INNOVATION NORTH

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The Lab | 2019-2024

A Message from Tima Bansal

Founder & Lab Leader, Innovation North

There are many approaches to corporate innovation, such as stage-gate models, design thinking, open innovation, and lean startup methodology. Each of these approaches puts the company or its customers at the centre, creating value for the company, while potentially negative impacts on society.

The ambition of Innovation North's Lab was to co-develop an approach to innovation that puts business and society on equal footing – creating value for both simultaneously. This approach to innovation motivates employees, stimulates creativity, promotes resiliency, and generates revenues for longer.

From 2019 to 2024, Innovation North brought together leaders from 30 of Canada's leading organizations, who we call Practice Partners, and researchers from the Ivey Business School to collaborate on innovating the innovation process. By integrating a systems perspective, the Lab aimed to address the limitations of traditional approaches.

Across the 21 sessions of the Lab, we invited world-class speakers to share their thought leadership on topics related to innovation and systems thinking. This document recaps the five-year journey and shares some key takeaways from each of these sessions.

Dr. Tima Bansal

PRACTICE PARTNERS

30 of Canada's leading organizations across Canada's major sectors came together to accelerate our journey to co-creating better business and a better society.

LAB SESSION 1: CHOOSING THE APPROACH TO INNOVATION

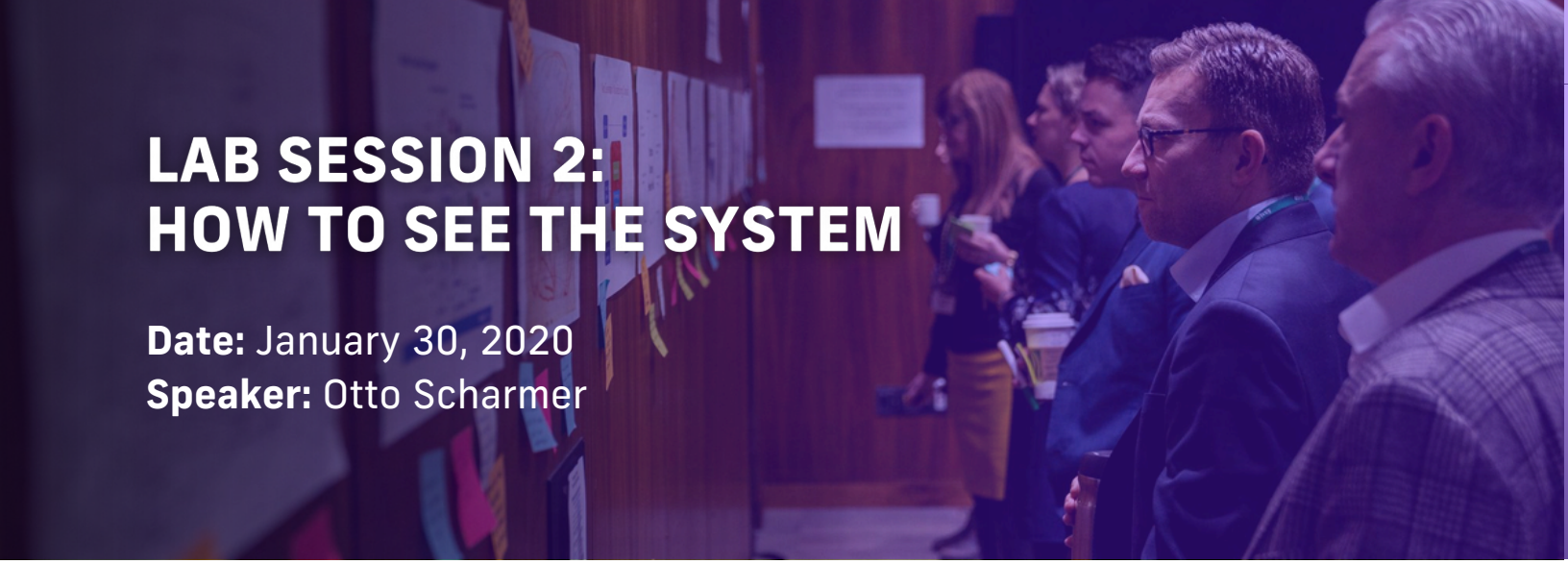
Date: October 9, 2019
Speaker: Peter Senge

Peter Senge

Peter Senge, often regarded as the father of systems thinking, was chosen to kick off the Innovation North Lab. His seminal work, "The Fifth Discipline," was the first management-oriented book to emphasize the importance of firms thinking in systems to enhance learning and understand their place within larger systems. Senge provided an overarching view of why systems thinking is necessary and how organizations should approach it. He guided a highly interactive dialogue on leveraging systems thinking to reframe approaches to learning and innovation in an era of unprecedented disruption.

Key Takeaways:

- Traditional approaches to innovation are suitable for static, controllable environments
- Systems thinking is necessary for complex, chaotic environments
- Systems thinking views the world as interconnected systems where all elements affect each other
- In dynamic systems, prototyping and experimentation are crucial as outcomes cannot be predicted or controlled
- Innovation requires understanding both the firm and the larger system it operates within



LAB SESSION 2: HOW TO SEE THE SYSTEM

Date: January 30, 2020
Speaker: Otto Scharmer

Otto Scharmer

Following Senge's big-picture introduction, Otto Scharmer was invited to turn the lens back to the individual. The objective was to create a strong conceptual foundation: Senge spoke about why firms need to think in systems, while Scharmer focused on how individuals work within systems, demonstrate leadership, and navigate the process of systems thinking. Scharmer challenged participants to reshape their perspectives to fully see the complexity of the system in which they operate. He emphasized overcoming cognitive biases and social silos that often hinder a comprehensive view of complex problems.

