Approaches to Social Innovation Hub Governance: Workshop Report

Includes:
Final Report

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PETERBOROUGH CENTRE FOR SOCIAL INNOVATION PHASE 1: WORKSHOP REPORT

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Abstract: This workshop implemented SAS2 community-based research methods to facilitate direction for the Peterborough Centre for Social Innovation (PCSI) on their governance, operations, collaborations and finance strategies during their pilot project. The results will be used to provide direction on the selection of two or three case studies for interview to understand how successful social innovation organizations have connected to the community need. The results of the governance models workshop demonstrated that the PCSI should remain flexible to be reactive to the environment as many participants supported a hybrid governance and collaboration model. In addition, the operation and collaboration workshop showed that there was strong support for work space, kitchen space and programming that would provide outreach opportunities to the community. Facilitating a locally-focused social innovation centre was also a key foundation for the participants. This workshop report outlines phase one's literature review on social innovation governance and strategies, workshop results and discussion, as well as recommendations and the conclusions of this community-based research.

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EXECUTIVE SUMMARY

The Trent Centre for Community Based Education (TCCBE) brought together graduate students from Trent University's Sustainability Studies Masters program with Peterborough's Community Opportunity & Innovation Network (COIN), to collaborate on a community based research project for the Peterborough Centre for Social Innovation(PCSI). COIN is a non-profit community economic development (CED) corporation serving the Peterborough area of Central Ontario; COIN is coordinating the Steering Committee for the PCSI (COIN - Community Opportunity & Innovation Network Incorporated).

In phase I, Trent students worked with the PCSI Steering Committee's Governance Subcomittee to develop and implement a community based research project that facilitated a conversation on the direction of their governance, operations, collaborations and finance strategies during their pilot project. These community based workshops were adapted from SAS[2]The Social Weaver, a community based research methods handbook. Trent students ran two of the three workshops with the PCSI Steering Committee and representatives from other organizations interested in becoming members. The workshops focused on governance, operations and collaboration models and strategies. The results from phase I will be used to provide direction for phase II, the selection of two or three case studies for interview to understand how successful social innovation organizations have addressed community needs through their governance approach and how it innovates to continually meet those needs.

The results of the governance models workshop demonstrated that the PCSI should remain flexible to be reactive to the environment as many participants supported a hybrid governance and collaboration model. In addition, the operation and collaboration workshop showed that there was strong support for work space, kitchen space and programming that would provide outreach opportunities to the community and collaboration styles that combine partnerships with the constellation model. Facilitating a locally-focused social innovation centre was also a key foundation for the participants. The following report outlines a literature review on social innovation strategies, workshop methods, workshop results, discussion, recommendations and conclusion of this community-based research. Our findings highlight the importance of maintaining strong connections to the local Peterborough community and their needs, while maintaining a flexible working environment that can adapt and innovate to fit the local context. This project has aided the PCSI in identifying preferred governance models for the centre for phase II research and better understanding the impacts and feasibility of services offered (operations) and potential collaboration strategies.

This collaborative research project has benefited both the PCSI and Trent graduate students. We are thankful for the TCCBE, CFICE and Trent's faculty members Drs. Tom Whillans and Stephen Hill for enabling this community-based research project.

INTRODUCTION - PROJECT OVERVIEW

The Peterborough Social Innovation Hub Research project is a university-community research partnership to produce findings and recommendations on effective governance models for a centre for social innovation in Peterborough, Ontario. This project covers two phases from February 2013 - May 2013 where the second phase builds on the results of the first based on co-development with all partners. Both phases will provide direction through research and workshop results to the PCSI steering committee on strategies and models for operations, legal structure and collaboration. Phase two will interview several case studies building on the phase one research results to provide further information on how the PCSI can connect their governance models to the community need in Peterborough, Ontario.

The proposed Peterborough Centre for Social Innovation (PCSI) "will be a home for social innovators in the Greater Peterborough region. It will connect, empower, and resource the people working to contribute meaningfully to our society through social entrepreneurship, sustainable business and forward-thinking not-for-profits. By clustering entrepreneurial talent and change agents from a variety of backgrounds around a shared set of values, the Centre will bridge sectoral and cultural divides in order to promote creativity and collaboration. The Peterborough Centre for Social Innovation will serve as a highly visible hub to accelerate social innovation locally and regionally." (Cammie, 2012)

The PCSI envisions three components of the Centre including a co-working space (rental work space and resources), a community hub (rental meeting space and programming open to the public) and an incubator for social innovation ('animation' and programming to promote the conditions for innovative collaborations and action). It will offer semi-private space to emphasize collaboration, networking and a community of socially-motivated creators. It will be a cross-sectoral initiative offering services to the private, public, not-for-profit and cooperative sectors. This is modeled after the successful Toronto Centre for Social Innovation. PCSI will be starting a pilot centre on June 1, 2013 and completing market research to ensure the centre meets the needs of the community.

The Social Innovation Hub research project is part of the Social Sciences and Humanities Research Council(SSHRC) -funded seven-year project "Community First: Impacts of Community Engagement" (CFICE), that is based at Carleton University (see Appendix A for more details). Phase one of this demonstration project will involve the PCSI steering committee working with graduate students enrolled in SUST – CSID 5002H Research Methods supervised by Dr. Tom Whillans (Sustainability Studies Master's Program, Trent University). Phase two will incorporate the PCSI steering committee and research assistant, Elizabeth Teleki, supervised by Dr. Tom Whillans and Dr. Stephen Hill. The interaction between the course, research assistant and the PCSI will be facilitated by the bridging organization of the Trent Centre for Community Based Education (TCCBE) Executive Director, Todd Barr.
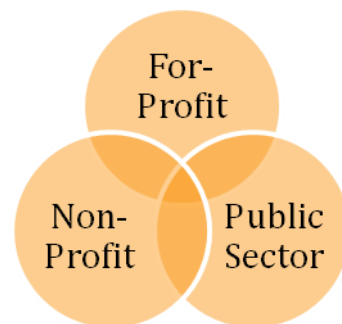
SOCIAL INNOVATION OVERVIEW

Prior to developing the workshops for this research project, a scan of literature was completed to look at various governance and finance strategies used by other similar co-working spaces and social innovation centres. There was also a review of what national social innovation advocacy groups such as the SiG Centre and MaRS were highlighting as successful models, strategies and trends in social innovation. This research provided the background to developing the workshops in phase one of this research project.

Why is Social Innovation Important?

"Real innovation in social systems requires that change happen **across** different levels or scales so that impact is strong and lasting; so that something that seemed impossible to change in the world becomes very different"(Social Innovation Generation, 2013).As such, innovation requires the freedom to explore beyond the traditional silos of for-profit, non-profit and the public-sector. By collaborating across and beyond these traditional sectors, Centres for Social Innovation can promote new ways of organizing effective change in communities for greater, long-lasting impact and enterprise success. Innovation often happens outside of successful organizations as these organizations must be committed to the status quo and resist ideas that might change it (Torjman, L., 2012). As such, Diagram One demonstrates how social innovation finds opportunity to enable change between the sectors. Where government, for-profit and not-for-profit sectors had clear areas of expertise, boundaries are beginning to blur as complex community issues require more collaboration across the sectors for efficient and effective solutions. Social innovation enables cross-sectoral collaboration to solve these complex challenges (see Diagram 1).

Diagram 1: Spaces of Change across Sectors(Opportunities for social innovation collide in the centre)

What is the Social Innovation Formula?

Although the literature does not point to a tried and tested model of Social Innovation that can be applied to centres (Goldenberg, Kamoji, Orton, & Williamson, September 2009), there are common services and collaboration models achieving success, such as:

- Shared Space Franchise Model: The Hub (Halifax, Ottawa and more)
- Shared Space and Collaboration: Toronto CSI, 10 Carden
- Hybrid Model of revenue-generating services and/or products and non-profit community leadership/collaboration programming: Evergreen Brickworks, COIN, Pollution Probe, Pembina Institute

- Charity Model: New Zealand Centre, PLAN (non-profit/charity model)
- Partnership or Cooperation Model: Bull City Forward
- Lab Model: Focused highly on programming that applies the theory of change to work cross-sectorally to design new approaches to solving complex issues (like a science lab for social experimentation). The focus of these labs is programming. Examples, include Business Innovation Factory in Providence, RI; Helsinki Design Lab in Finland; and there are many more (Torjman, 2012).

Cahill (2010) shows there are 10 imperatives of successful social innovation, including:

1. Be creative
2. Leverage market forces
3. Leverage new technologies like social media and cloud platforms
4. Drive social innovations to scale to achieve impact
5. Nurture multi-sector partnerships reaching beyond and across silos
6. Adopt open-source practices, sharing ideas, learning from successes and failures
7. Employ systems-thinking, unlocking the secrets of transformative change
8. Explore how public policy can ensure an enabling environment
9. Build up the social finance marketplace supporting sustainable business models
10. Support social entrepreneurship as a critical vector for social innovation(Cahill, 2010)

ENVIRONMENTAL SCAN:

An environmental scan was completed of existing shared space options for entrepreneurs and collaboration activities currently taking place across Peterborough, Ontario as of March 2013. The following organizations and collaborations could be future competitors or collaborators for the PCSI.

