we spoke with says, "I just trust the Unreasonable community to be people with the passion and heart to serve the community."

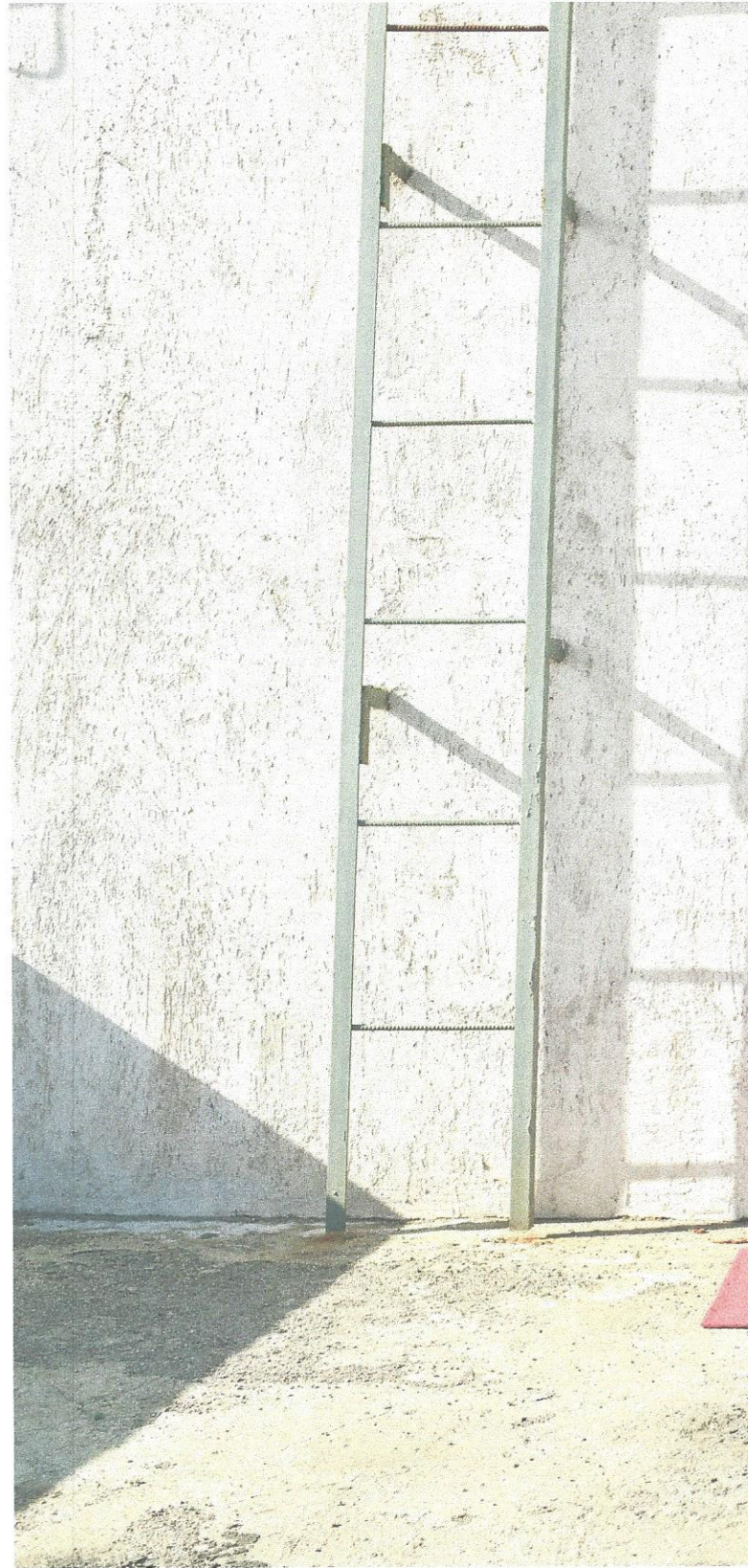
The Unreasonable team works to create what Harvard Business School professor Amy Edmondson calls "team psychological safety"—that is, an environment in which entrepreneurs feel comfortable sharing stories of both successes and challenges. At Unreasonable, they believe that equalizing the power dynamics between mentors and mentees is key to achieving such a state, to the extent that they avoid using those terms. Instead, UI describes relationships as collaborations and program participants as fellows.

