Human-Centered Design and Developmental Evaluation: Methodologies for Better Supporting Nonprofit Innovation

Jodi Sandfort and Trupti Sarode

Humphrey School of Public Affairs,
University of Minnesota

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Nonprofits struggle with balancing competing accountabilities from various public and private funders (Smith, 2005; Gronberg & Salamon, 2002; Sandfort, 2010). As a result, scholars have considered how to enhance nonprofit management capacity to enable stability and effectiveness for two decades (Light, 2000; Millesen, Carman, and Bies, 2010; Kearns, 2004). Yet, this focus on resource dependency and operational capacity can distract from a more fundamental issue for the sector - how can nonprofit organizations innovate and lead learning about complex social problems and solutions? What methods might provide helpful in structuring this learning so it can enable change? Claims of the third sector's uniqueness often rest upon the promise of learning and innovation. Yet, what is really known about viable methodologies for supporting nonprofit innovation?

Most basically, innovation is a new idea or initiative that works in a particular setting (Mulgan & Albury, 2003). There are many that claim nonprofit organizations' unique role in supporting social innovation (Mulgan, 2006) yet not much empirical evidence exists as to whether or not that potential is realized in practice (Perri, 1993). While nonprofits have enormous potential to innovate, they also need assistance in insuring that new ideas can 'work' particularly when brought into a new settling. Given the regime pressures of performance management, benchmarking, and management-by-objective that many nonprofits experience (Smith 2010), it is critical to identify and test methodologies that effectively cultivate nonprofits' innovation capacity in relation to community needs.

There is a fledging literature studying nonprofit organizations' innovation capacity. Most describe organizational or external attributes associated with innovation. Yet, we believe scholars have potential roles in supporting agencies' abilities to innovate. Engaged scholarship or interactive research (Van de Ven, 2007); Ansell, 2007) that leverages and magnifies knowledge from practice and science provides a means to help design more appropriate programs and evaluate what results. Grounded in pragmatic philosophy (Ansell, 2011; Cohen, 2009; Dewey, 1927; Graham, 1995), this approach requires scholars to expand their methods and support practical problem solving to develop better solutions for persistent problems.

For nonprofit scholars and managers, advances in fields like design and program evaluation provide interesting methodologies that while well-developed aren't often effectively applied in the nonprofit sector. Design is frequently used in business, and community development to support innovation (Roseman, 2001; Junginger & Faust, 2016). It provides frameworks and methods well-suited to nonprofit agencies working in environments of constraints while attempting to develop new solutions. While program evaluation is well established in nonprofit practice, a relatively new

approach, developmental evaluation, (Patton, 2006; 2010) provides new rigor for supporting the learning needed during the innovation process.

In this paper, we explore the potential of both design and developmental evaluation for supporting innovation within nonprofit organization. Our focus is on highlighting the methodology of both fields to make it more accessible for scholars and managers. After exploring more generally what is known about nonprofits' roles in innovation, we provide overviews of frameworks, and methods from human-centered design and developmental evaluation relevant to this application. We illustrate the use of these elements in ongoing work we are engaged in at the Future Service Institute, an applied research and leadership training center at the University of Minnesota focused on improving delivery of publicly-funded human services. We conclude by articulating practice principles shared by both methodologies. In this way, we hope to demystify each and encourage more scholars to apply them in helping nonprofit managers and leaders more effectively advance innovative ideas to addressing persistent societal problems.

What is Nonprofit Innovation….Really?

