

Experiment

The Experiment stage is about testing the assumptions that we have around our chosen social innovation idea as leanly as possible. In this way, Experiment is about de-risking our idea as much as possible and avoiding rework (and resources) down the line once we've implemented it.

Before we jump into testing mode, we need to put some more details around our idea to ensure it's fleshed out enough for testing. To do this, simply take your chosen idea and use it to answer the following questions:

- What problem is this social innovation idea solving?
- In two to three sentences, what is the social innovation idea?
- How will this idea work in practice? What does the beneficiary/donor/supporter/partner journey look like?
- What makes this social innovation idea unique and creative?
- What is the appeal of this idea externally? What is the beneficiary, donor, supporter and partner value proposition?
- What is the appeal of this idea internally? Why will staff support this social innovation idea?
- How will this social innovation idea make an impact? How will it change lives, impact communities, it increase funding, reduce costs, or save time?

What this tool will do

This tool is a simple and quick way to flesh out your idea and fill in any gaps of how stakeholders will use and engage with the social innovation idea. By answering these questions, you will have a well painted picture of what the donors, beneficiaries, supporters or partners journey with the idea looks like.

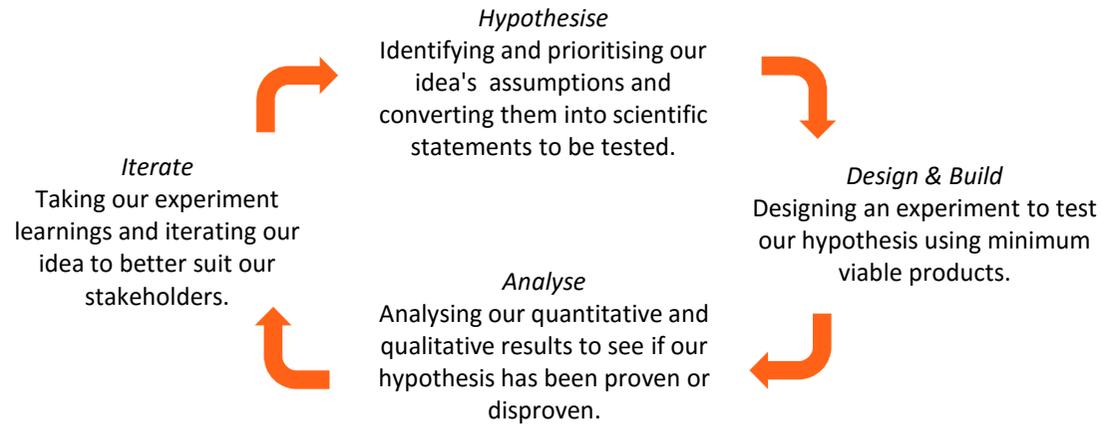
What this tool won't do

Using this tool will not give you enough information to accurately build a case study for your idea's implementation. By the end of the this stage, your experiments will provide with a robust evidence base that you can extrapolate into a well calculated business case.

Once we've fleshed out our idea using the above questions, we can begin testing our idea. The leanest and most rigorous way to test ideas is using [Lean Startup Methodology](#). This methodology embraces five principles:

1. Get out of the building (and engage with your stakeholders)
2. The only way to win is the learn faster than anyone else
3. Maximise the learning per dollar spent
4. Avoid building ideas that no one wants
5. Success is not about building a new feature. Success is learning about how to solve a stakeholder's problem.

Lean Startup Methodology gives us a framework called the Learning Loop, to test, learn and iterate our idea. Instructions on how to work through the Learning Loop are detailed on the following pages.



1. Hypothesise

Every idea has a set of assumptions that underpin it. These assumptions are likely to be around what the stakeholder will do or why they'll value something. Assumptions often come out as questions such as "Will our beneficiaries use X?" We need to identify these assumptions and then turn them into hypotheses which are scientific statements of belief.

To begin the Hypothesise step of the Learning Loop, we first need to list all of the assumptions that we have around:

- How the idea will create and deliver value for our donors, beneficiaries, partners or supporters.
- How new partners, supporters, beneficiaries or donors will discover the idea (i.e. grow).

