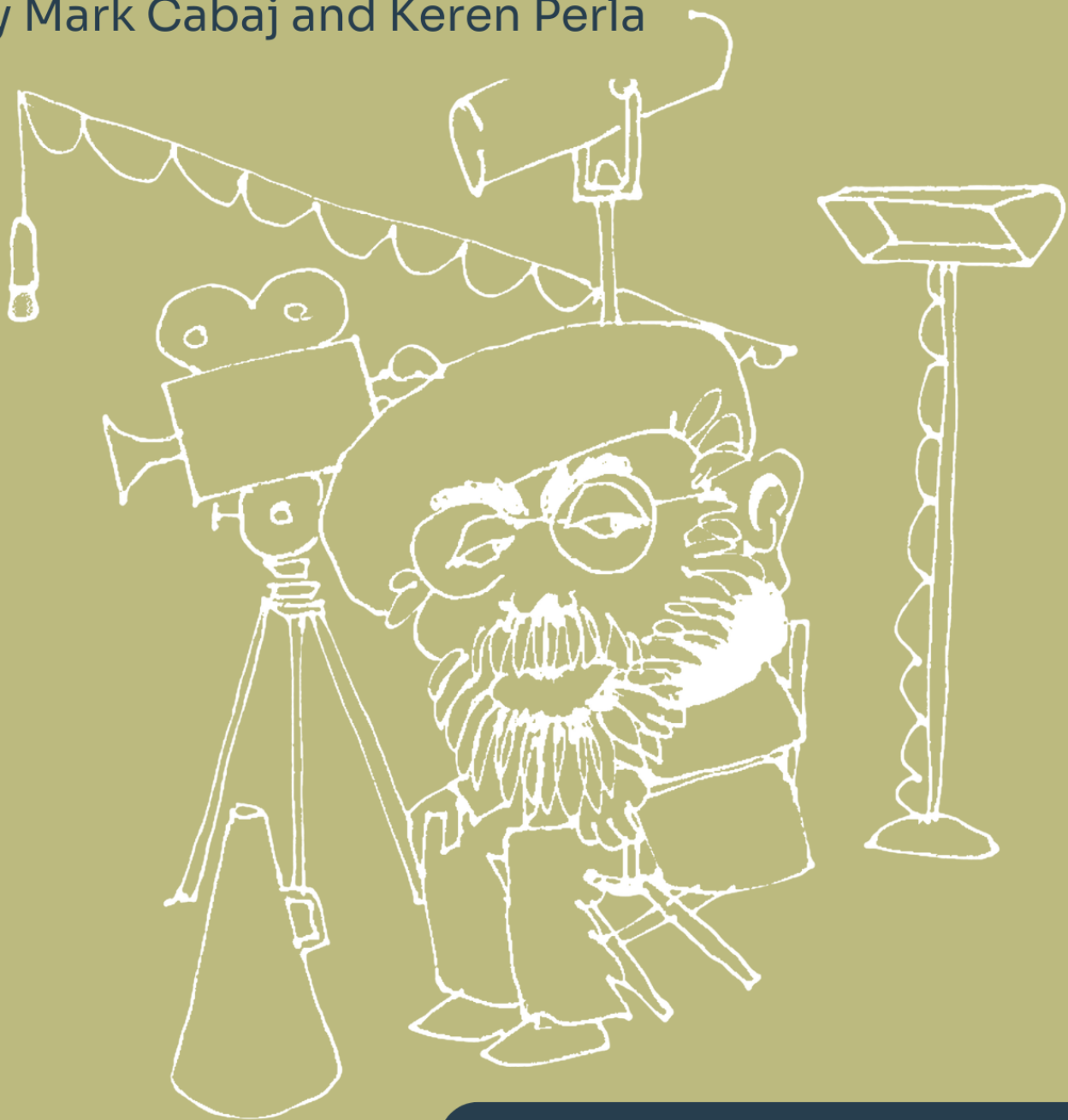


ARE WE MAKING THE SAME MOVIE: THE THREE AMBITIONS CONTINUUM

By Mark Cabaj and Keren Perla



CONTENTS


1. PREFACE	5
2. OUR AIM	6
3. POPULAR FRAMEWORKS	7
3.1 THREE ORDERS OF CHANGE	8
3.2 THREE HORIZONS	10
4. THREE INNOVATION AMBITIONS	12
4.1 INCREMENTAL INNOVATIONS	13
4.2 REFORM-ORIENTED INNOVATION	16
4.3 TRANSFORMATIVE INNOVATION	19
5. SUMMARY	22
6. IMPLICATIONS	23
ADDITIONAL RESOURCES	25

WHY FRAMEWORKS?