Innovation is a challenging term for scholars because it is often regarded as a "magic" concept, possessing considerable normative appeal but potentially little substantive meaning (Pollitt & Hupe, 2011). For nonprofits, innovation is a term often evoked to capture valuable investments from private foundations or large donors (Lagemann, 1999). Grant proposals extol the significance of innovative ideas, innovative practices, and innovative programs to convince donors of the uniqueness of their investments. In the larger field, "social innovation" is posited as a process for developing and deploying solutions to create social or public value, different than private value created by business (Mulgan, 2006; Phills, et al. 2008). In fact, a field journal *Stanford Social Innovation Review* shares good ideas in that vein among practitioners to spur innovative thinking and action. Some authors assert that social innovation is about novel solutions that creates public or social value (Phillis, et al, 2008; Shier, Handy, and Jennings, 2018), often working across sectors and institutions to create "collective impact." (Kania & Kramer, 2011). Yet, more broadly, scholars from various disciplines are interested in innovation, exploring it with different units of analysis and theoretical orientations (Fagerberg, 2006; Pavitt, 2006; Perri, 1993).

In private businesses, a central concern is how to shepherd a unique idea (invention) into market product (innovation). In that conception, the process of innovation is contingent upon a firms' knowledge, networks, capacities, skills, and

resources (Pavitt, 2006). In contrast, public or social innovation is driven by a need to grapple with complex, 'wicked' problems, shifting and increasing citizen expectations, amidst new levels of political and economic insecurity (Ansell and Torfing, 2014). However, the ability to innovate is similarly shaped by the knowledge, capacities, skills and resources within organizations and networks.

In fact, many nonprofit leaders and managers do not often think carefully about what it actually takes to support innovation (Mulgan, 2006). As a 'magic concept,' there is considerable pressure to pursue innovation without adequate resources dedicated to the process and the capacity to innovate. Because innovation is anything understood as new to people within a particular organizational or network context, implementing innovation requires challenging what already exists, disrupting established practices and routines (Ansell and Torfing 2014; Bason, Bessant, 2005; Van de Ven et al. 2008); Poole, 2004). Thus it requires purposive management and influx of new resources – ideas, tools, training, and assessing what results. Introducing innovation is a means to introduce alternative strategies of organizing resources to accomplish desired ends. And actors often encounter institutional inertia that slows down adoption or shapes what is actually viable (Fagerberg, 2006) (Lam, 2009).

Scholars have historically broken down the innovation change process into two major phases: (1) consideration of an idea that is new to the context, and (2) adoption including the development, implementation and integration of the new idea into practice (Ansell & Torfing 2014; Damanpour 1991; Damanpour and Schneider 2009; Wolfe, 1994). However, in practice, the second stage is often complex and nonlinear, many time circling back to the initial idea after it is developed a bit further. Research reveals the innovation process is often difficult to predict or control (Pavitt, 2009; Torfing, 2016; Van de Ven et al., 2008); Poole, et al 2004). As people question their existing assumptions, they often alter their understanding of the problem and its solutions, in what is scholars denote as "third order" change or double-loop learning (Argyris & Schon, 1996). In this way, evolving understanding and awareness among actors within a particular setting is part of what accompanies changes in organizational routines (Van de Ven et al., 2008).

There is a fledging literature about nonprofit innovation. Early studies (Manimala, 1992; Perri 1993) transpose frameworks from private industry to describe the various part of organizational life that can be targeted by innovation activities. Scholars distinguish between those targeting general organizational processes from those focused on program processes (Damanpour 1987; 1991; Jaskyte, 2013). The first, referred to as *administrative* innovations, seek to improve the efficiency or

effectiveness of how organizations direct their financial, human, or technical resources. Much of research about public sector innovation focuses upon this type. In contrast, more private sector studies of innovation focus upon processes or products, in what is called *technological* innovations. They are about creating more effective program technologies in organizations – products, processes – that more accurately address causal sources of problems or responding to needs of particular target populations. Across organizations, some technological innovations try to improve services, other target product improvement, and some combine both.

Interesting in the research explicitly focused upon nonprofit innovation, scholars either tend to predict innovation by organizational attributes (Jaskyte, 2013; Poole 2002; Dover and Lawrence, 2011; Shier, Handy and Jennings , 2018) or stress the essential role of external drivers, such as philanthropic investors (Perri, 1993; Jaskyte, Amabo and Sperber, 2018), or governing boards (Jaskyte, 2012). Yet this work suggests that these drivers are not particularly focused on 'what it takes' organizationally to marshal the resources for change. In an exploratory study of foundations who use the rhetoric of innovation, the majority of those interviewed did not have a working definition of the term (Jaskyte, Amabo and Sperber, 2018). Those that did stressed novelty, impact, and partnership for delivery. In fact, the data suggest that innovation was appealing to large institutional foundations because it promised the biggest return for the lowest amount of resources.