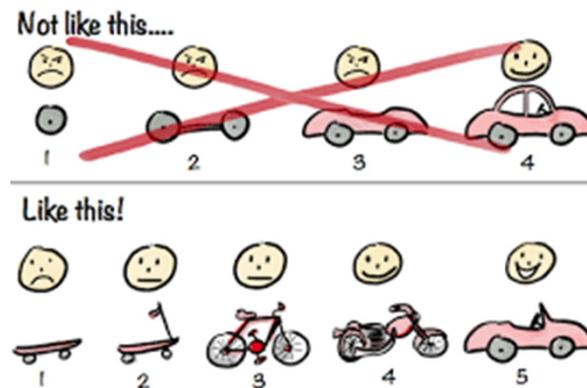
Once we've identified all of our assumptions, we need to turn them into hypotheses. Do this by turning each assumption into a statement of belief to be proven or disproven. For example, "Will our beneficiaries use X?" would turn into "Beneficiaries will use X." Then, once each hypothesis statement is crafted, prioritise them from most risky to least risky, with the most risky hypothesis being the one that would cause the whole idea to fall flat if disproven/untrue.

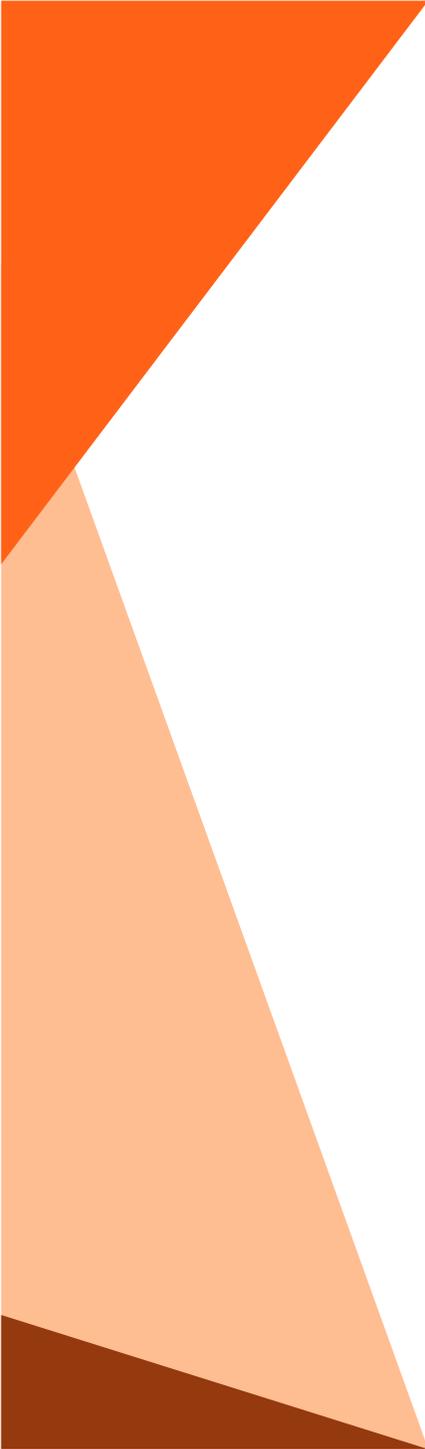
Case study - Direct giving platform [Kiva](#) would have had two hypotheses of “Investors will want to fund individual’s small projects” and “Investors will want their loan repaid within a defined timeframe.” Of these two hypotheses, the first is much riskier as if this is disproven, the entire value proposition of Kiva is threatened. Although the second hypothesis is still important it only represents a small feature of the overall value proposition and therefore it is less risky. Kiva has successfully proven this hypothesis and has scaled considerably since their launch in October 2005. By June 2017, Kiva had funded over 1.2 million loans across 84 countries. Of these loans, 220,000 had borrowers from conflict zone, 526,000 supported farmers, 750,000 had borrowers from some of the least developed countries, 65,000 loans funded clean energy access, and 28,000 loans funded education initiatives.