Key Takeaways:

- People tend to simplify problems, introducing biases and limiting creativity
- Awareness of one's own biases is crucial for effective systems thinking
- Integrating diverse points of view enhances creativity and successful innovation
- The shift from an "ego" to an "eco" perspective is essential for addressing complex challenges
- Co-creation and collective sensing are key to overcoming biases and innovating within systems

LAB SESSION 3: TRANSITIONING BEYOND COVID-19

Date: April 30, 2020
Speaker: Terry Irwin

Terry Irwin

Terry Irwin's session, originally planned to focus on transition design tools, had to pivot due to the onset of the COVID-19 pandemic. This unexpected change provided an opportunity to explore systems thinking in real-time, as the pandemic itself was a prime example of a complex systemic issue. Irwin, one of the co-originators of Transition Design, demonstrated how complex systems impact our lives, particularly in the context of the COVID-19 pandemic. She challenged participants to see beyond individual events and recognize the interconnected systems that both enable and are destabilized by major disruptions.

Key Takeaways:

- Major disruptions like COVID-19 reveal the complex, interconnected nature of our systems
- Understanding historical trajectories of systems is crucial for creating innovations and cross-sectoral collaborations that lead to desirable futures
- Addressing system deficiencies requires questioning established practices and avoiding a return to "business as usual"
- Long-term thinking and focus on common societal goals are becoming increasingly important

LAB SESSION 4: SYSTEMIC DESIGN

Date: July 30, 2020
Speaker: Kristel Van Ael

Kristel Van Ael

With the theoretical foundations of systems thinking established, the Lab moved towards exploring practical tools for implementing these concepts. Kristel van Ael was invited to present systemic design as a crucial approach for addressing complex global challenges. Van Ael explained that while design thinking is useful in stable, predictable environments, it often falls short in complex systems due to its narrow focus on user experience. Systemic design, by contrast, merges systems thinking with design thinking to create a more comprehensive approach to innovation.

Key Takeaways:

- Systemic design combines the user-centric approach of design thinking with the holistic perspective of systems thinking
- This method allows innovators to "zoom in" on specific details while also "zooming out" to understand broader system dynamics
- Systemic design helps avoid unintended consequences by considering impacts beyond organizational boundaries
- The process involves mapping the current system, envisioning an ideal future, and creating a roadmap for change
- Collaboration among diverse stakeholders (citizens, government, business, academia) is essential for effective systems innovation

LAB SESSION 5: COLLABORATIVE GOVERNANCE

Date: October 30, 2020
Speaker: Jorrit De Jong

Jorrit De Jong

As the Lab explored different aspects of systems thinking, the importance of collaboration in complex systems became a focal point. Jorrit De Jong was invited to lead a session on collaborative governance, helping participants understand how to collaborate in loosely governed systems where multiple stakeholders care about macro goals but operate as individuals within the system. De Jong defined collaborative governance as a structured approach for organizations across private, public, and non-governmental sectors to work together on complex challenges. He explained that this approach is necessary for addressing issues like public health crises, racial injustice, and climate change, which are too complex for any single organization to solve.

Key Takeaways:

- Complex problems require collaboration across sectors and disciplines, necessitating the 'unlearning' of habits developed for simpler issues
- Effective collaboration involves collectively defining problems and developing scenarios about potential futures to guide present actions
- Diverse backgrounds and perspectives in a team should be viewed as assets rather than obstacles when addressing complex problems
- Collaboration should be seen as an ongoing, iterative process rather than a one-time event