There certainly are many studies of administrative or technological innovation that do not evoke the term innovation or frame it within this stream of scholarship. For example, a recent study of service organizations activated during food policy implementation present findings about how the agencies developed and relied upon networks to improve their operational capacities and serve more people. This is clearly an example of innovation. But it is not framed as such. As a result, studies of nonprofit innovation are not well developed. Unlike private business where research clearly documents that innovation requires more resources than less, scholars do not seem focused upon unpacking what it takes operationally to develop new operational capacity through innovation. In one exploratory study of Texan government's innovation grants to community-based organizations in order to deter them from accessing cash assistance (Poole, et al 2002), researchers note that state agencies should rely on alignment of goals, management controls, programmatic technology, adequate funding and other factors when selecting nonprofit organizations to innovate in policy delivery. They note, "We were struck by the amount of local resources that the CBOs contributed to this state…reform initiative."(268). Such a report, echoed throughout many projects that involve

nonprofit working in partnership with government (Young, 2006), is rarely connected to innovation capacity.

Yet some more popular nonprofit management books provide some insight. *In Forces for Good* (2012), Crutchfield and McLeod investigate the practices of twelve national nonprofits widely recognized as having significant impact on their fields, innovating in products, services, and administration. Across these cases, they note practices that shape these organizations, drawing attention to the significance of work outside their agency boundaries, advocating for policy change, cultivating unconventional ambassadors, and adjusting strategy as conditions shift. They name a 'cycle of adaptation' that follows experimentation with evaluation, adjustment, and examination of fit with environmental conditions. This cycle of continuous quality improvement is something nonprofit scholars should explore in more detail.

Expanding Our Scholarly Approach: Supporting Innovation

One legitimate response to this lack of robust research would be to develop the literature more completely. And this should be done. Longitudinal, large studies that probe what is necessary in terms of managerial capacity and resource infusion would significantly help the development of more knowledge about supporting civil society's abilities to innovate. This knowledge would be directly useful to private foundations and government funders of nonprofit agencies. However, there is also a need to bring additional resources to nonprofit leaders, as they seek to discover more effective methods to support innovation and change.

The work reported here is focused upon this second aim. When considering the resource limitations in nonprofit service delivery, we feel compelled to work with nonprofit leaders in interactive research that values equally knowledge from theory and practice,that is problem-oriented, and focused upon using structured methodology to develop particular solutions (Ansell, 2007). To this end, we have explored a range of potential approaches and focused on those particularly well-suited for our field of work – publicly-funded human services that operate in complex systems.

[Insert Table One here]

Before sharing these methodologies, let's first describe three illustrative cases where the Future Services Institute is supporting nonprofit technological

innovation in products and services. (See Table One) These cases illustrate the active roles scholars might play. And they also help demonstrate how more general practice principles might be applied by scholars and managers interested in partnering around innovation.

Financial Access in Reach (FAIR) is a financial product designed and being tested by Prepare + Prosper – a state-wide nonprofit based in Minnesota. FAIR's goal is to serve the unbanked and the underbanked by providing virtual access to services such as a checking account with no overdraft fees, a savings account, and a credit builder product that involves minimum payments ($30) to build a better credit history. FAIR reaches a population that has been previously left out of the mainstream banking system. Its goal is to interrupt the vicious cycle set in motion by poverty, lack of financial resources, poor credit and lack of access to the banking system.