Existing Shared Space Options in Peterborough, Ontario

For-Profit
Per Diem Offices (George and Murray Street): Offering sound proof office and meeting space by the hour, day, week or month, a receptionist and mail service. It is a renovated old church that offers a beautiful restored interior (offices are $125 daily or $550 monthly)

Non-Profit
Greater Peterborough Chamber of Commerce (George Street and Dalhousie Street): Offers office space cubicles and some enclosed office spaces, a meeting room and a kitchen for a monthly rent (approximately $450 - 500/month). It may include some amenities such as internet.

Non-Profit serving Non-profits
- United Way - Funding to 32 member agencies but looking to take a leadership role in community collaboration around impact priorities.
- The Mount Inc - collaboration being discussed for a future real estate development for mixed housing, community gardens, space for non-profits, and private sector.
- Community Foundation of Greater Peterborough- Manages and fundraises for a community endowment fund to provide opportunities for non-profits to address issues and support community health and well-being; builds an environment of philanthropy.
- Nourish Peterborough - Healthy Food Collaboration focused on local food security and entrepreneurialism.
- Transition Town Peterborough – reduces dependence on fossil fuels and increases community resiliency through economic localization, Greenzine, and re-skilling projects.
- Peterborough Green Up's Sustainable Business Initiative
- Electric City Council (EC3) for Arts and Culture Planning in Peterborough
- Peterborough Social Planning Council – does research, community development, and public education to facilitate active, broad based citizen participation in shaping healthy communities in the Peterborough area; acts as a catalyst for positive, sustainable social change.
- Trent Centre for Community-Based Education - A non-profit, charitable agency annually connecting 20-30 non-profit organizations with post-secondary students and faculty to complete community-defined projects (mostly research) related to social, environmental, economic and cultural issues.
- COIN – Social Enterprise Facilitation

Non-Profit serving For-Profit
- Business and Economic Development Services (Peterborough Economic Development, Greater Peterborough Innovation Cluster, Community Futures Development Corporation, Chamber of Commerce, Women's Business Network)

LEGAL STRUCTURES OVERVIEW

A key component of governance is the legal structure of an organization. This determines possible pathways for achieving the goals, mission and vision of the organization. When careful time and consideration is taken to develop the legal structure of an organization it can provide flexibility and mobility for the organization to create more opportunity for growth, development, and economies of scale which is a key indicator of success in social innovation.

In Canada there is no legal structure that combines some of the benefits of for-profit and non-profit structures. In addition to the legal structures presented below, two non-legal alternatives will be discussed: "B Corporation" and a "Hybrid Option" (potential partnership with COIN) to gauge the interest of the committee in these blended approaches. The legal

structures that the PCSI can select from in Canada are: For-Profit Corporation, Not-for-Profit Corporation, Charity, For-Profit owning or owned by a Not-for-Profit Cooperation. It should be noted that the Social Innovation Generation organization is currently advocating for a new blended legal structure in Ontario and Canada(Social Innovation Generation (SiG) , 2013).The following sections will define and provide pros and cons for each legal structure from the perspective of a social innovation organization. The following section is sourced from MaRs Social Innovation initiative(MaRs Discovery Centre, 2012).

For-Profit Corporations

For-profit corporations are incorporated under the Business Corporations Act (Ontario) (the"OBCA") or the Canada Business Corporations Act (the federal "CBCA"), with share capital. A for-profit structure will give the most flexibility in terms of profit-generation and investment attraction. This will assist in scaling business activities and allows the organization to provide return rates for investors. A for-profit structure is limited as it cannot receive tax-deductible donations and may not be eligible for other sources of government funding. Protecting the social mission within the legal structure of a for-profit can also be challenging as the board of directors is obligated to provide a return on investment to its shareholders.

B Corporations

B ("beneficial") Corporations are not a new legal form of business enterprise, but rather a certification for which any business entity may apply. It was created in the United States to enable corporations to define themselves to consumers and investors as socially and environmentally responsible business entities. Canadian corporations may also apply for certification. They seek to:

- Meet transparent and comprehensive standards of social and environmental performance;
- Legally expand their corporate responsibilities to include consideration of stakeholder interests; and,
- Amplify the voice of sustainable business and for-profit social enterprise through the power of the unifying B Corporation brand.

Co-operative Corporations

Co-operatives are incorporated under the Co-operative Corporations Act (Ontario) or Canada Co-operatives Act (federal), either with or without share capital. A Co-op is a special-purpose organization owned by members that use its services. Co-ops don't usually have a share structure, but generally raise funds through loans from members and/or fees charged for their services. Members share equally in the governance of the organization and any surplus funds (profits) are generally distributed among members, donated for community welfare, or can be maintained to improve services to Co-op members.

This structure is well established across Canada, and the concept of community benefit is built right into it.Co-ops are a way for communities to exercise control over the economic, social and cultural activities that affect the lives of community members. Establishing co-operatives and credit unions in our communities (or for a community of people) is a powerful and democratic way to put economic power in the hands of those who need and use the services.

However, this structure is only suited to member-run initiatives, not the wider community of social ventures. A Co-op may lose its legal status if, for a period of three years or longer, it has conducted 50% or more of its business with non-members. A Co-op is not registered with Canada Revenue Agency and as such, cannot issue official tax receipts for any donations it receives. A Co-op is not exempt from paying tax unless it is a Co-op with not-for-profit ("NFP") status, which must be specified in its Articles of Incorporation on set-up of the organization.

Not-for-Profit Corporations

Not-for-profits can engage in profit-making activities provided that the activities are compatible with the not-for-profit objects of the NFP, and the profits are used exclusively for promoting its stated goals. It is incorporated via Letters Patent under the *Corporations Act* (Ontario) or *Canada Corporations Ac*t (federal), generally without share capital.

This structure is more commonly used in the social sector and so long as the main purpose of the entity is not-for-profit, it can accumulate excess revenue from year to year. NFPs are generally tax-exempt so long as they are organized and operated exclusively for social welfare, civic improvements, pleasure or recreation, or any other purpose except profit. NFPs will lose their tax-exempt status if income is payable to or available for the benefit of members or shareholders, or if the entity has the ability to declare or pay dividends. NFPs are generally free to borrow money and repay principal and interest to lenders.

However, the organization cannot issue tax receipts for donations, making it more difficult for NFPs to receive support from potential donors versus registered charities. At the same time, NFPs cannot attract investment from traditional investors, since distributing earnings would result in the loss of their tax-exempt status. In addition, NFPs are in danger of losing their tax-exempt status if they are too financially successful and their accumulated profits go beyond what the CRA believes is required to operate the NFP or if such accumulated profits are for the purpose of funding future capital projects.

Registered Charity

The most common form of legal structure in Ontario for a social enterprise operating as a registered charity is a Not-For-Profit Corporation. However, other forms of legal structure (e.g. for-profit or co-operative corporations) could be the vehicle for charity status but the process will be highly scrutinized. Registered charities are incorporated via Letters Patent under the *Corporations Act* (Ontario).

This structure is most common in the social sector in Canada and is designed to ensure that all assets of the organization are protected and used for achievement of the social mission. A charity can issue tax receipts for donations, a considerable incentive for donors. They are generally eligible for government grants, although there may be restrictions on the types of expenses that can be funded. Also, charities do not pay income tax on their earnings.

However, there are significant limitations on the business activities that can be undertaken and who may be employed for those activities (i.e. mainly volunteers). As a result, these social enterprises generally cannot fully scale to meet the social needs they target because of limited access to investment capital, unpredictable grants, cannot accumulate excess revenue, limits ability to create revenue streams.

Hybrid Model

A hybrid model of governance is becoming more popular as organizations try to maintain the flexibility and revenue generation capacity of the for-profit structure while maintaining their access to not-for-profit or charitable funding opportunities to maintain flexibility. As none currently exists in Canada, the SiG network is advocating for a new hybrid structure for social enterprise businesses. What is certain is the importance of keeping the for-profit component of the business separate from the charity or not-for-profit administratively. There is a risk that if they are too entwined the operation may lose its not-for-profit or charitable status. The following examples use a hybrid model where the for-profit component funds the not-for-profit or charitable activities.

1) Calgary's Pembina Institute combines the research and technical capacity of a think tank with the values and advocacy of an environmental non-governmental organization (NGO) and the entrepreneurial and business sense of a for-profit consulting firm. This equips them with a unique ability to employ multi-faceted and highly collaborative approaches to change. (The Pembina Institute , 2013)

2) Another unique model is Evergreen, a registered national charity. One of its projects is the Evergreen Brickworks, a social enterprise, and Canada's first large-scale environmental community centre–a national centre for exploring, debating and taking hands-on action to create more sustainable cities. (Evergreen, 2013)

3) COIN uses market-based strategies to pursue a social purpose in its local economic developments strategies and projects in Peterborough ON. It is a non-profit social enterprise, and was established both as a community economic development (CED) corporation and as a social enterprise. (COIN - Community Opportunity & Innovation Network Incorporated)

4) Pollution Probe is a Canadian charitable environmental organization that is dedicated to achieving positive and tangible environmental change. It works to define environmental problems through research; promote understanding through education; and, press for practical solutions through advocacy (Pollution Probe, 2013).