2. Design & Build

Now that we have our prioritised list of hypotheses, we need to begin testing them one at a time from the top down (from most risky to least risky). To do this we need to create a minimum viable product (MVP) that will act as our testing apparatus for the hypothesis we wish to prove/disprove.

An MVP allows us to gain maximum learnings about stakeholders with the least effort. It does not have to be a physical product, but rather it can be any apparatus that allows us to test stakeholder behaviour, rather than intention. The below cartoon represents the concept of MVPs when testing a hypothesis such as “Beneficiaries will use our service to transport medical supplies from A to B.”



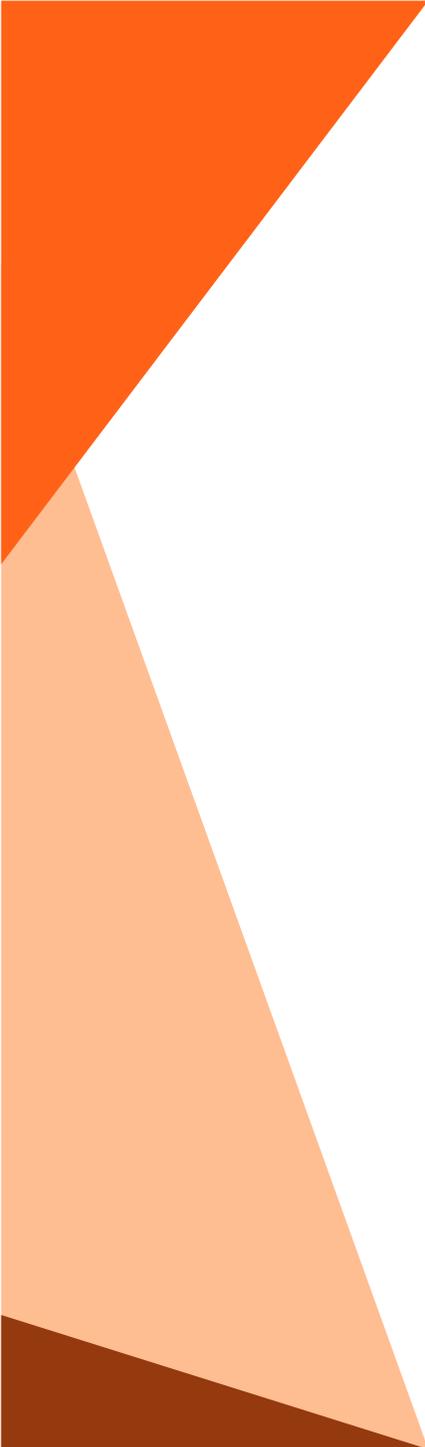


Some examples of commonly used MVPs are described below:

- Wonderful Wizard of Oz – The offering looks shiny and real on the outside but is actually very manual under the surface.
- Imperfect Landing – Having an online landing page describing the offering with a 'Buy Now' (or similar call to action) button that has no real offering for sale but redirects to a thankyou or small gift instead.
- VIP Treatment – Walking the stakeholder through the manual journey, holding their hand and observing their reactions along the way.
- Video Spectacular - A short video explaining your offering with a call to action at the end.
- Money Talks – Using crowdfunding to get donors, beneficiaries, supporters or partners to pre-order (and pre-pay).
- Rapid Prototype – Using cheap materials or 3D printing to quickly pull together a scrappy version of your offering.

Although these MVPs are listed as separate examples, often MVPs are a combination of a few different types.

Case Study – The [Coalition of Humane Immigrant Rights of Los Angeles](#) (CHIRLA) helps people overcome barriers related to language, discrimination, undocumented status, limited access to technology and poverty. In 2014, CHIRLA wanted to develop new service that would meet the needs of its community, increase its membership and provide financial stability. Instead of spending their resources looking at one or two ideas, they set about a lean experimentation process where they tested more than 14 ideas in a couple of months. In one experiment, the CHIRLA team wanted to test their riskiest hypothesis of 'People will sign up and pay for the new services'. To test this, the team developed paper flyers for 14 of the proposed services (a paper version of a Video Spectacular MVP), and combined with interviews, quickly got a sense of whether their ideas were worth pursuing, the potential demand for each offering and any blind spots they'd missed. CHIRLA found that ten of the proposed services either didn't have enough demand or would require significant changes. Four of the services however had strong demand and warranted further exploration.