Frameworks are meant to help us make sense of the complex task of making progress on stubborn societal challenges. Their purpose is to frame: to bring shape, language, and structure to something that might otherwise feel overwhelming or chaotic.

A good framework can reveal patterns, sharpen questions, and guide action. But even the best frameworks are partial. They highlight some

aspects of a system while inevitably obscuring or distorting others. No single frame can capture the whole.



All models [and frameworks] are inaccurate, but some are useful.

– George Box

This is why it's essential for changemakers to hold multiple frameworks: to move among them, compare what they reveal, and use them in combination to deepen our understanding and expand our options for action.

THE SERIES

This paper is one of a series papers in the **Systems Change & Transformation Series**, which aims to introduce different frameworks that the authors feel social innovators, evaluators, and the funders who support should be familiar with to be more effective in their efforts.

The resources in the series include:

- o Systems Change and Transformation: A Primer
- o Are We Making the Same Movie: The Three Ambitions Continuum
- o Oranges and Motorbikes: Revisiting the Innovation Diffusion Curve
- o There is No Such Thing as a Fish: Different Portfolios for Systems Change
- o Not Everyone has to Play the Oboe: The Two Loop Framework
- o Rainforests Aren't Saved Overnight: The Multi-Level Framework on Socio-Technical Transitions

1. PREFACE

Jay Connor, the Founder and CEO of the Collaboratory for Community Change, was an early thought leader on how to bring diverse people, organizations, and sectors together to ‘change systems’ and ‘move the needle’ on complex challenges.

One of his insights was that mobilizing a network of changemakers to act is not enough to make real progress if they’ve not developed a shared understanding of what degree of change they seek to make, and an understanding of what it will take to get achieve it.

To make the point, he shared the following anecdote of an exchange between a journalist and the famous film director, Frances Ford Coppola.



Journalist: Mr. Coppola, you’ve produced and directed a lot of movies in your time. By your own admission, some of them are great, and some not so great. How do you know whether you are making a bad or a great movie?

Coppola: You are never entirely sure, but chances are that it's going to be a good movie if everyone on the set is making the same movie.

Most of us have been in systems change initiatives where the relentless efforts of highly capable, well-meaning change-makers are not achieving the results they hope because some on the set are making romantic comedies, other westerns, and yet others, period dramas.

Getting diverse changemakers to discuss, debate, and agree on what movie they want to make is difficult work. Thankfully, there are some frameworks that can help.



2. OUR AIM

The aim of this paper is to highlight several frameworks that changemakers can employ to assist them in thinking about, planning, and evaluating their efforts to change or transform systems.

The paper is based on the idea that changemakers may have an easier time getting on the same page about what they are trying to accomplish if they have some common language about the different degrees, orders, or levels of change they seek.

The paper goes further in exploring different types of change than the Primer (Getting our Heads Around Transformation) by showcasing frameworks that focus on slightly different ways of understanding change.

It includes a brief review of two popular, well documented, and very useful frameworks that we feel should be in every changemaker's toolkit:

- **The Three Horizons Framework**
- **The Three Orders of Change**

It introduces a third framework – the Three Ambitions Continuum – which is a mash of these two that we've found can be a useful complement to these mainstream frameworks.

There may be more helpful frameworks and models beyond these three. They are all simply tools to help changemakers to agree on the type of systems-change or transformation movie they hope to make together.



3. POPULAR FRAMEWORKS

This section provides a brief overview of two popular frameworks employed by changemakers that offer unique ways to think about change:

- **Three Orders of Change (Waddell 2006)**
- **The Three Horizons Framework (Sharpe, International Futures Forum)**

We encourage readers to consider these frameworks as ‘core tools’ in their toolbox and to take advantage of the examples and technique associated with each available on-line.