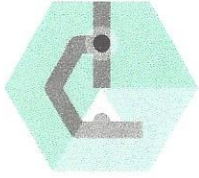
Curation of the experience. UI carefully manages its programs' in-person experiences—from workshops to team-building activities to community dinners. All the fellows and mentors we spoke with mentioned "the magic" that happened over the course of these events. UI retreats typically combine small-group interactions with periods of reflective time.

Consider how community dinners are held. Fellows are divided into tables of five or six people plus a UI mentor. Each table is given a prompt; for example, "Tell us about a decision you made that changed your life" or "Describe an object that is meaningful to you." Each fellow gets five minutes to respond without interruptions. Fellows often share personal and emotional experiences. As one participant recalls, "There was not one dinner without some tears."

The programs include periods of time off for activities such as yoga or quiet walks. The importance of having space for reflection is well documented in organizational psychology research: It is how people come to understand others with whom they have shared intense experiences and discover whom they might be able to form relationships with.

The careful curation of the retreat experiences can help create a foundation for strong relationships. Here's one example: Two fellows, one working on recycled 3D printing





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and the other on residential wind turbines, discovered they had shared connections and interests at a lunch during a UI program. They stayed in touch in the months following the retreat, exchanging updates and advice and bonding over their journeys as they developed their ventures. A year after they first met, the fellows had a moment of realization at another UI event, where they were demonstrating prototypes of their products. They recognized there were opportunities to work more closely together to improve their respective products—and possibly develop a new type of appliance. By the time we interviewed one of them, they were applying for grants together in order to turn their ideas into a more structured collaboration.

The importance to relationship-building of carefully selecting people and giving them moments of both intense connection and quiet reflection are well-known. In fact, many corporations use this formula in leadership-development programs. But in our experience, it is rare to find those practices so carefully followed in the context of innovation and the entrepreneurial process.

STEP 2

Developing Relationships

After an idea forms and a relationship is made, the collaborators have to define their shared goals, metrics, and targets and devise the processes and structures they'll need to make their idea a reality and support the daily operations of a functioning business.

Creating a road map for a collaboration is a complicated undertaking, and getting an outside perspective can be incredibly helpful. Consider the founder of a venture in last-mile distribution, who was working with an entrepreneur developing biotech solutions. Their teams had started working together to deliver health care products to isolated communities during the pandemic. "You need time and space to get to know the partners, do the right expectations management, and understand what exactly it is you're trying to achieve together, and that honestly needs to be facilitated," the founder explains.

Another UI fellow echoes that sentiment. "A collaboration requires external support, like a third-party strategist who says, 'here's how you guys can align' to help design and

facilitate the next steps." All the fellows we spoke with highlighted the challenge of moving from a shared idea and the early excitement of the collaborative encounter to establishing a collaboration infrastructure (roles, leadership, project management needs, and team dynamics) while refining the idea of the product or service to work on together. The UI program provided them with resources, connections with other fellows and mentors, and regular meetings, which provided some accountability.

Successfully moving from the idea stage to implementation depends on two factors:

Structured follow-up. The importance of sustained direct support is still frequently overlooked by the organizers of hackathons or open-innovation challenges, who tend to focus on speed and idea generation. However, an increasing number of intermediaries are recognizing the need to support innovators and entrepreneurs beyond the original event.

One example is the open-innovation project #WirVsVirus (in English, #WeVsVirus), an initiative in Germany that brought together seven civil society organizations in response to the Covid-19 pandemic. It kicked off with an online hackathon that attracted 28,000 participants and produced 1,500 ideas.

What set #WirVsVirus apart, as Johanna Mair, a professor at the Hertie School in Berlin, and Thomas Gegenhuber, a professor at JKU Linz in Austria, highlighted in a study, was that organizers planned from the start for a six-month follow-up support program to help 150 teams prototype and test the ideas they developed during the 48-hour hackathon. In the follow-up program, participants were given opportunities to connect with domain experts, investors, and potential scaling partners, much as intermediaries provide. Teams participated in weekly calls to share what they'd learned and the challenges they were facing.