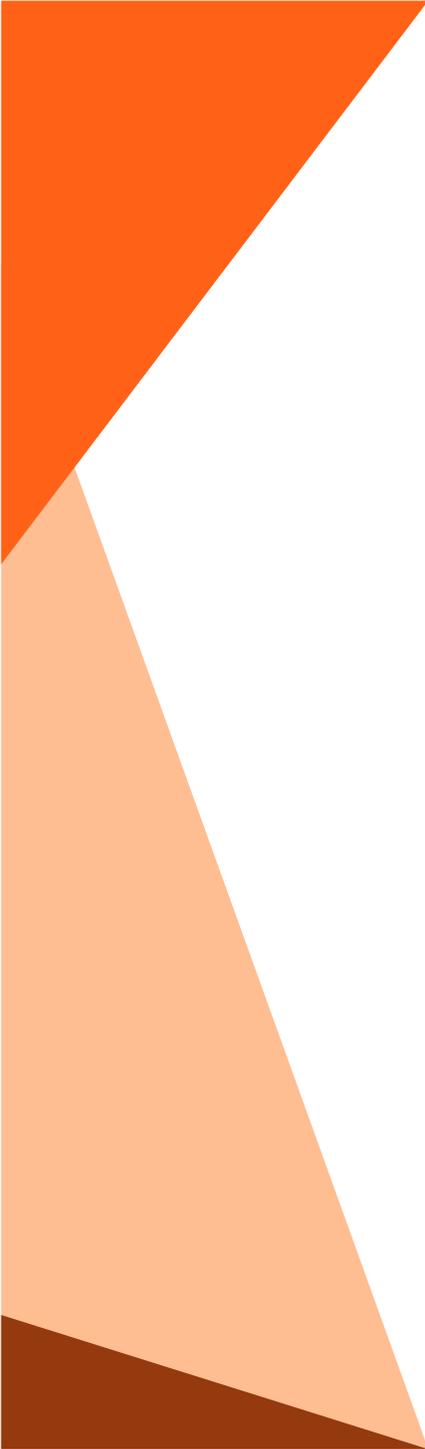
Once we have designed our MVP, we then need to design our experiment so that it is rigorous enough to prove or disprove our hypothesis with certainty. There are a few details that we specifically need to plan to ensure this accuracy:

- Baseline – You need something to compare your experiment results to so that you know what is a good or bad result. If you already have an existing offering available to stakeholders that your idea is looking to improve, then your existing data here (e.g. regular giving donors, number of beneficiaries engaged etc.) could act as your baseline. If your offering is something new, then you will need to create a baseline in your first experiment that you can compare subsequent experiment results to.
- Set your quantitative data threshold – What are you wanting to measure and what level do you and your manager need to see in this metric to be confident in the idea? For example, you might want to see a 20% increase in beneficiaries engaging with your new program/service.
- List qualitative questions - Note down some questions that you can ask your stakeholders, whether they be supporters, donors, beneficiaries, or partners, to explain why they behaved the way they did in your experiment. These answers will help you iterate the idea later to better fit their needs. For example, you can reasonably expect there to be some beneficiaries not engaging with your new program/service, hence you should note down questions that enquire about why they aren't.

By now, your experiment should be well designed and almost ready to go live. The final piece you need to organise is stakeholders. Use the below thought starters to think about how to best recruit the donors, supporters, beneficiaries or partners you need for your experiment:

- Visionary vs easy-to-recruit stakeholders – Think about how you might balance the recruitment of progressive-thinking stakeholders with the easily-found stakeholders, to ensure you're not only getting relevant feedback but are also still acting quickly.
- New vs existing stakeholders – Will your idea target new or existing stakeholders? Make sure your recruited stakeholders reflect who you will ultimately be targeting with this social innovation.
- Sample size – How many stakeholders will you need to run your experiment with? As a general rule, the smaller the effect you're looking for (i.e. the smaller your quantitative data threshold), the harder it will be to see, and therefore the larger the sample needed.