3.1 THREE ORDERS OF CHANGE

Steve Waddell’s Three Orders of Change distinguishes between efforts to improve systems, change systems, and transform systems. The framework is widely used in large-scale and global change efforts because it does an excellent job showing that different forms of change involve fundamentally different logics, risks, and requirements.

- **First order change** focuses on improving the performance of existing systems. It involves incremental improvements that operate within current structures, rules, and assumptions. These efforts tend to be relatively predictable, feasible to implement, and lower in risk.
- **Second order change** focuses on changing how systems function. It involves reforms to policies, governance arrangements, incentives, and relationships among system actors. These efforts are more complex, more politically contested, and less predictable than first order change.
- **Third order change** focuses on transforming systems by altering their underlying values, worldviews, narratives, and power structures. These efforts are highly uncertain, often resistant to control, and typically emerge through social movements, disruption, and sustained societal learning.



For changemakers, Waddell's framework has several practical implications.

- o It encourages being explicit about the degree of change being sought, recognizing that improving, reforming, and transforming systems are qualitatively different pursuits that require different strategies, timelines, and expectations.
- o It implies the value of working with a portfolio of change efforts, where incremental improvements, deeper reforms, and longer-term transformative initiatives may need to proceed in parallel.
- o It reinforces the need for developing the right social architecture of change to the order of change being pursued: i.e., the deeper the change sought, the more it requires different forms of leadership, collaboration, governance, and accountability than those typically used for incremental improvement.

	FIRST ORDER: INCREMENTAL	SECOND ORDER: REFORM	THIRD ORDER: TRANSFORMATION
Core Question	How can we do more of the same? Are we doing right?	What rules shall we create? What structures and processes do we need?	How do I make sense of this? What is the purpose? How do we know what is best?
Purpose	To improve performance	To understand and change the system and its parts	To innovate and create previously unimagined possibilities
Power and Relationships	Confirms existing rules	Opens rules to revision	Opens issue to creation of new ways of thinking about power
Archetypical Actions	Copying, duplicating, mimicking	Changing policy, adjusting, adapting	Visioning, experimenting, inventing
Tools Logic	Negotiation logic	Mediation logic	Envisioning logic

Figure 1: Steve Waddell's Three Orders of Change

3.2 THREE HORIZONS

Bill Sharpe's Three Horizons Framework helps changemakers understand how systems evolve and transition over time, particularly when dominant ways of working are becoming less fit for purpose. The framework highlights the simultaneous presence of the current system, transitional efforts, and emerging futures as the landscape for where and how change-makers may target change efforts. It is especially useful in contexts where people feel caught between maintaining what works today and investing in what must come next.

- o **Horizon 1** represents the dominant system. It is optimized for past conditions that have become embedded as today's norms. It provides stability and reliability, but over time it becomes increasingly strained as the surrounding context changes.
- o **Horizon 3** represents an emerging future system grounded in fundamentally different values, assumptions, and goals. These alternatives often begin at the margins, appear fragile or unrealistic from the perspective of the dominant system. While not yet viable at scale under current conditions, they provide direction and purpose.
- o **Horizon 2** represents the transition space between the two – where the dominant system and emerging alternatives overlap. It is where experiments, reforms, hybrids, and workarounds emerge, and where tensions between existing structures and new possibilities are most visible. This space is often uncomfortable and politically charged, but it is where strategic choices determine whether change reinforces the current system or enables meaningful transition.



The Framework guides changemakers in three ways:

- o It encourages them to clarify whether their primary focus is sustaining the current system, enabling transition, or nurturing fundamentally different alternatives.
- o It points toward the possibility of working with a portfolio of activities with different horizons, recognizing that effective leadership requires simultaneous attention to maintaining essential functions, experimenting with change, and investing in long-term possibilities.
- o It opens up possibilities for deliberate transitional strategies, a distinctive contribution emphasized by Sharpe. These include efforts rooted in the dominant system or the transition space that intentionally build capabilities, legitimacy, and pathways toward an emerging future system.