LAB SESSION 6: TRANSITION DESIGN

Dates: January 15, 22, 29, 2021
Speakers: Terry Irwin & Gideon Kossoff

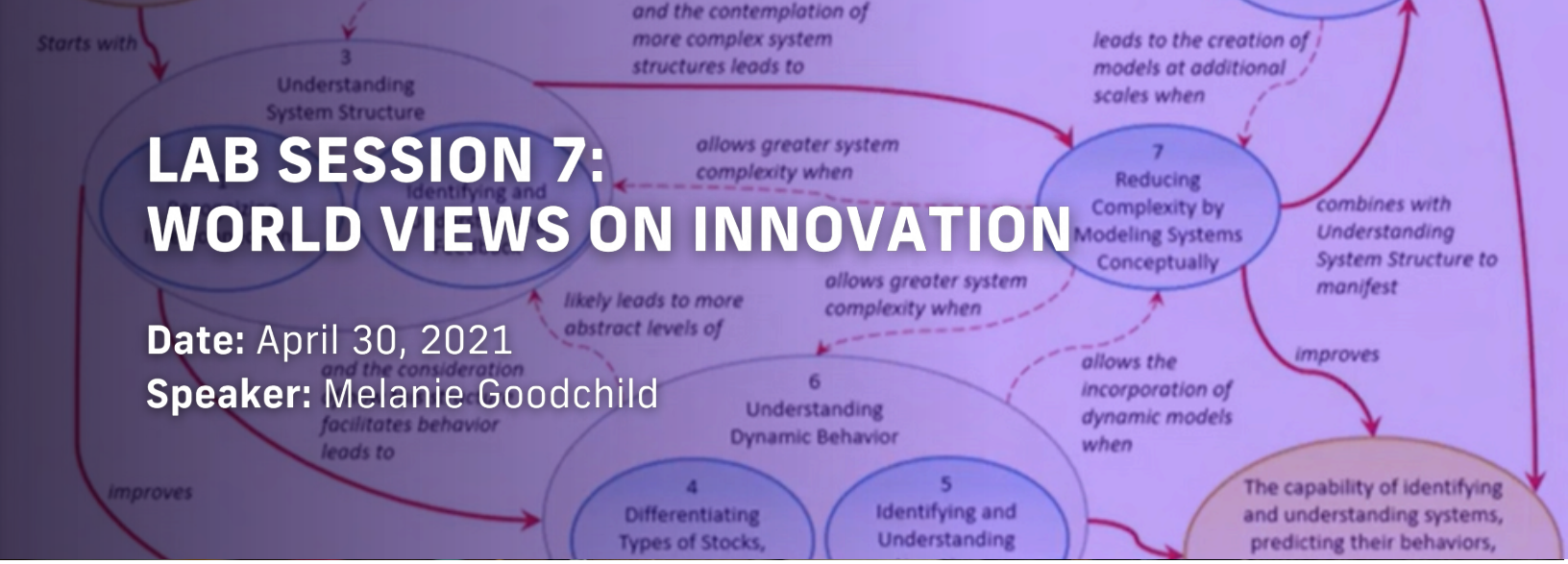

Terry Irwin


Gideon Kossoff

Terry Irwin returned to the Lab to deliver the content originally planned, this time accompanied by Gideon Kossoff. This three-part series focused on Transition Design, a transdisciplinary approach for addressing complex, wicked problems facing 21st century societies. Participants engaged with six distinct challenges: climate change, natural resource exploitation, organizational resilience with COVID-19, wellbeing amidst COVID-19, commercializing innovation, and trust in the digital age. Irwin and Kossoff guided the participants in envisioning future scenarios where these issues are resolved, emphasizing a shared vision despite the diversity of the problems tackled.

Key Takeaways:

- Effective solutions to wicked problems require collaboration across diverse sectors and communities, promoting trust and collective effort rather than polarization
- Achieving a better work-life balance and creating a strong sense of community will be central to improving overall wellbeing, with a focus on local actions that contribute to global goals
- Long-term solutions must prioritize environmental health to ensure a resilient natural world
- Addressing complex wicked problems requires a systemic approach, focusing on underlying causes and developing an interconnected "ecology of solutions" rather than seeking simplistic fixes



LAB SESSION 7: WORLD VIEWS ON INNOVATION

Date: April 30, 2021
Speaker: Melanie Goodchild

Melanie Goodchild

To broaden perspectives within systems thinking, Melanie Goodchild was invited to introduce participants to an Indigenous worldview, which is inherently relational and offers a unique approach to systems thinking. Goodchild, a member of the Biigtigong Nishnaabeg First Nation and founder of the Turtle Island Institute, introduced the concept of Relational Systems Thinking (RST). This approach integrates traditional Indigenous knowledge with systems thinking and complexity theory to address complex societal challenges.

Key Takeaways:

- Indigenous knowledge sees all elements of a system as interrelated, including people, nature, and ideas
- Relational Systems Thinking combines Indigenous wisdom with modern systems theory for better problem-solving
- Unlike Western approaches, Indigenous views don't separate business from society, leading to more holistic innovation
- Integrating Indigenous knowledge in innovation can lead to more diverse, resilient, and adaptable solutions

LAB SESSION 8:
CREATING A CULTURE OF CREATIVITY

Date: July 22, 2021
Speaker: Colin Fisher

Colin Fisher

Recognizing the importance of creativity in systems innovation, Colin Fisher was invited to explore how organizations can promote creativity instead of stifling it. This session was part of a series aimed at building specific skills necessary for effective systems thinking. Fisher defined creativity as a process combining novelty and usefulness, emphasizing that both are necessary for true creativity. He challenged participants to view creativity as a collective endeavour rather than a solo adventure.

Key Takeaways:

- Managers should act more like jazz ensemble members than orchestra conductors, shaping the context for creativity rather than directing actions
- Take time to understand and clearly define the problem before seeking solutions
- Design collaborative processes, as creativity is a team sport that taps into diverse skills and resources
- Activate intrinsic motivation through challenging work, autonomy, and encouragement, rather than relying on financial incentives
- Build a culture of psychological safety where failure is seen as a learning opportunity, encouraging wild and potentially ridiculous ideas

LAB SESSION 9: MEASURING AND ASSESSING INNOVATIONS

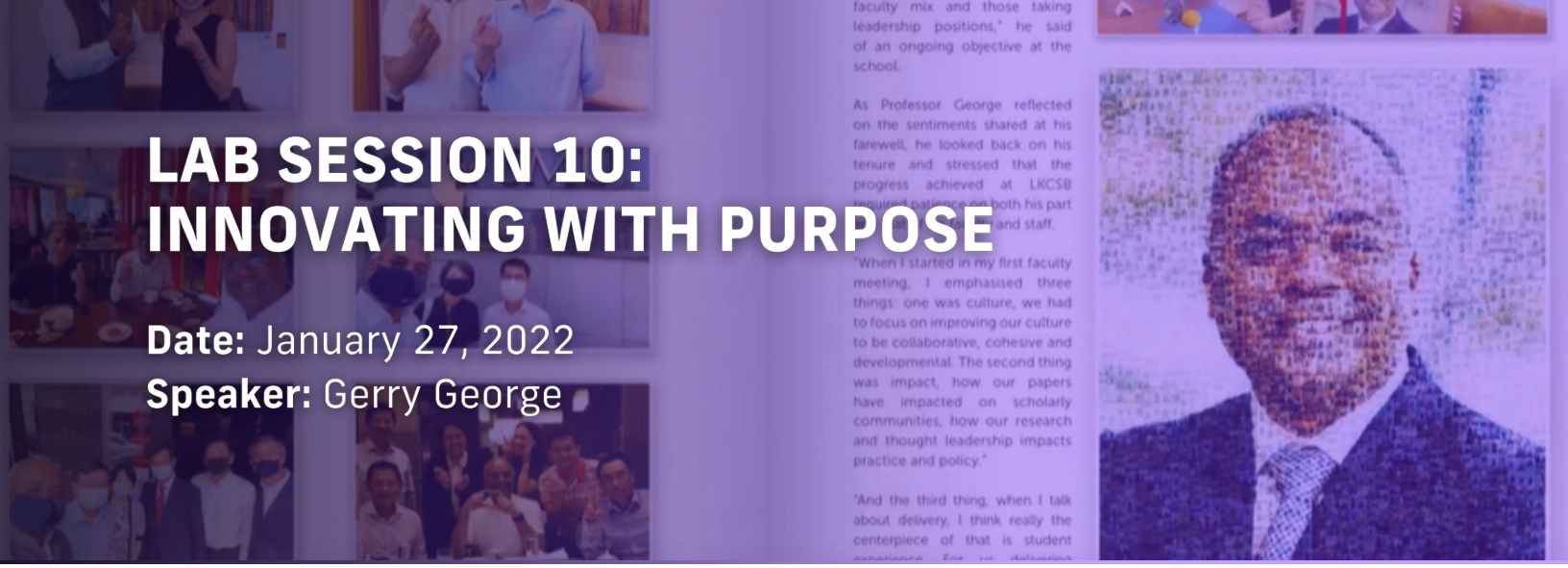
Date: October 28, 2021
Speaker: Andrea Romi