OPERATIONS AND COLLABORATION

Operations and collaboration strategies are a fundamental component of governance for the centre as it defines what is offered and how the service is offered. It also describes how the PCSI will work to achieve its mission, vision and goals through action, facilitating innovation and working with the community. These models and strategies seek to provide a framework for how the PCSI interacts with others and what services it provides.

For this project, "operations" refers to the services and products offered by the PCSI; and, "collaboration" refers to the governance aspect of the PCSI's role facilitating social innovation in the community.

Operations

Social innovation Centres are enablers of those who do social innovation. There are four key drivers of social innovation: social technology, innovation intermediaries (mobilizing resources to achieve an outcome), people driving social Innovation (people who are excited and willing to try new approaches), "open everything" (i.e. share, share, share)(Hewitt, 2008).

Shared spaces
Shared spaces source: (Center for Social Inovation)

1. **Co-location** refers to spaces that are shared among a number of separate organizations. Multi-Tenant Non profit Centres are types of co-location spaces that focus on the non profit sector.

Strengths (internal)	Weaknesses (internal)	Opportunities (external)	Threats (external)
Communication Collaboration Min overhead costs	Noise Mess Long term commitment	One stop shop Increased social innovation, creativity, and idea sharing	Competition btw tenants

2. **Co-working** refers to the sharing of workspace among freelancers and other independent workers. Co-working spaces provide workspace and community to people who are often working on their own.

Strengths (internal)	Weaknesses (internal)	Opportunities (external)	Threats (external)
Communication Collaboration Networking Min overhead costs	Noise Mess Medium term commitment	One stop shop Increased social innovation, creativity, and idea sharing	Competition btw tenants

3. **Community hubs** are shared spaces that provide direct services to the geographic community in which they are situated. Community Hubs co-locate service providers that

offer a range of supports such as language instruction, job training, after school programs and drop-in groups.

Strengths (internal)	Weaknesses (internal)	Opportunities (external)	Threats (external)
Communication Collaboration Min overhead costs	Noise Mess Long term commitment	One stop shop Increased social innovation, creativity, and idea sharing	Disconnected from community

4. **Hot desks** are temporary, shared workspaces that are typically found in co-working spaces.

Strengths (internal)	Weaknesses (internal)	Opportunities (external)	Threats (external)
Communication Collaboration Min overhead costs Income generation	Noise Mess Scheduled use	Low income office space available	Empty desks

5. **Incubators** provide programmatic, strategic, administrative and/or financial support to small projects and organizations.

Strengths (internal)	Weaknesses (internal)	Opportunities (external)	Threats (external)
Communication Collaboration Min overhead costs Income generation	Temporary Project specific	Work with other org's Consultation services	

6. **Meeting rooms**: meeting rooms to accommodate different purposes, from workshops to interviews.

Strengths (internal)	Weaknesses (internal)	Opportunities (external)	Threats (external)
Communication Collaboration Min overhead costs Income generation	Noise Mess Scheduled use	Low income office space available	

7. **Kitchen:** Kitchens don't make money – but they do build community. Don't cheap out or box it in – this is where the magic happens.

Strengths (internal)	Weaknesses (internal)	Opportunities (external)	Threats (external)
Communication Collaboration	Noise Mess	Fun Creativity	

Min overhead costs Non-formal meeting space	Smells	Nourishment	

Programming

Events, summits, competitions, workshops and more to accelerate the work of social innovators, yoga classes, language classes, marketplace, lunch-and-learns, salad club, skills training workshops, political/current event discussions, guest speakers, speed geeks, book or article discussions, communities of practice

Strengths (internal)	Weaknesses (internal)	Opportunities (external)	Threats (external)
Income generation Builds community	Costs Time	Networking Community outreach	

Services

In addition, services can include strategic advice, back-end administrative services, publications, consulting services, networking events

Strengths (internal)	Weaknesses (internal)	Opportunities (external)	Threats (external)
Income generation Serve community	Cost Time	Networking Community outreach	

Collaboration Models & Strategies

Collaboration is one of those buzzwords that can refer to a lot of different things. Whether collaborations are created by boards, entrepreneurial staff, or well-meaning foundation officers, there are some creative initiatives going on around the world. For the purposes of this research project, collaboration refers primarily to how the PCSI can work with others to achieve its mission, vision and goals in the community. Many organizations are building what works best for their unique situations, and that sometimes includes hybrid models that draw on the best features of the best examples. We've compiled brief descriptions of various collaboration models and identified their internal strengths and weaknesses, and external opportunities and threats via a SWOT analyses (see SWOT analyses in results section).

Constellation model

This is a flexible, lightweight, and adaptable partnership to bring together autonomous organizations to address a common issue or goal. It also works to address the resources lacking for any one organization to address an issue (Goldenberg, Kamoji, Orton, & Williamson, September 2009). This model was developed by the Canadian Partnership for Children's Health and the Environment (CPCHE, www.healthyenvironmentforkids.ca). It is a model that self-organizes action teams which are outwardly focused on creating value for the external environment (not the NGO itself). It focuses on the power of networks and peer production and creates a fluid freedom to carry out its activities.

The governance is light and based on a magnetic attractor which is the need or opportunity presented within the issue. From this, partners self-identify to participate and form a stewardship group or coordinating group of the partners. This allows for combining organizational resources around a central magnetic attractor for stronger action towards the attractor. (Goldenberg, Kamoji, Orton, & Williamson, September 2009)

Partnership or Co-operation

This model is exemplified in various social innovation organizations by bringing together cross-sectoral partnerships to the structure/governance of an organization in order to facilitate a shared goal or interest. The examples tend to be driven by regional goals and often include various levels of government, private sector, and public sector.

- Co-operative: In the Emilia-Romagna region in northern Italy labor, business, government, and grassroots community organizations are working together to foster an economy of co-operation. The key informant reported that this region is very advanced in creating social enterprises to address social problems such as addictions, health, and child welfare, and in creating a prosperous economy with less inequality. (Goldenberg, Kamoji, Orton, & Williamson, September 2009, p. 25).

- Partnership: Bull City Forward's mandate is distributed amongst eight topic areas to help social entrepreneurs: Individual development, Organizational Development, Campus Build-out, Policy and Advocacy, Recruitment and Retention, Investment and Scale-Up, Impact Measurement, and Outreach and Communications. There are collaborations through an executive committee and strategic working groups (8 topic areas) comprising over 150 citizens and community leaders (Bull City Forward).

Adaptive Cycle Model of innovation

The adaptive cycle model of innovation, affectionately called Panarchy by academics, is best understood as a model that promotes the dynamic of continuity and change at a single scale or in a single organizational system.

> *"It is a cycle of adaptive change, proceeding through "forward-loop" stages of innovation, growth, exploitation, consolidation, predictability, and conservation; followed by 'back-loop' phases of instability, release, collapse, experimentation, novel recombination, and reorganization. At that point the cycle begins anew, moving once again through the forward loop, albeit beginning from a new starting point"*
> (Karkkainen, 2006, p. 62).

It provides a map of adaptive change that can be arranged into four phases: exploitation, conservation, release, and re-organization (Gunderson & Holling, 2002).

Joint Program Office

Imagine two complementary organizations that separately maintain their various program offices. A merger may not fit their needs, but an overlap in some programs or services may provide the opportunity for collaboration. A joint program office requires no new programs or organizational structures. Rather, two or more organizations combine on one or more programs for the purpose of strengthening the efforts of both organizations (Hager & Curry, 2009).

Example: USA: The Arc and United Cerebral Palsy recognized the potential of "combining for a more powerful voice for people with disabilities" through a joint government affairs office. One office serves the needs of both organizations. Six staff members are formally employed by the Arc, and two are employed by United Cerebral Policy. Nonetheless, they work together and report together to the directors of the two collaborators. Through this arrangement, the advocacy efforts of both organizations are enhanced.(Hager & Curry, 2009)

Joint Administrative Office and Back Office Operations

In a joint administrative office, efficiencies are achieved through shared administrative office and personnel, including financial and human resources management, and information technology. Another approach is to contract administrative functions to a separate organization whose sole job is to provide "back office" support for other organizations (Hager & Curry, 2009).

Example: Gramercy Housing Group, Achieve Glendale, and PATH (People Assisting the Homeless) Ventures work under the PATH banner toward common housing support goals. However, perhaps the greatest benefit to the collaboration is the administrative support pro-vided by PATH Partners, including support and oversight in executive management, finances, development, communications, public relations, and human resources. The arrangement is simple: partner organizations pay a fee ranging from 5 to 12.5 percent of their annual budgets in return for administrative support. The partners collectively save costs through this centralized arrangement. Additionally, "greater coordination is achieved through standardized processes and protocols" for administrative tasks (Hager & Curry, 2009).

Confederation / Umbrella

The umbrella organization exists because of the constituent parts, to which it provides services, coordination, and other support. Among geographically disparate similar entities, confederations can build coordination out of chaos and fragmentation. Cases differ in terms of how much control rests with the umbrella organization. In some cases, the umbrella organization tightly controls resources and information. In other cases, the umbrella organization clearly answers to its members (Hager & Curry, 2009).