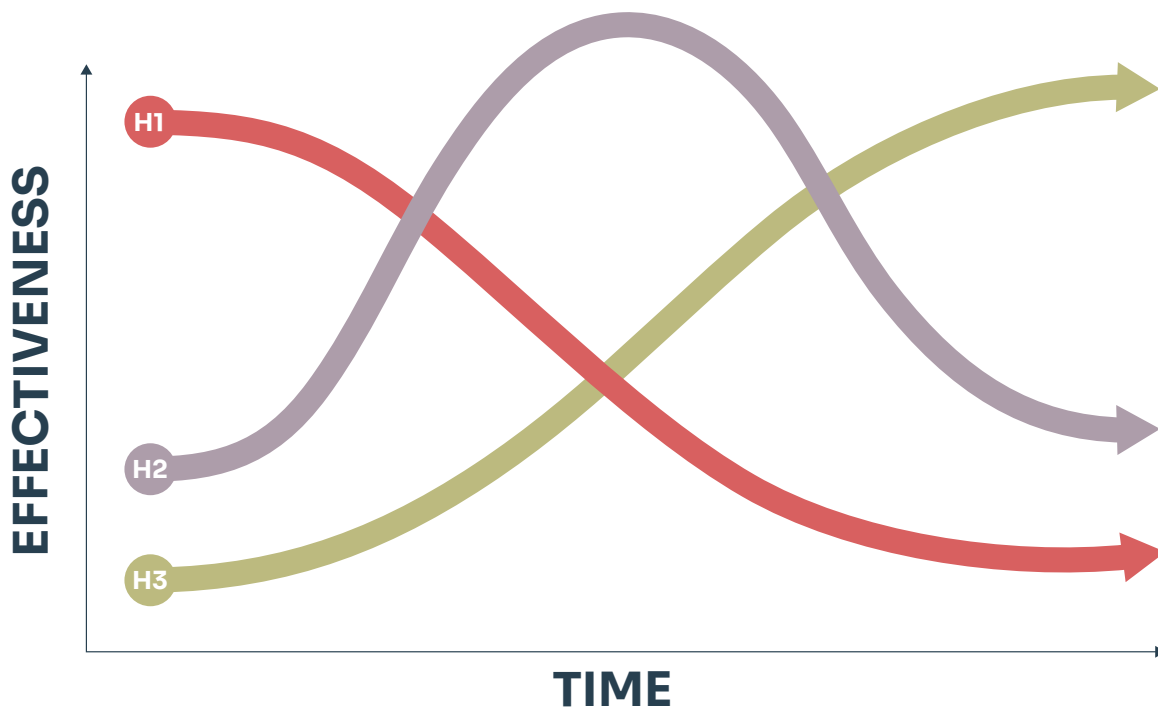


Figure 2: Bill Sharpe's Three Horizons Framework

4. THREE INNOVATION AMBITIONS

The Innovation Ambition Continuum builds on – but adds to – the Three Orders of Change and the Three Horizons Framework.

- o The **Three Orders of Change** clarifies the depth of change being pursued.
- o The **Three Horizons Framework** clarifies how systems evolve over time.
- o The **Three Ambitions Continuum** adds a missing layer by translating these insights into practical choices about innovation strategy, feasibility, risk, resistance, and evaluation.

The Continuum may assist changemakers to not only name the kind of change they seek, but to understand what that ambition realistically entails, and what trade-offs they are making in pursuing it.

The Three Innovation Ambitions Continuum distinguishes between three types of innovation:

- o Incremental Innovation focuses on improving, rather than changing the performance of existing systems.
- o Reform-oriented Innovation aims to change aspects of an existing system that entrench specific societal challenges.
- o Transformative Innovation seeks to transform systems and/or create new ones based on radically different ideas, to do things in unprecedented ways.



Each innovation ambition has a unique, interrelated set of characteristics:

Impact The extent to which an innovation can make a positive difference on a complex societal challenge.