Andrea Romi

As the Lab delved deeper into systems innovation, the need to effectively measure and assess innovations within this context became apparent. Andrea Romi was invited to address this crucial aspect of systems innovation. Romi emphasized that traditional metrics often fail to capture the broader, systemic impacts of innovations. She introduced the concept of expanded impact, which goes beyond traditional internal metrics to consider broader systemic effects.

Key Takeaways:

- To effectively measure the success of innovations, it is crucial to adopt a systems perspective, considering both internal and external impacts
- Beyond traditional financial measures, innovators should incorporate a variety of metrics that capture the broader effects on society and the environment
- Measuring impact requires understanding the "What," "Who," "How much," "Contribution," and "Risk" dimensions to get a comprehensive view of an innovation's effect
- Successful measurement involves combining quantitative data with qualitative insights, such as stories and anecdotes from affected individuals, to capture the full impact of an innovation



LAB SESSION 10: INNOVATING WITH PURPOSE

Date: January 27, 2022
Speaker: Gerry George

Gerry George

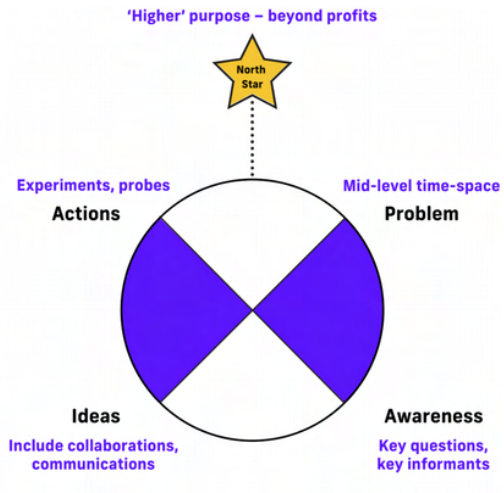
By this point in the Lab's journey, the need for a "North Star" to guide innovation efforts had become clear. Gerry George was invited to explore how corporate purpose can guide innovation in turbulent times. George introduced corporate purpose as a guiding force to keep innovations aligned with long-term goals. He defined corporate purpose as an organization's 'why' that extends beyond profit-making to consider broader stakeholders including communities, the environment, and future generations.

Key Takeaways:

- Corporate purpose counters the tendency towards shortsighted, incremental innovations in turbulent environments
- Developing purpose involves both aligning current activities and envisioning a desirable future
- Purpose-driven companies make long-term investments that build resilience and innovation capabilities
- Millennials and Gen Z employees are driving the purpose movement, seeking employers committed to authentic social impact
- A corporation's purpose ensures innovations are measured and held accountable to the firm's general direction, preventing distractions

LAB SESSION 11:
THE INNOVATION NORTH COMPASS

Date: April 29, 2022
Speaker: Innovation North Team



This session marked a pivotal moment in the Innovation North Lab, serving as an opportunity to reflect on the journey so far and shape the direction for the remaining sessions. The Innovation North research team conducted interviews with practice partners to gather insights and identify opportunities for shared learning. The session emphasized the increasing interconnectedness of global systems and the need for a new approach to innovation that builds stable, resilient, and sustainable systems. It also unveiled the first iteration of the Innovation North Compass, a tool designed to guide corporate innovation processes in complex systems.

Key Takeaways:

- External threats and opportunities: Rapid changes due to forces like COVID, climate change, and cybersecurity are creating unprecedented uncertainty
- Leadership challenges: Short-term focus, risk aversion, and fear of uncertainty often hinder innovation efforts
- Organizational structure issues: Silos between innovation teams and the rest of the organization impede progress
- Unfocused innovation: Lack of a clear "North Star" leads to dispersed capabilities and chasing opportunities without direction
- Collaboration difficulties: Corporations struggle to work effectively within broader ecosystems, often maintaining a self-centric view

LAB SESSION 12: ACTING FOR SYSTEMS INNOVATION

Date: July 22, 2022
Speaker: Banny Banerjee

Banny Banerjee

As the Lab progressed, there was a recognition that while participants had gained insight into framing problems and mapping systems, there was a need to focus on action. Banny Banerjee was invited to explore how innovators can translate systems thinking into tangible actions within complex, interconnected environments. Banerjee introduced the concept of "systems-informed simplification" as opposed to oversimplification, highlighting the need to understand the whole system before innovating. This session discussed strategies for navigating uncertainty, including developing "ecologies of actions" and launching small probes to learn about the system and mitigate risks.

Key Takeaways:

- Systems innovators should extract simplicity from complexity by understanding the most critical parts of the system and removing unnecessary elements
- Effective innovation in complex systems involves developing "ecologies of actions" - multiple small, related initiatives - rather than seeking a single solution
- Innovation actions are not limited to new products or services; they can include symbolic changes like redefining a company's identity, which can catalyze new thinking and opportunities
- The innovation process should be seen as a continuous journey of learning and adapting, with actions marking the beginning of the next step rather than concluding the process
- Organizations should consider both external actions and internal systemic adjustments to align policies, processes, and practices with their innovation goals