#WirVsVirus's organizers went further than most by bringing in mentors who focused on skill development and team dynamics from the get-go. Even during the hackathon weekend, moderators performed a dual role: They provided domain expertise and also helped people set up their collaborations, structure the creative process, and manage team dynamics. They assigned a Slack channel to assist teams in finding one another, and they helped them stay



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on track by asking questions about the status of their collaborations and probing into their challenges—technical and organizational—because they knew that teams might be reluctant to ask for assistance. The mentors made suggestions on project-management issues as well as business and technology ones.

Holistic mentoring. Many collaboration intermediaries tend to prioritize helping innovators polish and sharpen their ideas rather than coaching the people collaborating. They consider the creative idea to be essential to the success of the teams and therefore a better focus for their limited resources. However, research on cross-disciplinary teams has shown that team dynamics need to be managed if collaboration is to be productive. The intermediary can be most effective by embracing a coaching role and creating safe spaces. That’s why entrepreneurial hubs like Impact Hub London, part of an international network of more than 100 hubs and 320,000 entrepreneurs (or Impact Makers, as they are known) look for mentors who can not only help with business and technical skills but also, as its website puts it, “provide holistic support and motivation.”

Mentors at Impact Hub London commit to assignments that last three to nine months. As coaches, they provide reassurance and help collaborators define a common language, establish expectations, and agree on roles. Research has shown that all of these activities are critical to successful cross-sector collaboration.

Mentoring the collaboration is also at the core of the programs organized by the Innovation Ecosystem (IECO) at Portugal’s Nova School of Business and Economics. One program is Project X, a three-month innovation sprint in which 85 students work with 11 corporate innovation teams from companies in various industries (including automotive, telecommunications, financial services, and energy) on 15 innovation projects. People from IECO mentor the teams on the innovation methodology as well as team dynamics, helping participants build trust and navigate the innovation process. On one occasion a team member dropped out for personal reasons, which seriously lowered the morale of the remaining teammates. Their mentor stepped in to boost their spirits and help them redistribute the workload. In another case a mentor’s intervention in conflict management was critical when team members strongly and passionately disagreed.

The mentor suggested mechanisms for decision-making and conflict resolution to help overcome the constant arguments that were paralyzing the team.