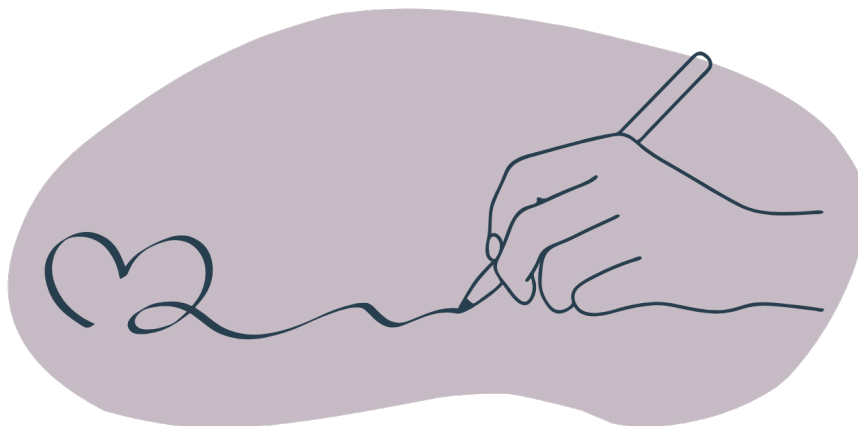
Feasibility The extent to which an innovation can be implemented with the existing capabilities in a system or requires the development of new capabilities.

Viability The extent to which an innovation can be supported by the larger systems of institutions, policies and power structures.

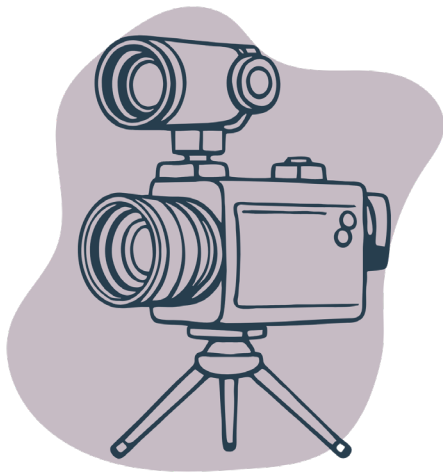
Risk The extent to which an innovation is likely to experience implementation failure or generate unintended or negative consequences.

Resistance The extent to which system actors and broader society are likely to embrace or resist an innovation.

The following pages describe each of the innovation ambitions in greater detail.



4.1 INCREMENTAL INNOVATIONS



Incremental innovations are novel solutions to complex challenges that can be implemented with little or no disruption to existing systems and do not challenge mainstream worldviews, values and narratives.

All systems have an endless list of innovations that have emerged due to a commitment to “continuous improvement.” These might be new or enhanced services and programs, more efficient ways of making decisions, or shifts in regulations and policies.

Incremental innovations are likely – but not guaranteed – to generate relatively quick results. Typically, they are quite feasible to implement. The capabilities required to make them work are readily available and/or can be developed without great effort.

- o Incremental innovations have a “business-as-usual” nature. This means that they are quite viable in current systems and therefore encounter only modest resistance:
- o The “new” ideas are easy to communicate and understand across a system because they are meant to improve what already exists.
- o The risk of them generating unintended consequences is often quite low.

They create only minor disturbances in the ways that things currently get done. They do not fundamentally threaten existing power structures and merely require the “tweaking” of policies, relationships and resource flows.

Characteristics

- o Results tend to be quicker and more predictable, yet lower in impact
- o Risks of unintended consequences are low
- o Feasibility of implementation is high
- o Viability in current systems is high
- o Resistance from mainstream partners is low

Incremental innovations are attractive to 1) social innovators who want to see tangible change quickly; 2) funders eager to see a “re-turn on their investment”; 3) evaluators who prefer something they can track and measure; and 4) system stewards who are not interested in “rocking the boat.” In many cases, the impact of incremental innovations can be significant and widespread.

Clearly, incremental innovations have limitations. Their impact is often modest. After all, they are not designed to alter the deeper, systemic conditions underlying a societal challenge (e.g., structural racism, inequitable employment outcomes, unbridled consumption patterns). For those who are most eager to achieve big change in the status quo (especially persons who are most disadvantaged by it) incremental innovations may be “too little, too late” at best. At worst, they may be a deliberate attempt to distract attention from “what is really wrong.”

For these reasons, incremental innovations are often the “quick wins” that changemakers require to create initial momentum, rather than the “big wins” that lead to sustained and durable change over time.