When you have your MVP built, experiment designed and stakeholders recruited, you can roll out your experiment and begin collecting your data.



Analyse

When you have complete your experiment and gathered all of your quantitative and qualitative data, you then need to analyse it to see whether your original hypothesis has been proven or disproven:

- If your quantitative results exceeded your data threshold your hypothesis has been proven. You can now go back to Hypothesise, choose your next riskiest hypothesis and move through the learning loop again.
- If your quantitative results did not reach your data threshold your hypothesis has been disproven. You now have a decision to make – do you:
 - Persevere and make small iterations to the idea and redo the experiment.
 - Pivot and make large iterations to the idea and redo the experiment.
 - Kill the idea as it's deemed unworkable.

Although on the surface, killing an idea seems like a failure, its is actually a win as you've saved resources being wasted down the line. If this is the path you decide on, you can go back to your shortlisted ideas from the Ideate stage and begin testing the idea that got the second-most votes.

Iterate

Once we've looked at our quantitative data and decided whether to continue to the next hypothesis, persevere or pivot with the same idea, or kill the idea, we then need to look at our qualitative data. We need to ask ourselves 'Why did we get this number? What did we learn? How can we use this information to iterate?'

Common ways we can change our idea, also known as a pivot, are:

- Zoom in – Where something that was going to be a single feature becomes the whole idea.
- Zoom out – Where the original whole idea is now only a feature of a larger offering.
- stakeholder segment – Where your idea solves a problem for a different type of stakeholder than you initially expected.
- Value capture – Where you change the funding/revenue model.
- Channel – Where you change how you deliver your offering to stakeholders.
- Engine of growth – Where you change your idea's growth mechanism.

When iterating your idea, make sure to anchor iterations around your problem to be solved.

Once you have iterated your idea, continue to travel around the learning loop, testing all of your most risky hypotheses until you and your manager are confident enough in the idea to warrant implementation and further resource investment.

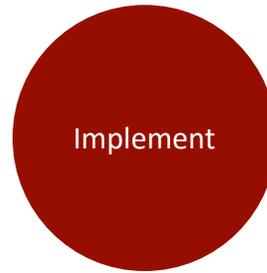
What this tool will do

The learning loop is one of the most powerful tools in innovation theory to date. It will allow you to quickly and cheaply learn from your stakeholders about whether they value and will use your idea. On top of this, the valuable stakeholder feedback will enable you to quickly iterate and change your idea to better fit their needs. The learning loop provides NGOs with a leaner and faster alternative to piloting and prototyping ideas, as well as provides senior internal stakeholders hard evidence to base their business case projections on.

What this tool won't do

Although the learning loop will significantly de-risk your idea by validating your most risky assumptions, it will not completely eliminate risk from your social innovation.

Case Study – In 2010, [Worldreader](#) launched to bring digital books to disadvantaged children and their families. Instead of launching with a fully developed platform, the team first developed a small-scale version of the platform and introduced this to 16 sixth-graders in Ghana via Amazon Kindle e-readers. The team used this MVP to test the hypothesis that ‘Kids will embrace e-readers to read more.’ This high-touch VIP treatment of the 16 students allowed the team to find holes in their platform and troubleshoot before investing more time and resources in the initiative. For example, the team saw that the kids kept sitting on the devices during recess causing screen damage, hence they iterated their initiative to include information about caring for e-readers and worked with Amazon to create more durable screens. By 2015, Worldreader offered 15,000 books in 43 languages and had impacted the lives of more than 2 million young readers.