Franchise Model

The Hub model is the most prevalent franchise model for social innovation centres identified in the research. The Hub model combines meaningful events, inspiring spaces, and a vibrant community in its recipe for success. There are a number of benefits of the franchise model including: shared branding, collaborative web presence, support, international network, and the new Canadian passport which allows individuals to utilize hubs across Canada (for Peterborough, this could give added value as members will have access to the Toronto hub). The downside is that the Hub has over 1500 requests to start HUB models and therefore is growing at a rate that they are in the midst of building capacity to accommodate. It appears from their website that they have found innovative solutions to respond to these requests and hope to improve the on-boarding process in the future. The response to these requests will be important to observe in terms of franchise strength during significant growth. In addition, shared branding can be a pro and a con, where local reputation (brand) can be greatly impacted by events in an entirely different place. Although not stated on the website, there will most likely be ongoing fees payable to the HUB for the franchise and materials. However, it appears from demand that they are not a deterrent (The Hub).

FINANCIAL RESOURCES

Important to decisions of governance regarding legal structure, operations and collaboration opportunities, is how the organization plans to obtain its financial resources to fulfill its mission, vision and goals. As such, it is important to incorporate a preliminary discussion of sources of funding when determining governance of an organization. The following section describes the most common revenue sources available for centres of social innovation. Please note that this workshop was unable to be completed due to timing, however, the research group still wanted to provide the following scanned results to inform the PCSI steering committee as it moves forward in its decision-making processes.

Donations

Non-refundable cash given by individuals or corporations to fund a not-for-profit organization. Risk: adopting programs that deviate from the Not-for-profit's mission in order to secure large donations (Foster, Kim, & Christiansen, 2009).

	Receives donations from
Evergreen Brick Works	Number of donors per category: Over $100,000 = 4 $25,000 - $49,999 = 8 $10,000 - $24,999 = 15 $1,000 - $9,999 = 33

CSI Toronto	-Harbinger foundation -Ontario Trillium Foundation -Toronto Community Foundation

Rentals

Additional income from hiring activities such as office spaces, hot desks, conference rooms, commercial kitchen. A wide variety of CSIs use this as an alternative source of income, for example:

Evergreen Brick Works: offers green-designed office spaces, meeting and event space, and full-service cafeteria at its Centre for Green Cities Building - 5th floor.

Office Space Available
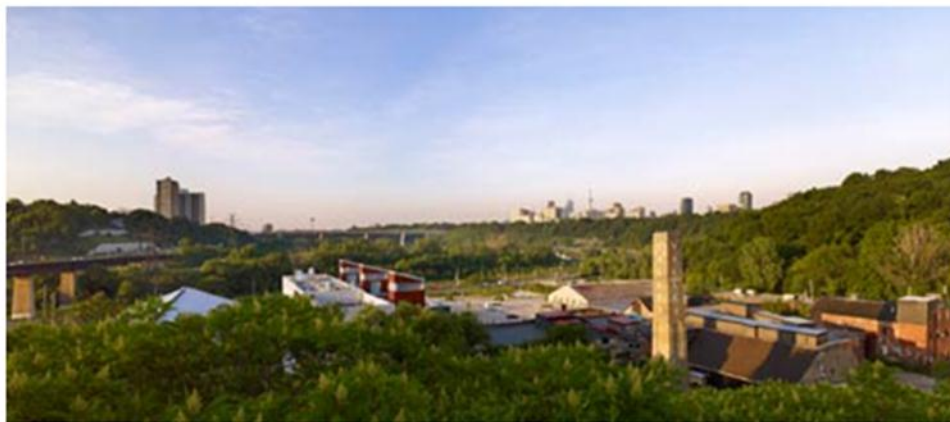
Current Availability

What: Office(s) starting at 600 square feet
Where: 5th Floor of the Centre for Green Cities building
When: Immediate occupancy

Features and Amenities:

- Meeting room bookings are available at discounted rates to our tenants
- Free, daily shuttle bus from Broadview subway station
- On-site restaurant, Café Belong, is open year-round with a "To Go" kitchen and coffee bar as well as a full-service dining room
- Lunchtime skating on the Ice Trail for all tenants during the winter months in the Koerner Gardens
- Unparalleled views of the Don Valley ravine and the Toronto skyline from your office windows

Source and more info: Evergreen Brick Works website: ebw.evergreen.ca, about / office space

HOT DESK 5
5 HRS
coworking space
PLUS 2 hours
meeting room access
$75/mth

HOT DESK 20
20 HRS
coworking space
PLUS 3 hours
meeting room access
$125/mth

HOT DESK 60
60 HRS
coworking space
PLUS 6 hours
meeting room access
$200/mth

HOT DESK 100
100 HRS
coworking space
PLUS 8 hours
meeting room access
$250/mth

PRIVATE DESK
DEDICATED
private work space
PLUS 10 hours
meeting room access
$400/mth

PRIVATE OFFICE
DEDICATED
enclosed space
PLUS 10 hours of
meeting room access
Starts at
$900/mth

PROGRAMMING PARTNERSHIPS
Do you want to deliver workshops at the Centre for Social Innovation? Any ideas on how you can partner with CSI to create impact ?
Let us know !

COMMUNITY MEMBERSHIP
Don't need workspace but want to join the movement? Get discounts and access to our community
$30/mth

MEETING SPACE
We rent our meeting and event spaces for groups ranging from 2 to 200. We play host to board meetings, workshops, parties and presentations.

Chart 1: CSI Toronto, rental prices
Source and more info: CSI Toronto website: socialinnovation.ca, Community / Join us

<u>CSI Toronto</u>: All workspace packages include 24/7 access to the building, high-speed internet, kitchen, common areas, copiers, printers, fax and audio-visual equipment. Extra meeting space time is available at reduced member rates. There is a one-time set-up and administration fee of $125, which includes a $25 refundable key deposit.

The HUB Ottawa

Since they opened in March 2012 over 160 individuals and organizations have signed up as HUBmembers. See membership prices in the chart below.

	HUB Connect	HUB 25	HUB 50	HUB 100	Unlimited	Multiuser 100	Multiuser 200
JOIN →	**CONNECT** →	**PART TIME** →		**FULL TIME**		**TEAM TIME**	
		Free coffee and tea Discount to HUB events Discount to Meeting Room, Workshop Room and Event Space rental Access to HUB locations worldwide Access to HUB+ global online network					
Workspace & lounge hours per month	10 hours	25 hours	50 hours	100 hours	Unlimited (key for 24/7 access)	100 hour (shared up to 5 people)	200 hour (shared up to 5 people)
Free meeting room hours per month	Member rates	2 hours	5 hours	8 hours	15 hours	10 hours	15 hours
Wi-Fi, printer and other office ammenties		✓	✓	✓	✓	✓	✓
Mailbox and locker storage			✓	✓	✓	✓	✓
1 free guest day pass per month			✓	✓	✓	✓	✓
Cost per month	$30	$75	$150	$250	$350	$250	$425

Source and more info: HUB Ottawa website: ottawa.the-hub.net(join us)

Partnerships

Another source of income / funding can come from alliances that don't necessarily involve money transfer but can also generate non-monetary value through common work in projects. For instance CSI Toronto has partnerships with other incubators like Ashoka, Evergreen Brick Works gets support for specific programs from financial corporations such as HSBC, Scotiabank and TD Canada Trust. Evergreen Brick Works also obtains help from environmental and social organizations that fund social initiatives, like YMCA of Greater Toronto, Outward Bound Canada, George Brown College, among others (Evergreen Brick Works, 2013).

Community Bonds

A community bond is a rather new concept in CSI, where a private citizen can purchase the bond directly from a social enterprise or from an intermediary (who acts as a broker of the social enterprise, e.g. a community loan fund) and they may receive both a financial and a social return on that investment over time. Risk falls on the intermediary/social enterprise, which would have to pay the bond even if the social enterprise is unable to deliver the expected social change and/or is unable to repay the loan. Financial returns are modest, from 2-6%, but

secured, very similar to a Social Impact Bond, but lacks a government guarantor. The Canadian leader in this tool is the Centre for Social Innovation (CSI) in Toronto (Wade, 2012).

Social Impact Bonds

Social impact bonds are similar to Community Bonds. They are a promise from government to pay Social Impact Bond investors only if the organization's performance leads to social improvement. Risk falls completely on the investor and therefore offers a higher rate of return, from 7.5-13%. Concept imported from the UK (Wade, 2012).

Factor	Comparison	
	Community Bonds	**Social Impact Bonds**
Guarantee	Intermediary or CSI	Government
Expected Return	2% - 6%	7.5% - 13%
Risk falls on	Intermediary or CSI	Investor
Return	Secure for Investor (no matter if social enterprise achieves social impact or not)	Depends on fulfillment of social impact by social enterprise
Risk for investor	Lower	Higher

Source: CISED, 2012

METHODS

Research Questions and Research Phases

The Peterborough Social Innovation Hub Research project - phase one seeks to provide findings and recommendations for phase two of the project:

1) What are the different ownership/finance/collaboration/operations options used for similar projects and which ones are preferred by the PCSI committee for further research (workshop)?

2) What are the community and organizational needs that have prompted different governance structures? These findings will be used in the future to inform inquiries and questions for the community as part of a needs assessment/market research phase of the PCSI pilot project

Phase One
Graduate students enrolled in SUST – CSID 5002H Research Methods collaborated with the Research Assistant, in a preliminary scan of relevant literature on other social innovation centres/incubators and comparable working organizations to answer research questions one and two. This scan produced findings that are already on the public record.