Case Study

EXAMPLE OF INCREMENTAL INNOVATION

Innovators in Alberta's energy system are watching the launch of Canada's first geothermal plant in Estevan Saskatchewan closely. The \$50-million facility has the potential to power 5,000 homes, reduce carbon dioxide emissions by an impressive 27,000 tonnes per year and create a new source of jobs through economic spin-offs. While the project is still considered "high risk," the pilot will go a long way to demonstrating how to create an economically feasible plant and the kinds of public infrastructure required to make it work.

The potential impact of a vibrant geothermal industry in-province is significant. It would assist the government to meet its targets for reductions in GHG emissions, diversify its large, traditional oil-and-gas energy sector and help power up to 600,000 single family homes in one of North America's coldest regions.

To realize the potential, government officials and industry entrepreneurs are working together to modernize Alberta's regulatory framework for energy producers. This includes making a variety of important, yet manageable adjustments: clarifying who has jurisdiction over the resource, streamlining the licensing process, and designing administrative practices that are better suited to smaller scale geothermal operations, instead of the mega-projects that currently dominate the sector.

S. Rieger. (2019, January 21). Canada's 1st geothermal plant is being built in Sask. CBC News. <https://www.cbc.ca/news/canada/calgary/alberta-geothermal-potential-1.4986104>

4.2 REFORM-ORIENTED INNOVATION

Reform-oriented innovations aim to change, not tweak, the systems that hold societal challenges in place.

Reform-oriented innovations may be narrowly or broadly focused. Narrow efforts seek to address one or a few elements in a system. They might change a significant piece of legislation (e.g., an increase in minimum wage) or introduce a new model of services (e.g., a “housing first” approach to supporting people living on the streets). They may even change powers of decision-making (e.g., a municipal budgeting process in which local residents decide where to invest in neighbourhood improvement).

Reform-oriented innovations may also have a broader focus. They may seek to change interrelated elements in a system to produce a greater impact. For example, a network of agencies that works with young offenders might introduce a roster of changes in its policy, legislation, and planning to reduce the number of children unnecessarily involved in the court systems. Similarly, a coalition of public sector, community, and private sector leaders may carry out a comprehensive overhaul of the region’s workforce development systems to better prepare employees for future jobs.

Because they are about changing systems, reform-oriented innovations are much more difficult to get off the ground and sustain. This is particularly true for comprehensive reforms dependent on capabilities that currently are not in place and must be developed from scratch. Moreover, the “machinery” of the broader systems in which the reforms are embedded often require significant restructuring.

Typically, the intended impacts of reform-oriented innovations are greater than those imagined for incremental innovations. That means their full ramifications take time to manifest and are often less predictable. It is difficult to project the whole range of effects – the “splatter” of positives and negatives – that might emerge before the reforms are actually implemented.



Characteristics

- o Results are potentially significant, but slower to arrive and less predictable
- o Feasibility is mixed as new capabilities are required
- o Viability in the current systems is mixed as those systems need to change
- o The risk of unintended consequences is medium to high
- o Resistance to the innovation is broader and deeper

“**Programmatic interventions help kids and families beat the odds. Systemic interventions change their odds**

– Karen Pittman, CEO,
Forum on Youth Investment

Even when the case for reform-oriented innovations is powerful, system actors and members of the general public may resist them. This resistance is due to (at least) three reasons:

- o **Risk Aversion** – the unpredictability of results and the consequences of failure make people cautious.
- o **Conflict** – the reforms may threaten the power, resources or legitimacy of certain actors and/or conflict with their deepest values and beliefs.
- o **Inertia** – the level of effort and complexity involved in understanding, disentangling and re-arranging the systems to make the reform work can be overwhelming.

Reforming systems can be like “moving a mountain.” It is unavoidably messy, grinding, and long-term work. Still, the possibility of success and magnitude of the payoff may be so great that reform-oriented innovations represent a “good bet” to people committed to correcting obvious shortcomings in the status quo.

Case Study

EXAMPLE OF REFORM-ORIENTED INNOVATION

In the early 2000s, approximately one-half of the young people in New York State's juvenile offender systems were there for relatively minor offences. Soon after their release, nine out of ten offenders were detained again. The cost of supporting each child was approximately \$250,000 USD a year. While there were "pockets" of reform across the state, these efforts were isolated from each other and sometimes poorly aligned.