STEP 3

Sustaining and Managing the Team

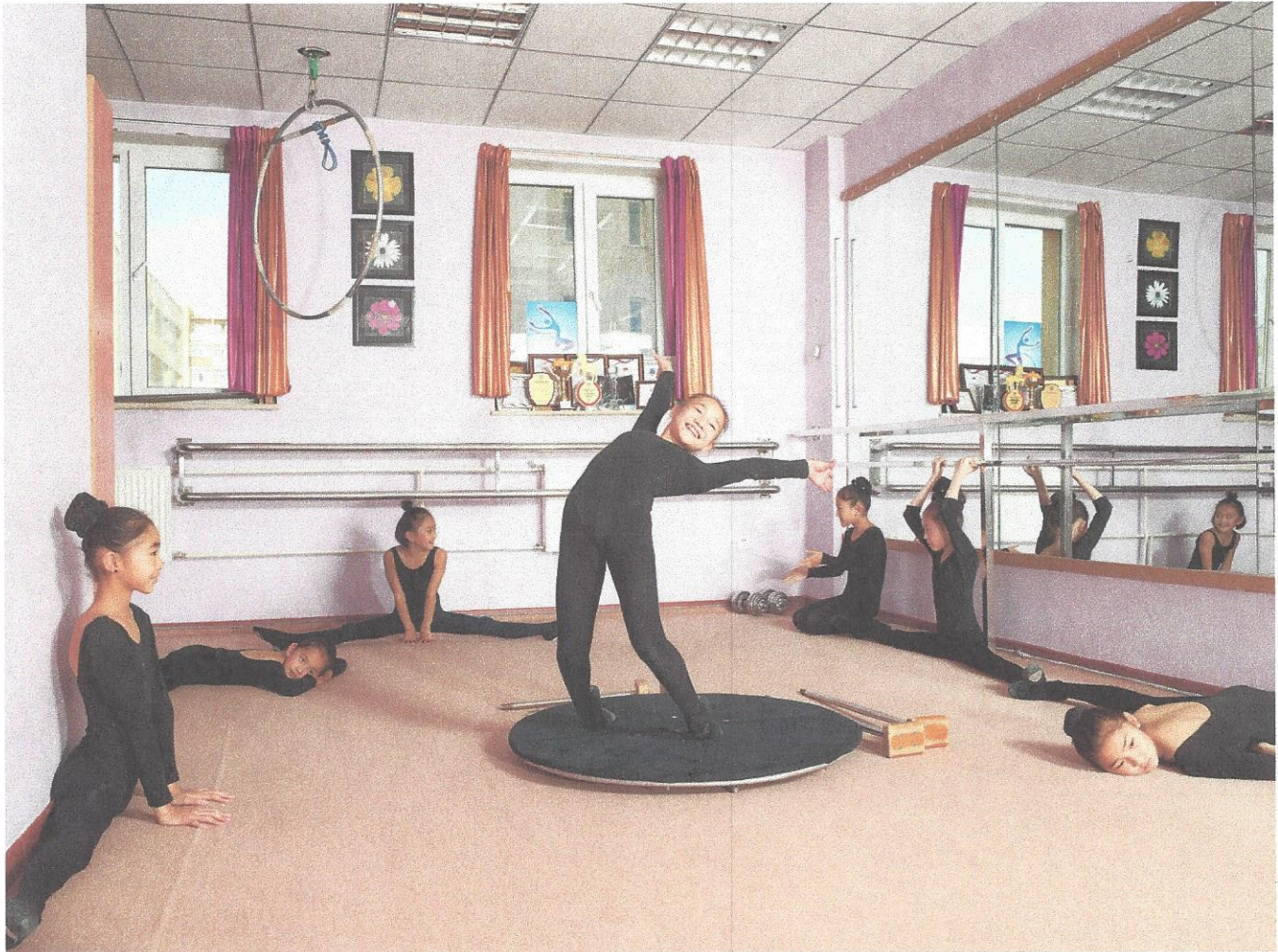
The experiences of two ventures we tracked illustrate how crucial it is for collaborations to receive long-term support. In the first, which was established during the Covid-19 pandemic, two UI fellows joined forces to provide health care kits to rural communities in Asia. They were working on tight timelines, and they felt that they didn’t have the time, space, and capacity to set up dedicated roles and clearly define responsibilities. That choice ultimately put the collaboration in jeopardy.

By contrast, in the second, two fellows started collaborating to develop solar-powered electric vehicles and soon realized that the work was getting too big for them to manage by themselves. They decided to establish a joint venture in order to provide more structure, accountability, and resources for their team. The two founders believed that was the only way for them to scale up. The first collaboration ultimately moved forward with different partners, but the second is thriving today.

The UI community had created a foundation for trusting relationships that enabled the fellows to work in a flexible manner, keeping bureaucracy and governance to a minimum. But as the collaborations scaled up, their organizational needs became more complex, and addressing them required a renewed focus on building relationships. While the fellows in the first example were aware of the problem, they had neither the time nor the resources to manage it successfully.

Again, this points to an opportunity for intermediaries, which have the legitimacy to guide collaborators through this stage. An intermediary can help in two ways:

Providing reflective checkpoints. By creating opportunities for collaborators to get together in facilitated workshops, semistructured calls, or in-person retreats, intermediaries can help venture teams negotiate shifting roles and changing (or even new) relationships, reestablish alignment, and introduce new governance structures.



These checkpoints offer an opportunity for reflection, allowing social entrepreneurs to step back and consider what they've learned in a constructive fashion so that they can implement those lessons.

Checkpoints also help entrepreneurs manage their stress and emotions, as the following stories of two social entrepreneurs outside UI demonstrate. One young social entrepreneur who worked on a health care venture told us that she ended up having a breakdown and terminating her project. "I wish at the time I had a space to share my worries on a regular basis and get support from my peers as well as mentors," she explained. By contrast, the other entrepreneur, who developed a food-waste start-up, described how her network supported her as her venture evolved through multiple phases and team member changes. "I was lucky to have stayed in touch with a couple of mentors I met in the different hackathons and accelerator programs I participated in," she recalls. "As I struggled with team members'

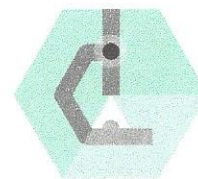
engagement, conflicts, and what to do with the idea—for instance, should I try to file for a patent?—I was able to reach out to my mentors. Moreover, later I was part of a network where we could share our experiences and best practices." She lamented that not every founder has the same sort of social network.