Following the preliminary scan, the students designed and implemented a focus group-type community based workshop involving PCSI Steering Committee members and other stakeholders. The research methods were designed by students in consultation with supervisors, TCCBE and the PCSI project leadership at COIN. These community based workshop methods were adapted from SAS[2] the Social Weaver, a community based research methods handbook, for a detailed step by step outline of the workshops see appendix 1.The workshop provided an opportunity for students to:

1) Discuss the scan findings and direct follow-up scanning to be undertaken by the Research Assistant.
2) Define the preferences and needs of PCSI as they relate to governance.

This workshop report is the result of SUST-CSID 5002H Research Methods students' focus group exercises and literature findings.

Phase One workshop framework
This community-based workshop facilitated a conversation on the governance and sources of finances of the PCSI pilot project as it develops into the future. This included three proposed workshops, two of which were implemented. The workshops included legal structure, operations and collaboration models and financial sources of revenue. The legal structure, operations and collaboration models workshop was implemented to start forming the governance of the PCSI for the future. Trent students ran two of the three workshops with the PCSI Steering Committee and representatives from other organizations interested in becoming

members, including the governance, operations and collaboration workshops. The legal structure workshop facilitated participants to narrow down the options to one or two preferred structures for the PCSI. The operations and collaborations models enabled participants to better understand the impacts and feasibility of various operations (services offered) and collaboration strategies. The Funding Models workshop, while not implemented due to time constraints, would have helped participants choose preferred sources of funding, and may be run at a future date.

Phase Two

Building on the research reports produced by SUST – CSID 5002H students, Research Assistant (Elizabeth Teleki) will work with Dr. Stephen Hill to complete this phase of the research project. This will involve narrowing the field scan options to the selection of three case studies of successful social innovation hub organizations that will be interviewed to understand how their governance structure and collaboration/operations strategies have performed in relation to the community goals and needs they sought to respond to. The interview will also include information about resource efficiency.

Representatives of these organizations will be invited, via contact information posted on their organization's website, to participate in more in-depth telephone or in-person interviews where they will be asked about their opinions and perspectives. We anticipate 3 interview participants. Emphasis for the interviews could include community engagement questions such as: How did you build confidence in the community? How did you build a track record and reputation? What was the interplay between the governance/ownership model and the community you were providing the service to? What kind of planning did you do prior to getting started?

Please see appendix 1 for a complete description of workshop methods.

WORKSHOP RESULTS

The following results are developed from the community workshop applying SAS^2 community research methods to develop an understanding of volunteer preferences for the legal structure, operations and collaboration strategies for the Peterborough Centre for Social Innovation. The results will be broken down into three sections: Legal Structure Governance, Operation Strategies and Collaboration Strategies. All data was collected through scribes of the discussion and some was collected by recording. These results are a summary of the discussion and the preferences identified by the participants.

Legal Structure Workshop

Overall Discussion - Legal Structure

Participants clearly anticipated the challenge of discussing legal governance structures at this stage of development for the PCSI. In response, the participants were made aware that the

workshop process was to shape more direction for delving into the case studies with more focus in phase two. In addition, participants discussed the evolving nature of a governance structure and felt that what might work in the present scenario may need to evolve as the PCSI develops to meet the needs in the community. Participants also discussed that the legal structures are very broad guides which support different kinds of paths, but there are a lot of ways to build in flexibility. Some key highlights from the discussion regarding the various structures discussed (for-profit, not-for-profit, charity, B Corporation, Co-operative, Hybrid) were:

- It is important for the PCSI group to have access to many streams of revenue including those that are eligible for both for-profit entities and not-for-profit entities

- There could be a benefit to the PCSI being composed of two legal structures instead of one. One legal structure would be focused on the for-profit enterprise operations of the centre and the second legal structure would focus on the not-for-profit collaboration strategies and advocacy (the social mission) of the centre.

- A steering committee was recommended to follow through on the reports from this research project.

Overall, there was an engaged critical discussion of the various legal structures and the following section represents the results of the dotmocracy exercise where participants voted in pairs on structure and characteristics for a legal structure for PCSI, see table 2.

Dotmocracy Workshop Results

Table 2: Dotmocracy on Legal governance structures overview

Legal Structure	Model	Characteristics of the Model	Total Dots	Additional Comments
Hybrid structure	22	21	43	See diagram 1 for visual comment
Not for profit corporations	6	4	10	"Start here, then can explore hybrid options… concern that if you start at hybrid, you may be prescriptive…?"
Cooperative corporations	5	3	8	"Tenants could be non-voting members and retain control and vision for steering committee or board." "My vision for PCSI goes beyond "members" so I see this structure as limiting."
Registered charity	2	2	4	
For profit corporation	1	2	3	
B Corporation	0	0	0	

Diagram 1: This diagram presents a not-for-profit, for-profit hybrid legal structure where the current founding organization Community Opportunities and Innovation Network would partner as the not-for-profit corporation and the PCSI would be a for-profit entity that reinvests its profits into the not-for-profit COIN mission. The PCSI for-profit subsidiary could be owned by corporations and individuals as shares. This diagram was provided as an additional comment to the hybrid structure option.

COIN, NFP, Charity 50%

Other Owner (corps & individuals) 50%

PCSI for profit subsidiary
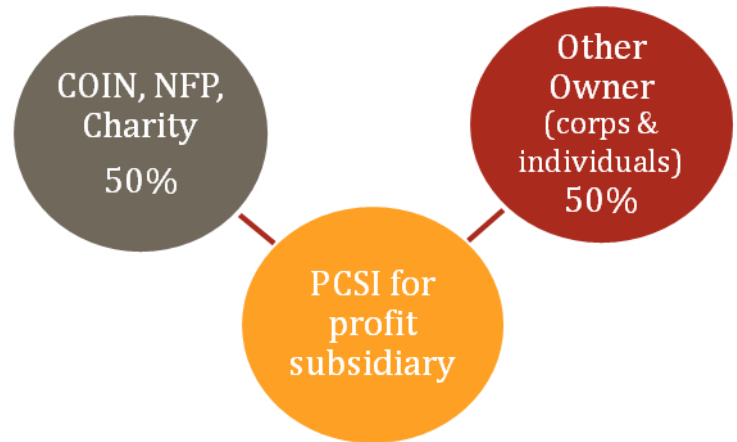
Preferences for legal structure characteristics

Table 3: Dotmocracy on Legal governance structure characteristics

Legal Structure	# of Small dots	Characteristic
Cooperative corporations	2 1	• Members share equally in the governance of the organization • coops are a way for communities to exercise control over activities that affect members
Not for profit corporations	1 on each	• Engage in profit making activities • Accumulate excess revenue • Tax exempt • Free to borrow money
Registered charity	2	• issue tax receipts an incentive for donors
B Corporation	0	
For profit corporation	1 on each	• Profit making flexibility • Direct investment and financing to scale business
Hybrid structure	3 9 4 2 3	• exploit benefits of for and not for profit models • differentiated funding strategy that accesses profit seeking investors and not profit fundraising and subsidies • to ensure a clear and accountable barrier between the two legal entities • consumption yields both revenue and social value • org culture committed to both social mission and profitable operations

Results Discussion

There is a clear preference for the Hybrid structure by participants where it received 22 dots or 61% in favour of this structure.

The second preference is Not-for-profit structure at 6 dots or 17% and Cooperatives at 5 dots or 14%. The remaining 8% of the vote was split between charity and for-profit structure.

There is a clear preference to build PCSI as an organization that can both seize the opportunities that exist in the for-profit sector and not-for-profit sector. Many of the additional comments and preferred characteristics point to the PCSI recognizing the revenue-generating potential of such a venture; while maintaining a very strong commitment to their social mission. As such a hybrid model can fulfill this blended organizational culture.

As a result, phase two of this project will focus on identifying hybrid models that can provide a case study for the PCSI to connect their governance preferences to the community need. In addition, research will be done to inquire into what the franchise HUB model's limitations are in terms of governance structure as this was a key question for participants.

Operations Workshop

The following operations strategies were discussed by participants to determine their impact and feasibility on achieving the goals of the PCSI: Co-location, Co-working, Community Hubs, Hot Desks, Incubators, Meeting Rooms, Programming, Shared Services. Three additional operations strategies were identified by participants including: Joint Procurement, Industrial/commercial kitchen with Nourish Peterborough and Joint memberships (to larger organizations/associations). Feasibility was established with a1-3 scale (1= least feasible, 2= moderately feasible and 3=most feasible).Impact was also measured by a 1- 3 scale) (1= negative or low impact, 2= moderate impact, or 3 = high impact). Points with a (~) denote that there was disagreement on a discussion point where a participant argued against it. It was also noted by participants that despite this exercise, any final decisions must be grounded on a clear understanding of the community needs and demand through market research. It was also discussed that some of these activities will have greater or lesser impact and feasibility in conjunction with others.