LAB SESSION 13: LEADING IN COMPLEX TIMES

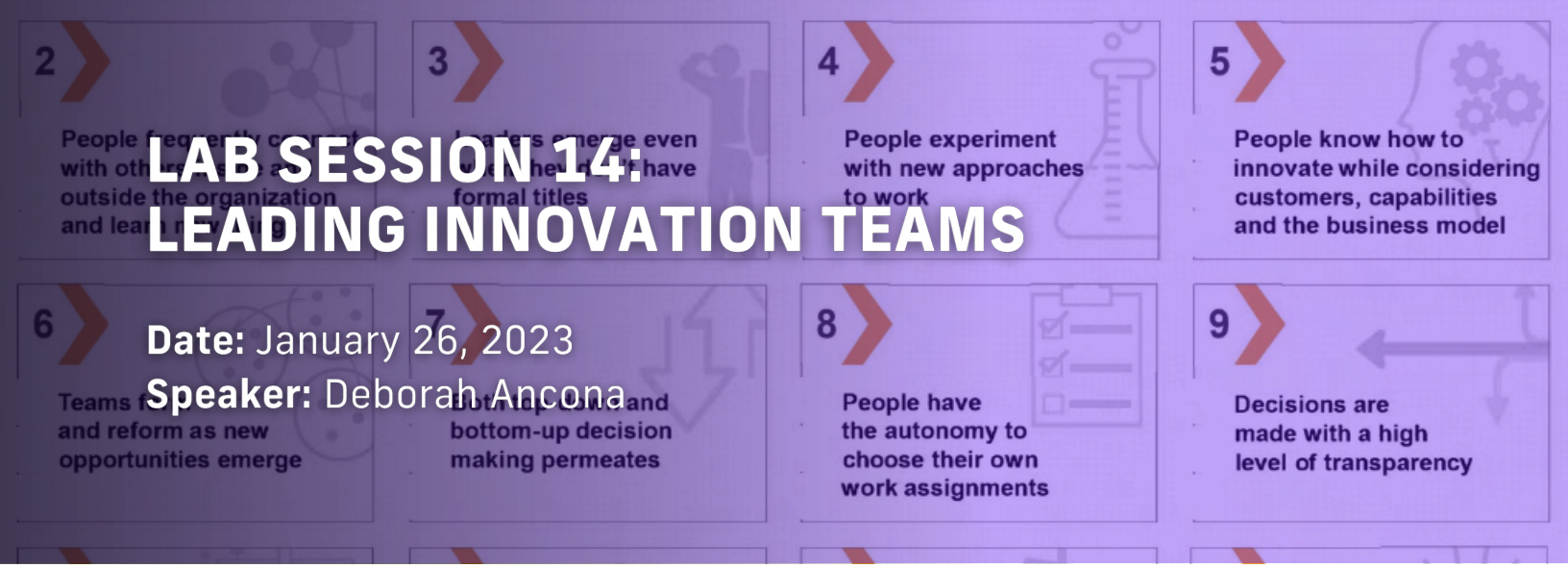
Date: October 27, 2022
Speaker: Jennifer Garvey Berger

Jennifer Garvey Berger

Building on the previous discussion about acting for systems innovation, this session focused on the individual skills and mindsets necessary for leading in complex environments. Jennifer Garvey Berger was invited to address the challenge of leading in complex times and how leaders can overcome obstacles to systems change. Berger introduced the concept of "mindtraps" - unconscious mental patterns that limit our ability to see and navigate complexity. She guided participants through exercises to identify these mindtraps in their own thinking and provided practical strategies to overcome them.

Key Takeaways:

- Complex systems are challenging to change due to invisible connections, ingrained mental habits, and the difficulty of maintaining a holistic perspective
- Leaders can improve their effectiveness by recognizing and countering their own cognitive biases and emotional shortcuts
- Developing habits such as seeking multiple perspectives and listening to learn rather than to win can help navigate complexity
- Effective system change requires building awareness of the whole system and aligning actions with the organization's overarching purpose
- Transforming complex systems often begins with personal change and recognizing one's own role within the system



LAB SESSION 14: LEADING INNOVATION TEAMS

Date: January 26, 2023
Speaker: Deborah Ancona

Deborah Ancona

Building on the individual leadership skills discussed in the previous session, Deborah Ancona was invited to explore how to lead and organize innovation teams within organizations. This session addressed the challenge of empowering teams to drive organizational change in the context of systems thinking. Ancona presented her model of distributed leadership and externally oriented teams (xTEAMS) as strategies for fostering innovation in complex business environments. The lab discussed how to move beyond traditional organizational structures to create more fluid, diverse, and adaptive innovation teams.

Key Takeaways:

- Effective innovation in complex environments requires distributed leadership rather than traditional command-and-control structures
- Innovation teams should be designed with a clear, shared purpose and cognitive diversity to generate novel ideas and solutions
- Team fluidity, where members move between core and peripheral roles based on project needs, enhances adaptability and cross-fertilization of ideas
- External orientation is crucial for innovation teams, involving connections with outsiders and stakeholders to gather diverse perspectives and feedback
- Creating a nimble organizational culture that encourages flexible leadership and inclusive innovation is essential for

LAB SESSION 15: ENABLING ACTION FOR SYSTEMS CHANGE

Date: April 27, 2023
Speaker: Ron Fry

Ron Fry

As the Lab moved into its final year, the focus shifted towards embedding systems thinking into everyday organizational life. Ron Fry was invited to explore how organizations can act on ideas to change systems, introducing Appreciative Inquiry as a powerful approach to implementing change in complex environments. Fry explained that Appreciative Inquiry shifts the focus from what is 'broken' in an organization to leveraging its strengths, widening the field of view to the whole system. He guided participants through the process, demonstrating how it can motivate actions and drive systems change.