The need for sharing and reflecting is why the social entrepreneurship hub Casa do Impacto in Lisbon holds events like the Founders breakfast, where it invites entrepreneurs to an intimate gathering to promote informal connections and knowledge sharing. Similarly, intermediaries like OpenIDEO, an open-innovation platform that one of us (Anne-Laure) has studied extensively, always includes weekly calls when developing communities of social entrepreneurs. They allow community members to reflect on their experience, share their stories, and listen to others.

During one workshop we facilitated as part of our study of UI, the team membership of one venture had changed



By providing reflective checkpoints, intermediaries can help teams negotiate shifting roles and relationships and reestablish alignment.



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so much that most of them had never actually met. Even though the UI fellows leading the collaboration communicated well and had a trusting relationship, the people managing the daily operations of the venture had not yet developed the same. Participating in the workshop was for many the first opportunity they had to build relationships and trust. One UI fellow told us at the end of the workshop that it gave team members the “space to think about what worked, what did not, why rushing it was not helpful, what was our readiness level to make things happen, and in hindsight what we’d have done different.”

Nurturing the ecosystem. In addition to promoting collaborative efforts, UI aims to create a community of social entrepreneurs linked to a wide network of mentors, investors, and innovators. A thriving ecosystem will enable innovators to scale up their ventures. Alumni of the programs stay connected with one another and form connections with new fellows, sometimes becoming mentors themselves. Potential investors build relationships with fellows, sometimes providing capital for their ventures or helping them secure funding.

That’s what happened to 80 Acres Farms, an Ohio-based vertical farm using 100% renewable energy. The cofounder of 80 Acres first met a team from Barclays in 2019 through his participation in UI. When 80 Acres Farms needed to raise funds to build its first commercial-scale production facility, it secured Series A and B investment from Barclays Sustainable Impact Capital, and the bank’s team acted as the sole placement agent in the Series B \$200 million capital round.

OpenIDEO is focused on social and environmental issues and nurtures an entrepreneurial ecosystem. After a few years of running one-off challenges, in 2016 OpenIDEO initiated the Food Waste Alliance, a network of 80 ventures, along with experts, investors, and other stakeholders. The idea was to give entrepreneurs and innovators the ongoing opportunity to exchange knowledge, prototype, receive feedback, secure funding, and form collaborations. The OpenIDEO team developed an online platform where venture founders can share weekly progress updates and ask questions. Matt Ridenour, who led the Food Waste Alliance, shared resources, invited guest experts, and encouraged participants to share tools, guidelines, best practices,

challenges, and even grant opportunities. In-person events, including a series of pitch days that paired funders and investors, were organized at the IDEO office in San Francisco.

Rise Products, a food start-up that upcycles organic by-products, was one of the beneficiaries of that effort. Thanks to the funding it received from another Alliance member, Rise was able to prototype a process for transforming barley waste from beer brewing into flour for baked goods. The two cofounders also participated in a conference organized by the Alliance in San Francisco, where they met other entrepreneurs, including some who would eventually start an upcycled food association that Rise joined. Reflecting on the Alliance experience, one of Rise’s cofounders says, “In addition to capital (funding opportunities, prototyping facilities) and access (sharing of existing infrastructure and knowledge), I’d say the most important resources were networking (sharing of personal connections) and storytelling (sharing of experiences). It helped us realize that we were not alone and that people faced similar challenges.”

ALTHOUGH SILICON VALLEY celebrates “moving fast and breaking things,” that approach is unsustainable. Hackathons and open-innovation challenges can and do generate promising ideas, but they all too often fail to achieve greater impact because most new ventures get too little support for the people dynamics of collaboration. And while some intermediaries, entrepreneurship hubs, and accelerators offer more structured, network-based support in the early phases of new venture ideation and team formation, most provide little support in the medium to long term. That gap represents a big opportunity for people who can provide this support—and a path to reducing the persistently high failure rate for new ventures. ☺

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