Table 4: Overall Scores for each Operations strategy

Operation	X-Impact	Y-Feasibility	Total Score
Kitchen	3	3	6
Programming	3	2	5
Co-location	2	3	5
Co-working	2	2	4
Community hubs	2	2	4
Hot desks	2	2	4
Incubators	3	1	4
Meeting rooms	1	3	4
Services	2	2	4

Table 5: Detailed scores and SWOT for each Operations strategy

Operation Strategy	Total Score	Strengths (internal)	Weaknesses (internal)	Opportunities (external)	Threats (external)
Co-location **Impact: (2)** **Feasibility: (3)**	5	• Communication • Collaboration • Min overhead costs • Creates critical mass • Deals well with turnover in tenants • Ease of start up	• Noise • Mess • Long term commitment • Low collaboration required of tenants	• One stop shop • Increased social innovation, creativity, and idea sharing • Potential for a real estate agreement	• Competition between tenants • One business reputation may affect others (~) • Potential confusion between tenants • Requires a spacious layout for collaboration
Co-working **Impact: (2)** **Feasibility: (2)**	4	• Communication • Collaboration • Networking • Minimum overhead costs • Professional development opportunities • Mentorship	• Medium term commitment • Noise • Mess	• One stop shop • Increased social innovation, creativity, and idea sharing • Referrals between businesses	• Competition between tenants (~) • Distraction for tenants

Comments:
- **For creating an environment for younger entrepreneurs**
- **For creating a sense of community and shared learning**

Operation Strategy	Total Score	Strengths (internal)	Weaknesses (internal)	Opportunities (external)	Threats (external)
Community Hub **Impact: (2)** **Feasibility: (2)**	4	• Communication • Collaboration • Min overhead costs	• Noise • Mess • Long term commitment • May be too Prescriptive	• One stop shop • Increased social innovation, creativity, and idea sharing	• Disconnected from community • Willingness of community to collaborate (~) • How to determine where hubs will be located, how to pick communities

Comments:
- **This is not a rent scenario (Franchise model) the PCSI should do. The Mount project, Nourish Peterborough and other organizations should do this. PCSI could be a partner.**
- **Could be effective for PCSI to be part of the HUB network because of national and international connections. Could position Peterborough for social innovation and social enterprise with a global reach**
- **Concerns about a community hub's reach in terms of social innovation and whether it is too prescriptive and comfortable to serve the social services sector/Peterborough community**

Operation Strategy	Total Score	Strengths (internal)	Weaknesses (internal)	Opportunities (external)	Threats (external)
Hot Desks **Impact: (2)** **Feasibility: (2)**	4	• Communication Collaboration • Minimum overhead costs	• Noise • Mess • Scheduled use • Unpredictable	• Low income office space available	• Cost of Empty desks

Operation Strategy	Total Score	Strengths (internal)	Weaknesses (internal)	Opportunities (external)	Threats (external)
		• Income generation	revenues		
Incubators **Impact: (3)** **Feasibility: (1)**	4	• Communication Collaboration • Minimum overhead costs • Income generation	• Temporary • Project specific • Costly • Time consuming	• Work with other organizations • Consultation services	• Reputation connected to success/failure of incubator • Perception of legitimacy based on who is involved • Client dependence • other organizations in the community already fill this role

Comments:
- **More complex, more resources and cooperation**
- **Could provide links to existing services and programming instead to avoid mission drift**
- **Transforming ideas; Could cover the benefits of this via programming**
- **Instead, could focus on co-learning and networking opportunities, mini-courses, etc.**

Operation Strategy	Total Score	Strengths (internal)	Weaknesses (internal)	Opportunities (external)	Threats (external)
Meeting Rooms **Impact: (1)** **Feasibility: (3)**	4	• Communication Collaboration • Minimum overhead costs • Income generation	• Noise • Mess • Scheduled use (Administration requirement)	• Low income office space available	• Lack of use • Getting the right space to fit community needs • One size fits all, may not fit all. • A few spaces • Need to be beautiful • schedule prioritization
Kitchen **Impact: (3)** **Feasibility: (3)**	6	• Communication Collaboration • Minimum overhead costs • Non-formal meeting space • Connection to local food hub	• Noise • Mess • Smells	• Fun • Creativity • Nourishment • Connection to local food hub, educational opportunities, and all ages	• Fire • Food safety • Allergies • Scheduling

Comments:
- **Opportunity: cross-cultural exchange**
- **Kitchens don't make money – but they do build community.**

Operation Strategy	Total Score	Strengths (internal)	Weaknesses (internal)	Opportunities (external)	Threats (external)
Programming **Impact: (3)** **Feasibility: (2)**	5	• Income generation • Builds community	• Costs • Time	• Networking • Community outreach	• Clients don't have time/ interest for participation

Operation Strategy	Total Score	Strengths (internal)	Weaknesses (internal)	Opportunities (external)	Threats (external)
				• All ages and community members participating and engaged	• Ineffective advertising • Doesn't meet community needs • Like Incubators, there is a possibility that your reputation is linked to whomever is doing the programming; this happens a lot at CSI. • Visional rift
Services **Impact: (2)** **Feasibility: (2)**	4	• Income generation • Serve community • Cost recovery	• Cost • Time	• Networking • Community outreach • Employment opportunities	• Liability • Mal-aligned services offered • Market rate costing of services
Comments • **Potential services could include: Insurance, benefits package, dog and child care, joint procurement, storage, commercial kitchen, specialized transportation, records management, mentoring programs, joint/collective membership (e.g. chamber of commerce), mapping and delivery** • **Potential for tenants/users to perform services in collaboration with PCSI. This could be revenue generating for PCSI if they receive a sales percentage (common in for-profit sector)**					

Discussion of Results

Overall the kitchen, co-working space and programming (that connects to community) are the priorities outlined by participants for PCSI operations. All other options rated 4 which does not provide any differentiation and therefore are not highlighted in this study as primary operation strategies. They could be considered as future services or market research may improve the potential for impact and/or feasibility. Some overall concerns with various operation strategies tend to be reputation and administration based. There is a keen awareness that operational strategies will need to be appropriately resourced so that they are administered with excellence. The aesthetic appeal of the space, availability and the quality of programming can quickly and deeply impact the reputation of the centre. Revenue generation opportunities through operations, was also a common consideration by participants throughout this discussion. In addition, policies, procedures and participants in the centre will need to share a common vision for the PCSI to avoid mission drift and vision rifts.

Collaboration Workshop

The following collaboration strategies were discussed by participants to determine their impact in achieving the mission, vision and goals of the PCSI and feasibility: constellation model, partnership or co-operation model, adaptive management mapping/panarchy model of innovation, franchise model, joint program office, joint administrative office and back office operations, and confederation/umbrella. Participants added one collaboration strategy that was a hybrid of the constellation/partnership model.

Feasibility was established with a 1-3 scale (1= least feasible, 2= moderately feasible and 3=most feasible). Impact was also measured by a 1- 3 scale) (1= negative or low impact, 2= moderate impact, or 3 = high impact).   Discussion points with a (~) denote that there was a disagreement among participants. It was also noted by participants that despite this exercise, any final decisions must be grounded on a clear understanding of the demand through market research. In addition, it was noted by a participant that collaboration focuses on shared interests and partnerships focus on shared accountability and responsibility.

Table 6: Overall scores for Collaboration Strategies (from highest to lowest scored)

Collaboration Models	X-Impact	Y-Feasibility	Feasibility Score
Partnership/Constellation Hybrid	3	3	6
Partnership or Co-operation	2	3	5
Franchise Model	2	3	5
Constellation model	3	1	4
Joint Program Office	1	3	4
Joint Administrative Office and Back Office Operations	1	3	4
Confederation / Umbrella	2	2	4
Adaptive Management Mapping / Panarchy model of innovation	1	1	2

Table 7: Detailed scores and SWOT for each Collaboration strategy

Operation Strategy	Total Score	Strengths (internal)	Weaknesses (internal)	Opportunities (external)	Threats (external)
Constellation Model **Impact: (3) Feasibility: (1)**	4	• Partnership is more easily assembled and disassembled than in more formal arrangements • Coordination of messaging across a field • Operationalized – there is a toolkit	• Resolving philosophical differences amongst collaborators to achieve a united front • Clear guidelines and commitment on which group are responsible for costs and obligations during campaigns • If energy or	• Collaborators can mobilize to reach a larger audience • Pooled resources allow for greater short-term impact	• Competition with other organizations not in the constellation • If there is a lapse in momentum, this could collapse quickly

Operation Strategy	Total Score	Strengths (internal)	Weaknesses (internal)	Opportunities (external)	Threats (external)
			resources deplete, the constellation will collapse		
Partnership/ Cooperation Model **Impact: (2) Feasibility: (3)**	5	• Reduction in fragmentation of services • More efficient use of community resources • Comprehensive coverage of catchment area • Requires partially-integrated staff and financial resources • Strong member involvement (co-op)	• Depends on long-term, on-going relationship focused on long-term goals • Need for clear delineation of responsibilities when ownership is unclear • Determination of which partners can claim credit for outcomes when reporting to their stakeholders • More formalized process with shared accountability and responsibility	• Combined resources allow for greater short- and long-term impact • Co-op: may marginalize non members • Provide input on different models during partnership • Could lead to different projects that would operate more on constellation model	• Depends on two or more organizations with a shared mission but not necessarily the same services • Time consuming to sit on a partnership committee / activities
Adaptive Management Mapping / Panarchy model of innovation **Impact: (1) Feasibility: (1)**	2	• Map evolution of change in an organization or project • Integrate multiple perspectives, knowledge, peoples • Big picture design strategies for creative destruction, innovation and renewal • a tool for mapping • conceptually there's a benefit long- term	• Not operationalized • Risk of misunderstanding • A strategy for development rather than a method for collaboration • Less resilient and flexible than other structures	• Integrate expert and local knowledge • Engage multiple stakeholders • Build resilience • Creative destruction • Leverage tipping points	• Internally driven process (isolating) • Risk of targeting wrong phase of resilience • New stakeholders not engaged