Implement

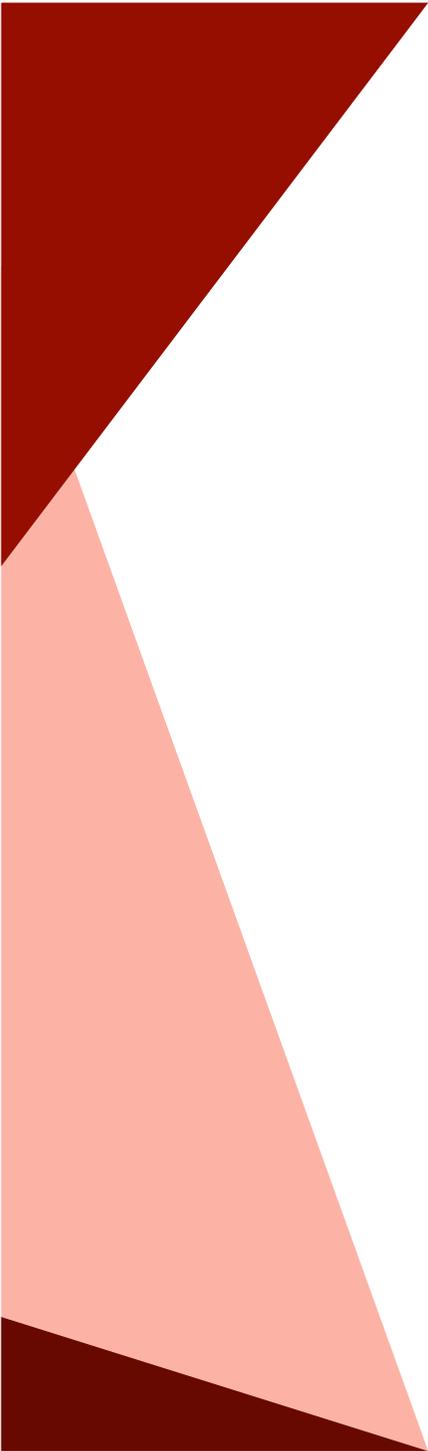
The Implement stage is when we can reap the rewards of our innovation efforts by rolling out our social innovation idea to our donors, beneficiaries, supporters and/or partners. Implementation may not always begin as a full scale roll out, but may start with a working prototype, pilot or trial. By slowly scaling our idea in this way we can continue to learn and iterate before investing large amounts of resources.

Although the large majority of testing will happen in the Experiment stage, project teams should continue to use the principles and methodologies the Experiment stage to test, learn and iterate the idea even when it is scaled up. Down the line, once the idea has matured, this constant learning will develop into continuous improvement work.

It may not always be possible to have continuous improvement work happening across all of your organisation's offerings. In this case, we need a way that will trigger us to know when one of our social innovations is at risk of becoming irrelevant and hence requires improvement. We can do this by using 'Tripwires'.

Tripwires are designed to draw our attention to something that would have otherwise gone unnoticed. They are explicit targets that we set in advance for our social innovations, that if not met, trigger us into continuous improvement action. Common examples of tripwires include:

- Deadlines – For example, "If we don't get local government approval for this policy change by *December 31*, then we'll need to revise our strategy"
- Quantitative goals – For example, "If we do not consistently see a *25% increase* in crop yield in this community, then we'll consider an alternative solution."
- Partitions – For example, "We want to see *5% growth every month* in Cambodian beneficiaries engaging with our program/service, otherwise we'll consider a different approach to this development issue."



What this tool will do

Tripwires will ensure that you don't switch to autopilot once your social innovation is implemented. Instead it will keep continuous improvement top of mind by triggering when your innovation's impact has started to flat line. By continuously improving your social innovations, you will ensure that you stay ahead of the curve and respond to external environmental factors such as emerging trends.

What this tool won't do

Although tripwires will tell you when continuous improvement is required, it will not tell you how to achieve this. You will need to begin a new social innovation project in the horizon 1 space (see page 34).

For each offering, it is useful to set a tripwire for the coming months/years and review these on a regular basis. If a tripwire 'goes off' and is not met over consecutive periods, then an innovation project around this should be set up. This project should begin at the Opportunity stage of the innovation process, with a well defined scope and target stakeholder (i.e. are we looking to acquire new donors, supporters, beneficiaries or partners to this offering, increase spend of current donors/private or government partners, incrementally improve the old offering or create a new completely new offering?) Once this Opportunity has been defined, project teams can be formed and should progress through each stage of the process as described in this guide from pages 30 to 64.