In 2010, a large and diverse state-wide coalition of leaders came together to develop a new vision for this system and strategies to help them make it a reality. With the assistance of skilled facilitators, they agreed that the focus of reform should concern assisting individual youth to achieve success, rather than punishing them for each misstep.

The coalition successfully reformed multiple parts of their systems. They met regularly to share common data and align activities. Changes they made to police practices caused juvenile arrests to drop by 25%. They passed Close to Home Legislation so that young people who were detained would be served by a local program and close to natural supports and not shipped up-state to another facility. They successfully lobbied to raise the criminal age of responsibility from 16 to 18 years old.

The cumulative effect of these multiple reforms was measurable. Within several years, the number of youth in custody declined by nearly half without a concurrent increase in the rate of crime. As a result, several juvenile detention centres were closed.*

* FSG. (n.d.). Reforming New York's Juvenile Justice System. <https://www.fsg.org/projects/collective-impact-approach-delivers-dramatic-results-new-yorks-juvenile-justice-system>

4.3 TRANSFORMATIVE INNOVATION

Transformative innovations represent radical solutions to problematic situations. Such innovations involve substantial changes in the worldviews, values, and “narratives” of the dominant cultures.

Despite their magnitude, transformative innovations are surprisingly common. Examples are the introduction of the 40-hour work week, the creation of publicly funded health care, the legalization of same-sex marriage, and the emergence of cleaner energy technology and systems.

The prospects for the success of transformative innovation depend on the capacity of social movements (but also disruptive events, like COVID 19 or disasters triggered by climate change) to shift entrenched worldviews and push institutions to accept the inevitability of change.

When societal cultures and systems are rigid, the prospects for transformation are very limited. Changemakers spend their time encouraging the public and system actors to consider big ideas – and when and where possible – to test them in the real world. Transformative innovations are so far ahead of mainstream systems that they are difficult to demonstrate convincingly. Nevertheless, these attempts make visionary ideas more tangible. Instead of “crazy ideas,” they become solutions-in-waiting, to which society may be willing to turn in the future.


When dominant cultures and systems are already in transition, the potential for transformative innovation increases substantially. More actors are eager to embrace radical alternatives and the enormous, complex, and messy work of building the capabilities and systems necessary to support them.



Characteristics

- o The possibility of impact is high, but the range of impact is extremely unpredictable
- o The feasibility of implementation is low
- o The viability in existing systems is low
- o The risk of implementation failure and/or unintended consequences is high
- o Resistance from system partners is high

While resistance may be stubborn, social visionaries and their allies are likely to be driven by a much deeper commitment to overcoming a status quo that is no longer acceptable or sustainable.



Only a crisis – actual or perceived – produces real change. When that crisis occurs, the actions that are taken depend on the ideas that are lying around. That, I believe, is our basic function: to develop alternatives to existing policies, to keep them alive and available until the politically impossible becomes the politically inevitable

– Milton Friedman

Yet, even when a transformative innovation has been thoroughly considered, the unpredictability of its results – and the risk of negative consequences – remains high. For example, the inventors of today's social media are by and large surprised to discover how these systems have contributed to social polarization, electoral rigging, and distrust of science and public institutions. Similarly,

committed advocates of electrical vehicles are having to address the environmental hazard presented by millions of depleted batteries, and the dependence of many electrical grids on coal.

Transformative innovations are the “moonshots” of social change. They are ambitious, exploratory and ground-breaking. While their chances of success are low, such initiatives can help to move societies closer to a “tipping point” of fundamental change.

Case Study

EXAMPLE OF TRANSFORMATIVE INNOVATION

From 1975 to 1979, the federal Government of Canada carried out a radical experiment in social reform in Dauphin, Manitoba. “Mincome” provided a guaranteed annual income of roughly \$16,000 to about 2,000 families drawing on traditional social assistance or employment insurance programs.

The results were encouraging. Researchers discovered that families were better able to cover their most basic living expenses, to use fewer health services and to increase their rate of employment and self-employment. Moreover, the graduation rates of young adults in the home increased because they no longer had to join the workforce early to help supplement the family income.