Key Takeaways:

- Appreciative Inquiry reframes problem-solving by focusing on organizational strengths rather than deficits, leading to increased creativity and confidence
- The language and questions we use shape our perception of reality and guide our actions, making positive framing crucial for effective change
- Appreciative Inquiry creates sustained collaboration by engaging stakeholders in creating a positive future, generating energy and motivation
- Implementing change through Appreciative Inquiry involves a series of "nudges" rather than seeking a single, large-scale solutions
- Appreciative Inquiry complements the Innovation North Compass by providing a way to move from ideas to action while maintaining a future-oriented perspective

LAB SESSION 16:
THE INNOVATION NORTH COMPASS

Date: July 2023
Speaker: Innovation North Team

Dr. Tima Bansal

Alice Mascena Barbosa

Ju Young Lee

This session focused on the practical application of the evolving Innovation North Compass; a systems innovation tool designed to guide corporate innovation processes. Unlike previous sessions with external speakers, this hands-on training was delivered individually to each Practice Partner by Innovation North's research team.

The session's dual objectives were to help participants leverage the Compass in supporting their innovation processes and to identify effective problem statements for guiding innovation efforts. This collaborative approach underscored the Lab's commitment to developing practical, user-centred strategies for navigating the complexities of modern innovation in increasingly uncertain and interconnected business environments.

LAB SESSION 17: SIMPLE RULES FOR A COMPLEX WORLD

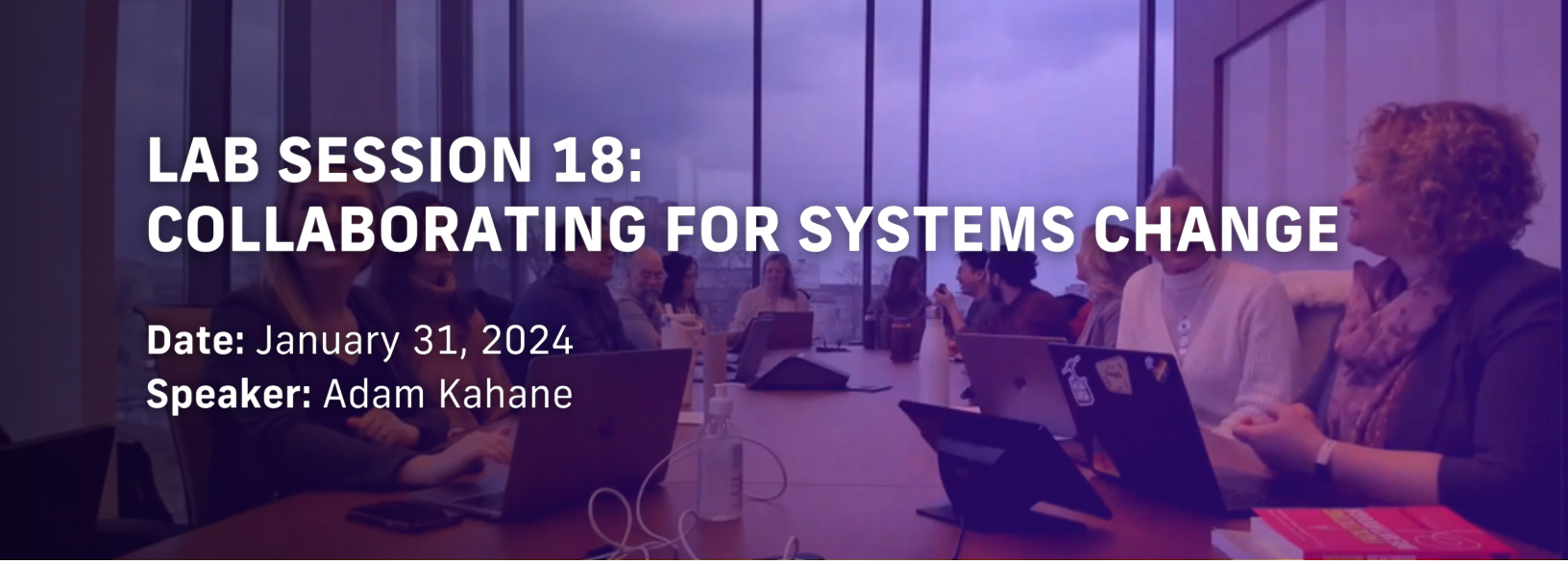
Date: October 6, 2023
Speaker: Kathleen Eisenhardt

Kathleen Eisenhardt

As the Lab continued to explore ways to embed systems thinking into everyday organizational life, Kathleen Eisenhardt was invited to discuss the concept of simple rules for navigating complex environments. This session addressed the challenge of making systems thinking part of daily operations. Eisenhardt introduced the concept of simple rules as an effective way to guide decision-making and action in complex systems. She demonstrated how simple rules help navigate complexity by allowing flexibility, enabling rapid decision-making, and helping synchronize people's activities.

Key Takeaways:

- Complex systems can be overwhelming due to their interconnectedness and unpredictability
- Simple rules provide effective shortcuts for decision-making in complex environments
- There are six types of simple rules: boundary, prioritizing, stopping, how-to, coordination, and timing rules
- Organizations should focus on a small set of rules (typically 3-6) for each key process
- While powerful, simple rules have limitations and should be periodically reassessed and updated



LAB SESSION 18: COLLABORATING FOR SYSTEMS CHANGE

Date: January 31, 2024
Speaker: Adam Kahane

Adam Kahane

Building on Jorrit de Jong's earlier discussion of collaborative governance, Adam Kahane was invited to delve deeper into collaboration for systems change. Kahane introduced the concept of "stretch collaboration," acknowledging that in complex problems, people often won't agree with, like, or trust each other, and collaboration cannot be tightly controlled. This approach was particularly relevant as the Lab continued to explore ways to make systems thinking a part of everyday organizational life, recognizing the challenges of collaboration in complex environments.