Operation Strategy	Total Score	Strengths (internal)	Weaknesses (internal)	Opportunities (external)	Threats (external)
Franchise Model **Impact: (2) Feasibility: (3)**	5	• Built-in advice and capacity support for PCSI • Less competition for funding • Shared branding • Successful proven model	• Willingness to give up ownership to others • Perception of the creation of a duplication of services, rather than a streamlining of services • Cost in membership fees • Potential creative limitations • missing a localized component; too linear; too strict/structured – less flexible	• Access to a network of national and international hubs and other resources • Possibility for better access to funding, structure and acknowledgement in case of a pre-existing franchise • Useful in an operational context • Potential for regional hub (Lindsay, Colbert etc.)	• Delay in getting on-board • Vulnerable reputation • Less opportunity for significant local impact
Joint Program Office **Impact: (1) Feasibility: (3)**	4	• Retained sovereignty of collaborators • Facilitates communication on shared issues and concerns	• Determining an appropriate and fair mix of program staff from each collaborator • Clear rules for which organization is responsible for program fundraising, strategic direction, and operating expenses • Establishing appropriate lines of communication from the joint office to each collaborator	• Synergy from joined forces • Economy of scale for select services, resulting in more efficient use of resources	• Public confusion around who is accountable • Relies on programs and services offered to the same audience
Joint Administrative Office and Back Office	4	• Improved organizational efficiency • Partners can	• The strong partner may dictate administrative processes that	• Potential for other synergy due to increased	• Fuzzy organizational boundaries • Vendor and

Operation Strategy	Total Score	Strengths (internal)	Weaknesses (internal)	Opportunities (external)	Threats (external)
Operations **Impact: (1) Feasibility: (3)**		concentrate on developing programs and program staff rather than administrative functions • Partners maintain sovereignty despite shared organizational tasks	collaborators may not have chosen themselves • Growth and change may be difficult once a non-profit adopts a shared administrative arrangement • Both board and staff members may be further removed from financial information and controls • Cost	communication between partners • Enhanced administrative operations	community confusion around communications
Confederation/Umbrella **Impact: (2) Feasibility: (2)**	4	• Increased exposure with branding beyond the local community • Support, services, and stability from the umbrella organization • Coordination of activities across regional boundaries, potentially including the sharing of resources • can be a good structure	• Balancing authority of an umbrella organization with the autonomy of affiliates • Ensuring that affiliate interests are sufficiently represented in the strategic direction of the umbrella organization • Communications and networking needs can be complex • No embedded mechanism for collaboration • Not collaborative • Need for consistent reorganization of autonomy; title has a negative connotation, could discourage against this method	• Coordinate and network services across regions • Defer to and draw from a centralized umbrella organization • Similar organizations providing services to different communities • Could be a good organizational structure to bring people together	• Fragmentation and Siloes • Funds misallocated or perceived that way • Too much administration • Potential for too much control to lie in the hands of a few; top-down • Does not support ideals/goals of agency
Partnership/ Constellation	6	• A welcoming partnership model	• Need to define collaboration efforts	• Partnership in terms of	

Operation Strategy	Total Score	Strengths (internal)	Weaknesses (internal)	Opportunities (external)	Threats (external)
Model **Impact: (3)** **Feasibility: (3)**		• Flexibility • collective partnership with a network	• distinct difference between being a part of the partnership and outside of it (as a consulting constellation)	organization/ how it functions • constellation in way it deals with certain issue and strategies	

Discussion

Participants focused on a collaboration model that can be operationalized within the resources of the PCSI as it is in the start up and growth phases. There is also a clear mission to have the flexibility to adapt and evolve to the community need and to find a contextual, localized approach that is relevant to Peterborough. As such, participants developed a hybrid model that combines the partnership and constellation collaboration styles. Partnership can be used to develop the operations of the PCSI and the constellation model would be used to collaborate on issues as they arise in the community to provide resources or advocacy. Finally, the franchise model also rated highly in terms of its feasibility and impact, although there was a strong concern about its ability to be flexible and adapt to the local context.

RECOMMENDATIONS

It is recommended that the selected phase two case studies focus on the following governance models for legal structure, operations strategies and collaboration strategies based on the outcome of the workshop with PCSI participants:

Legal Governance Structures: Case studies should use a hybrid model of governance(e.g. for-profit/not-for-profit/charity). Examples could include The Evergreen Brickworks, St. John's Bakery in Toronto, Pollution Probe and Pembina Institute.

Operations: Case studies should include a kitchen (either commercial for social enterprise or a simple shared kitchen and lunchroom), co-working space and programming (outreach to community). Examples could include 10 Carden in Guelph and Toronto CSI).

Collaboration Strategies: Where possible, case studies should provide an example of a partnership model for operations and programming and a constellation model for short-term cooperation on issues (advocacy, emergent local issues, etc.). In addition, it is recommended based on ranking scores that the franchise Hub be one of the case studies to inquire further into the PCSI's ability to tailor the franchise to the community need.

Additional Note to Case Study selection: An example of the hybrid collaboration model could include the Toronto Centre for Social Innovation and the franchise example could include the Hub Ottawa or Halifax. In addition, new information about Innovation Labs surfaced post-workshop and may be of interest to the PCSI. However, from research completed to date, they appear to require stable and significant funding and may be better considered as a future evolution of the PCSI.Labs are capital intensive and provide exploratory science, education and social science research space to develop new solutions to social problems. They seem to be partnerships primarily with the post-secondary sector or municipalities.

CONCLUSIONS

This workshop report is the culmination of a community-based workshop with individuals involved in the Peterborough Centre for Social Innovation. Trent University students had a unique opportunity to gain practical experience doing research with a local organization. This positive learning experience was facilitated by the Trent Centre for Community-Based Education. Sara, Andreina and Elizabeth selected, formulated, and implemented these community based workshops adapted from SAS[2]The Social Weaver, a community-based research methods handbook. This project has aided the PCSI to narrow down their governance options including legal structure and potential operations and collaboration strategies that can be tested in further market research.

Phase two of this project will focus on completing case study interviews to assist the PCSI in connecting these governance options to the community need and market research process.

ACKNOWLEDGEMENTS

APPENDIX 1 - WORKSHOP METHOD - PHASE ONE

PCSI Workshop ran: March 8th, 2013.

Welcome, Introductions and Motivations
(15 minutes)

5 minutes	Natalie, Todd, and Tom to provide an update and introduce the collaboration
5 minutes	All participants and Facilitators to introduce themselves
2 minutes	Introduction of Project: Phase 1 and 2
	Participant Forms
3 minutes	Discuss Purpose and Objectives of the 3 Workshops:

1. **Governance:** Narrow down to one or two preferred governance models for the centre for phase II.
2. **Funding Models:** Choose preferred sources of funding.
3. **Business Model:** A *business model* describes the rationale of how an organization creates, delivers, and captures value (economic, social, cultural, or other forms of value). Better understand the impacts and feasibility of services offered (operations) and organizational models/collaboration strategies.

Governance Models Workshop
(30min)

Step 1: Establish Purpose and Objectives (5 minutes)

1) To present common governance models and examples (case studies)
2) To understand the participants perceptions of strengths, opportunities, concerns and weaknesses of the common governance models
3) To narrow down to one or two preferred governance models for the Centre for Social Innovation. This will form the basis for the interview case studies in Phase 2 of the project.

Step 2: Facilitators to present governance models and examples (10 minutes)

Discuss Strengths (internal) and Opportunities (external) - pros; and, Weaknesses (internal) and Concerns (externals) - cons from the literature and the supporting organizations, funding opportunities.

Step 3: Dotmocracy (10 minutes) to be completed over lunch.

a. Facilitators post bristol board size dotmocracy sheets around the room for each of the governance models
b. Participants fill in dots to record opinions and write comments.

Finance Models Workshop

(40 minutes) – did not actually run due to time

Purpose: Based on the governance model selected, facilitators will review some of the financial models of current social innovation initiatives and sources of funding.