Then, a recession intervened. The number of Dauphin residents eligible for the programs swelled. Policy makers determined that Mincome was too expensive to sustain and scale. Despite the positive findings, the experiment was discontinued.*

Forty years later, a pandemic has made millions of people realize the vulnerability of their jobs and social safety net. The “Mincome” pilot is now a prominent exemplar case study informing mainstream policy debate among policy makers, business leaders and the electorate in Canada, and in many other countries around the world.

*D. Cox. (2020, June 24). Canada’s forgotten universal basic income experiment. BBC. <https://www.bbc.com/worklife/article/20200624-canadas-forgotten-universal-basic-income-experiment>

5. SUMMARY

	INCREMENTAL INNOVATION	REFORM-ORIENTED INNOVATION	TRANSFORMATIVE INNOVATION
Type of Change	To improve the performance of existing systems	To change systems to address significant shortcomings	To build entirely new systems based on radically different worldviews, values and narratives
Impact: The extent to which an innovation can make a positive difference on a complex societal challenge	Predictable, typically modest	Less predictable, typically significant	Even less predictable, possibly game-changing
Feasibility: The extent to which an innovation can be implemented with the existing capabilities in a system and/or requires the development of new ones	High	Medium	Low
Viability: The extent to which an innovation can be supported by the larger systems of institutions, policies and power structures	Higher	Mixed	Low
Risk: The extent to which an innovation is likely to experience implementation failure and/ or generate unintended and/or negative consequences.	Lower	Mixed	Higher
Resistance: The extent to which system actors and broader society are likely to embrace or resist an innovation.	Lower	Medium	Higher

6. IMPLICATIONS

The unique framing of these three ambitions of social innovation leads to (at least) three sets of questions that changemakers should carefully consider as they go about their work.

I. What is your own level of comfort and ambition for innovation?

Social innovators and their allies should “get on the same page” about the degree of change they are seeking by answering three questions:

What is the level of ambition for change in your organization, constituency, or network?

Are you clear about the nature of impact, feasibility, viability, risk and resistance that those ambitions entail?

Are you ready for the possibility that the more ambitious your innovation – and the more successful it becomes – the more you will need to change your own organization?

II. How can you make your innovations as “strategic” as possible?

Changemakers can increase the value and contribution of their innovation efforts by taking stock of what else is going on around them.

How rigid, disruptive, and/or transitioning are the systems and cultural context in which you are operating? Where are the greatest opportunities for change?



What other social innovations are already underway? How might you enhance, complement, and/or avoid duplicate them?

Where can you and your allies make a unique contribution to a larger constellation of change efforts?

III. Are you able to work on a portfolio of innovations?

Larger organizations and networks of changemakers that can pursue more than one innovation should consider a portfolio of them, with different levels of ambition

What innovative ideas (1-2 in number) are you interested in developing? Given early signs of promise, could you help create momentum around them?

Where do these ideas lie on the continuum of innovation ambition?

To what extent are you willing to pursue less ambitious innovations that, in time, serve to create the foundations for more ambitious ideas.

The answers to these questions can improve the chances that changemakers and their allies are “making the same movie” together.



ADDITIONAL RESOURCES

BOOKS & ARTICLES

Kania, John, Mark Kramer, & Peter Senge. (2018). The Water of Systems Change. The Foundations Strategy Group.

McKinsey & Company. The Three Horizons Framework. Retrieved from: <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-in-sights/enduring-ideas-the-three-horizons-of-growth>

Sharpe, Bill, & Tony Hodgeson. (2006). Intelligent Infrastructure Futures Technology Look Forward: Towards a Cyber-Urban Ecology. London: UK Foresight Directorate.

Westley, Francis, Brenda Zimmerman, & Michael Patton. (2006). Getting to Maybe: How the World is Changed. Random House.

Waddell, Steve. (2005). Social Integration: A Societal Learning and Change Perspective. Presentation to the United Nations Department of Economic and Social Affairs

Expert Group Meeting on Dialogue in the Social Integration Process. Retrieved from: <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.493.6160&rep=rep1&-type=pdf>

WEBSITES

The Three Horizons of Innovation & Culture Change <https://medium.com/activate-the-future/the-three-horizons-of-innovation-and-culture-change-d9681b0e0b0f>

Enduring Ideas: Three Horizons of Growth <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/enduring-ideas-the-three-horizons-of-growth>