Key Takeaways:

- Stretch collaboration embraces conflict and uncertainty, unlike conventional approaches that seek harmony and control
- The approach involves three "stretches": embracing conflict and connection, experimenting a way forward, and stepping into the game
- Balancing self-realization (power) and unity (love) is crucial in navigating collaborative conflicts
- Experimentation and emergent processes are more effective than rigid planning in complex situations
- Recognizing and changing one's own role in the problem is essential for driving systemic change

LAB SESSION 19: CULTIVATING EMERGENCE

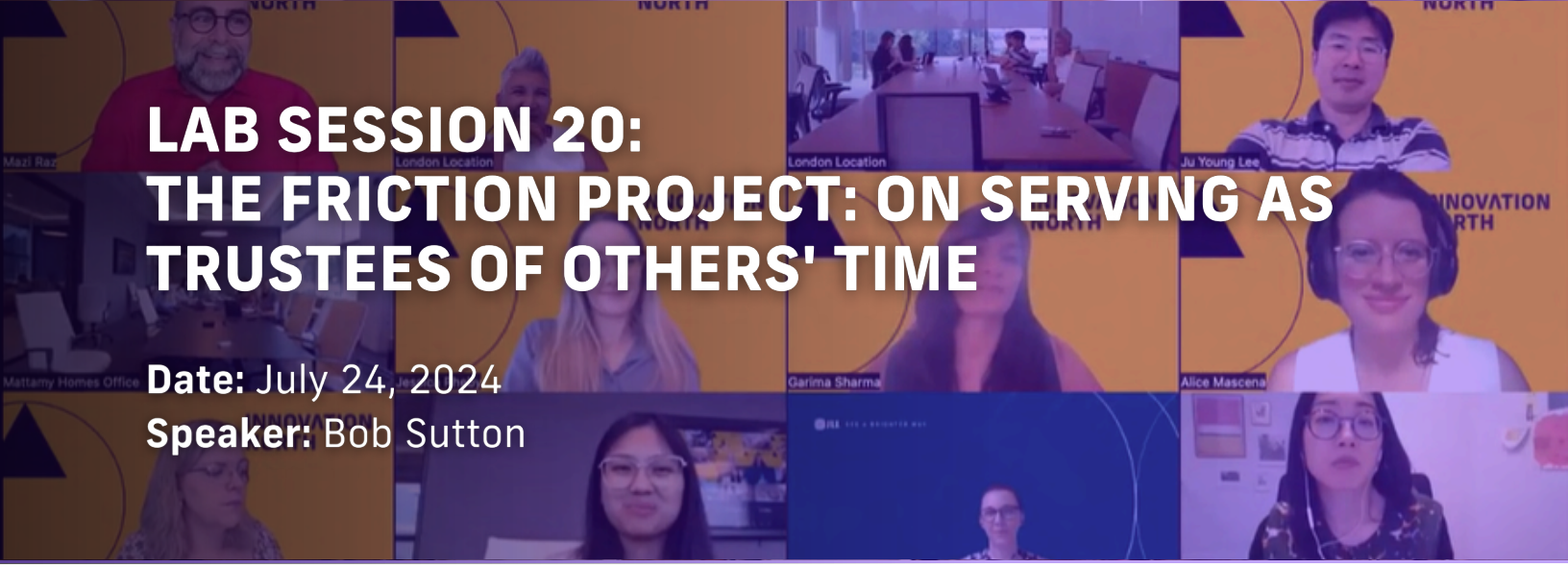
Date: April 24, 2024
Speaker: Ian Prinsloo

Ian Prinsloo

Continuing the exploration of how to embed systems thinking into organizational practices, Ian Prinsloo was invited to discuss the concept of cultivating emergence. This session built on Adam Kahane's discussion on collaborating for systems change, shifting the focus to setting the stage for effective collaboration, particularly in addressing complex challenges. Prinsloo emphasized the importance of creating conditions that foster desirable outcomes rather than trying to control the environment. He engaged participants in practical exercises, demonstrating how creative processes can be used to approach complex problems.

Key Takeaways:

- Creativity is innate and varies in intensity based on the complexity of the challenge
- Complex situations often require high levels of creativity due to unpredictable outcomes and diverse perspectives
- The creative process involves specific activities: inquiring, exploring, experimenting, and sharing unfinished work
- In highly complex situations, guiding principles (e.g., "think of the whole") are more effective than rigid rules
- Key principles for fostering creative problem-solving include promoting connection, curiosity, agency, and transformation



LAB SESSION 20: THE FRICTION PROJECT: ON SERVING AS TRUSTEES OF OTHERS' TIME

Date: July 24, 2024
Speaker: Bob Sutton

Bob Sutton

In the penultimate session of the Innovation North Lab, Bob Sutton was invited to discuss the role of friction in systems change. This session culminated the Lab's journey by exploring how understanding and managing friction is crucial for effective leadership and systems change. Sutton introduced the concept of friction as a force that can both hold things together and slow progress. He explored how friction manifests in organizations and systems, emphasizing its dual nature as both a barrier to change and a potential tool for improvement.

Key Takeaways:

- Friction in systems can both maintain the status quo and be a barrier to positive change
- Effective leaders act as "friction fixers," making the right things easier and the wrong things harder
- The "cone of friction" concept helps identify areas where individuals can influence system dynamics
- Successful systems change requires both lifting unnecessary frictions and adding beneficial ones
- Four major "friction traps" to avoid are: oblivious leadership, addition sickness, jargon monoxide, and inappropriate pacing

LAB SESSION 21: CLOSING SESSION & INNOVATING SYSTEMS

Date: October 29, 2024
Speaker: Innovation North Team

As the Lab came to a close, we got together as a community for one last session on the morning of October 29th. We took stock of where we've been and co-created a shared vision of where we can go.

Directly following this closing Lab session, we moved into *Innovating Systems – An Idea Exchange* where leading academic experts joined forces with highly experienced business leaders to discuss systems disruptions and actionable approaches to navigating the challenges. We focused on four systems disruptions: artificial intelligence, the nature of work, climate change, and sociopolitical whiplashes. We were excited that Peter Senge, our very first Lab speaker was able to be our very last, in order to bookend the Lab.

THE INNOVATION NORTH COMPASS

We hope you will continue to use the Compass to tackle complex challenges. We co-developed this tool to navigate the increasing amount of complexity and disruptions facing businesses today.