This workshop will assess the potential **risks and opportunities** of those funding sources (page 115)

Table 1: Illustration of potential risks and opportunities valuation

-10 Very negative characteristic
-5 Negative characteristic
0 No negative or positive results
5 Good results
10 Very good results

Very probable 100%
Hardly probable 0%

ACTIVITY 3
FINANCIAL RESOURCES

Options	Negative Possibilities			Positive Possibilities			
	Negative Characteristics (Risks)	A. Value B. % Probability	Neg. Score AxB	Positive Characteristics (Opportunities)	A. Value B. % Probability	Pos. Score AxB	TOTAL SCORE
Donors							
Major gift donors	- Deviate PCSI from mission - Loss of org control	A. -7 B. 80%	-5.6	- Financial Security (more money) - Free publicity	A. 8 B. 80%	6.4	0.8
Medium-Small gift donors	- Little money	A. -5 B. 90%	-0.8	- No deviation of PCSI's mission	A. 5 B. 50%	2.5	1.7
Rentals							
Partnerships							
Community Bonds							
Social Impact Bonds							

Step 1: According to the selected governance models in previous workshop, different financial resources options can apply for the PCSI case. The idea in this step is to identify financial resources options that apply for the PCSI case. Some examples of financial resources already applied in other Centres for Social Innovation are:

- Donors
- Rentals
- Partnerships
- Community Bonds
- Social Impact Bonds

(Alternatives used by CSI Toronto, The Hub, Evergreen Brick Works, Bull City Forward and Jelly)
(5 minutes)

Step 2: Participants will add other potential funding options:

Other additional financial options according to Cammie Jaquays, MBA, and her study on Needs
Assessment Analysis for the PCSI, are:

- A co-op with share capital
- Innovative mortgage arrangements
- Guaranteed and forgivable loans
- Sponsorships
- Subsidiaries of larger organizations (E.g. some of the successful examples in other
cities could sponsor/support the PCSI)
- Land leases
- Study the financial challenges of similar centres: what has worked for these
organizations and can the financial model be applied to Peterborough?

Step 3: The idea of this part of the workshop is to identify the risks and opportunities behind
adopting each financial resource option. (Split the group in smaller groups if necessary
to give everybody the opportunity to give their opinion).

Identify potential risks and opportunities of those financial resources, using key words.

Example: In Table 1, the financial resource "Major gift donors" represents a risk to "deviate PCSI
from mission" and "loss of organizational control", and it also generates two
opportunities "Financial security (more money)" and "free publicity".

Step 4: Based on the description, rate every risk and opportunity.

Participants will give a score for each negative characteristic or risk, from -1 to -10 (-10
representing a very negative impact for the PCSI - you could do this using pebbles).

Participants will give a score for each positive characteristic or opportunity, from 1 to 10 (10
representing a very positive impact for the PCSI - you could do this using pebbles).
Step 5: Assign a probability percentage of these characteristics manifesting / occurring based
on current knowledge or facts of the situation.

Step 6: Facilitators multiply score (-10 to +10) by percentage of probability (0 to 100%) and
obtain the total score.

For instance: in Table 1, "Medium – Small gift donors" have the highest total score, therefore
are more likely to be a source of income for the PCSI.

Outcome: Those options with the highest probability can become the focus of a campaign for the Centre for Social Innovation. In addition, this can assist in targeting initial market research to understand if the probability of those funding options is true.

IMPORTANT NOTE: This workshop was NOT executed and will be part of a future discussion. Due to time restrictions, workshop participants had to choose between having three short workshops with little final results or two workshops with deeper results and more time for each. The participants' selection was to execute two workshops in the time left, namely the workshop No. 1 governance and workshop No. 2 Operations and collaboration, based on the statement that the PCSI is still at an initial stage where deciding about the financial structure of the Centre might be premature.

Operation and Collaboration Workshop
(60 minutes)

Purpose: To look at the impact and feasibility of the various paths for the Centre for Social Innovation.

Paths will be divided into two sections: **Operations** (how we will deliver service) and **Collaboration Strategies** (Community Leadership or organizational methods)

These results will be used to guide the interview questions for phase 2 of this project and to assist in providing some focus for the market research component of the PCSI plan to hone in on feasible and high impact options.

Method: SAS^2 Predicting the future: Impact and Feasibility (Chevalier & Buckles, 2010)

Step 1: Review: Facilitators review the role of the Centre for Social Innovation (from the PCSI Concept Paper) (5 minutes)

Step 2: Present: explain workshop objective and method. Divide workshop participants into 2 groups.

Step 3:Small Group work: Break participants into two groups. One will work on Operations the other on Organizational methods. Facilitators hand out printout of services offered and collaboration methods used by other social innovation businesses. Each example will include a SWOT analysis. Participants will read and rate for impact and feasibility.

Step 3.1: Individuals Read and Rate each example
Impact: Based on the SWOT of each option, assess and indicate on each card whether the option will have a *high impact (++), moderate impact (+) or low impact (-)*in facilitating social innovation and social enterprise in Peterborough

Feasibility: Based on the SWOT of each option, assess and indicate on the card whether the option is **highly *feasible (A), Moderately Feasible (B) or barely feasible (C)***.
See Sample card – 5min

Option: add additional ideas/considerations for the **Operations / Collaboration** methodsin social innovation. Each option should be concrete, distinct and clearly defined. Facilitators will write each option on its own card, with some details about the option on the back of the card.   Assess each option (as a group) the Strengths and Weaknesses (internal) and Opportunities and Threats (external). Facilitators will write on the back of the card to capture this information for each option.

Step 3.2: Share rating and justification – 5min

Step 3.3: Resolve disputes / build consensus – 5min
(Pass cards to Sara to place on Rainbow)

	Group #
TITLE OF OPTION CONSIDERED	
Impact	Feasibility
+	B

Switch groups and repeat step 3.
(15 min each, 30 min total)

Step 6:Rainbow: Facilitators will have pre-created two rainbow diagrams (one for operations and one for community leadership) and each group will present its findings and place their cards on the rainbow diagram. (5 minutes)
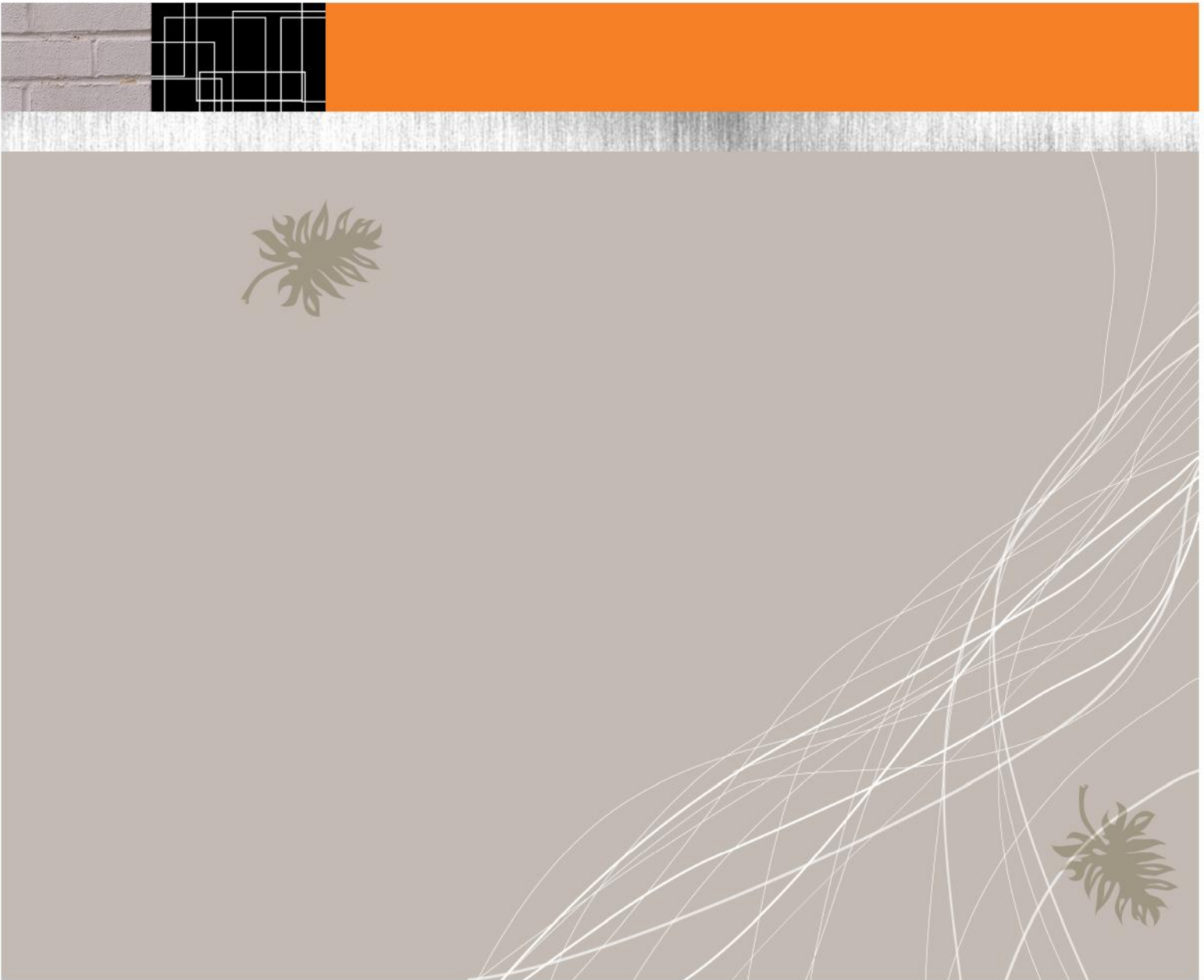
Step 7:Discussion: Discuss the picture that emerges and priorities for Operations and Organizational methods based on the level of impact and feasibility of each option. Also, discuss ways to improve or combine the options to make them more feasible or achieve greater impact.
(10 minutes X 2 rainbows = 20 minutes)

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