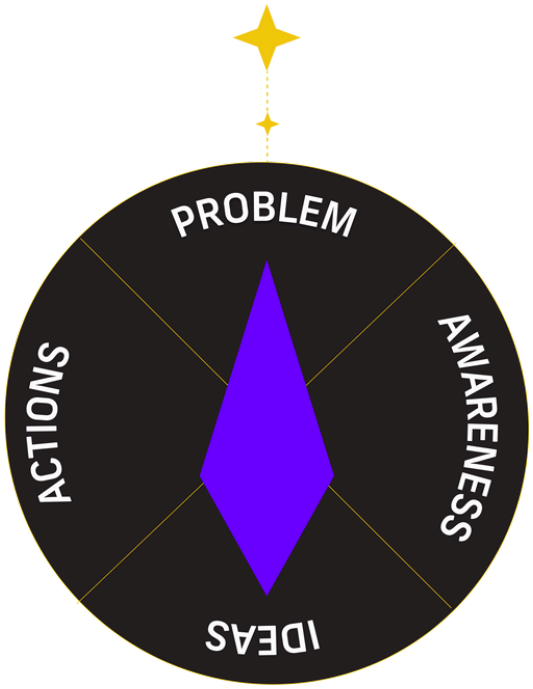
The Compass is unique from other innovation tools because:

- It is guided by a North Star *and* a Near Star. Both the organization's long-term purpose and near-term goals shape the starting point for innovation and are kept in sight throughout the process.

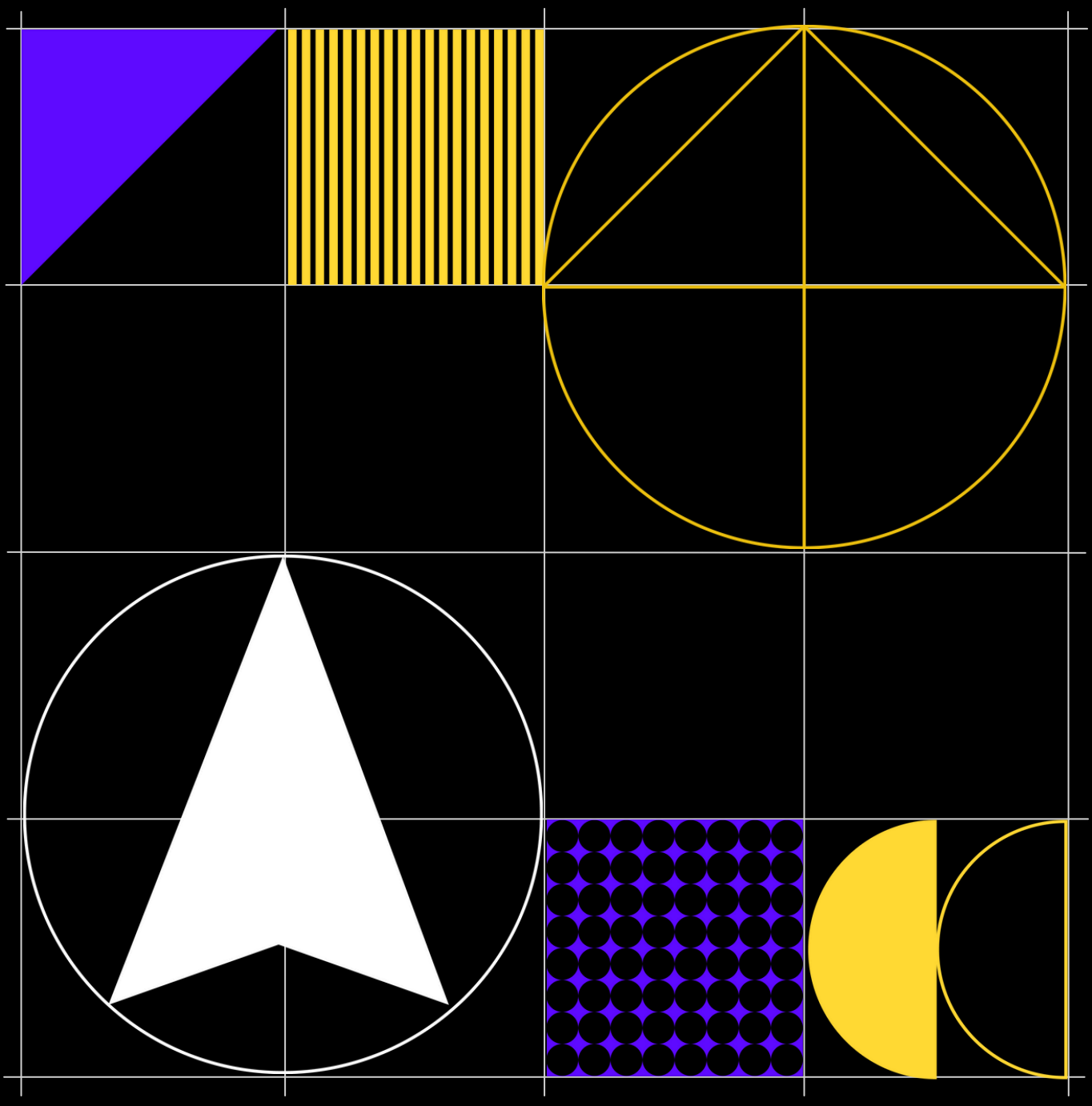
- It is highly iterative due to the ability to move readily between its four spaces: Problems, Awareness, Ideas, and Actions. The first time through the Compass, you will want to spend a bit of time in each space. Afterwards, move back and forth dynamically, until you have a clear set of actions you want to execute.

- It encourages collaboration – particularly in the Ideas and Actions spaces, which nudge innovators to work with others beyond their organization to tackle the problem together.

Remember, there is no single innovation that can solve a systems-level problem. The Compass generates what are called systems innovations – a number of ideas that work together to tackle a problem. These innovations might be new products or services, but can also include smaller nudges such as tests and pilots or changes in identity and language.



Ready to innovate with impact?
Visit innovationnorth.ca to explore the interactive Compass tool and download a set of worksheets to get started.



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