MFIP Connect is a web-application designed to decrease the administrative burden experienced by program participants in Minnesota's cash assistance program (Minnesota Family Investment Program). Administrative complexity and challenging relationships between government and nonprofit service providers have long plagued implementation of welfare and welfare-to-work programs (Brodkin & Marston, 2013; Sandfort, 1999; Soss, 1999). The Future Services Institute was contracted by the state government to try and intervene.

Finally, *Equity Works* is a peer learning network to support service improvements among nonprofit workforce development agencies. Through creating learning opportunities for direct service organizations to share solutions to common operational problems, the initiative seeks to build organizational capacity for addressing systemic racial biases that create poor employment outcomes for low-skilled workers. Designed through a participatory process that engaged policy field leaders from diverse vantage points, Future Services Institute convenes leaders for in-depth skill development to help address racial disparities.

These cases provided rich learning environments for the methodology of both human-centered design and developmental evaluation. However, it is important to stress that scholars should think carefully about matching their methodologies to support innovation with the particular context. FAIR originated from a nonprofit leader, seeking to develop a new, more effective way to respond to a persistent social problem. MFIP Connect originated from state government and engaged nonprofit service providers, first in three localities, later in others as critical partners. Equity

Works emerged within the policy field, as nonprofit and public leaders sought to take responsibilities for racially biased outreach, training, and placement practices in workforce development. All were being launched in complex systems, where the relationship between cause and effect are impossible to predict, interventions that allow scholars to probe the system, assess what unfolds, and then develop plans to magnify or dampen are particularly appropriate (Colander & Kupers, 2014; Sandfort, 2018; Snowden & Boone, 2007). In that context, methods related to continuous improvement are more appropriate support for innovation (Langley, et al 2009).

In simple systems, where there is knowledge about cause and effect, methodologies developed in manufacturing and engineering, such as LEAN, Six Sigma, or Kaizen, are more appropriate. Yet in complex systems, there are other options. For problems with established evidenced-based solutions, processes that introduce practitioners to those insights and support learning, such as the Breakthrough Collaborative (Institute for Healthcare Improvement, 2003; Daily, et al 2018), are effective. For others, where new knowledge must be gleaned from practitioners and tested, other approaches are more appropriate. Such was the case in what we describe here. There was not well-established empirical evidence about how to support the innovations of building a viable financial product, creating an app to reduce administrative burden, or address racial bias in the workforce development system. In these examples, human-centered design and developmental evaluation were appropriate methodologies to support nonprofits' ability to innovate.

Human-Centered Design: Initiating Creative Solutions

Design is a well-developed discipline that historically focused upon shaping settings and products to better meet the needs of consumers (Cross, 2011). Central to the for-profit business model, design is recognized as important in private industry and in the last decade focus upon design has moved beyond architecture, product design, and art to flourish in business schools. In these settings, new attention to 'design thinking' has proliferated as managers are encouraged to recognize how products, services, departments, and organizations are designed to achieve some purpose (Brown, 2009; Dunn & Martin, 2006). However, there is concern that the divergent application of the idea of design thinking has challenged its usefulness in practice (Buchanan, 2016).

Organizational and industrial design, product design, graphic design, and service design all have in common a general methodology and approach to managing human and technical resources (Cooper, Junginger, & Lockwood, 2013; Junginger &

Faust, 2016). Market pressures for design firms and consultants often cause them to use slightly different words in describing the design process (Bason, 2017; Hanington & Martin, 2012; Lumina Institute, 2012; Stickdorn & Schneider, 2011). However, in reality, there is a common methodology of design. In our work, we use the approach articulated by Christian Bason and used in public sector organizations around the world (Bason 2010; 2017).

Human-centered design is a particular approach that attends specifically to the user-experiences throughout the design process. In that regard, it is a form of design quite useful to many nonprofit organizations because it is oriented toward stakeholders. Human-centered design is appropriate when people are important in delivering the product or services (Stickdorn & Schneider, 2011) or as 'raw materials' involved in co-producing the product or services (Hasenfeld, 1983; Sandfort, 2010). It is also useful to support the learning necessary in innovation. For example, from a study of social welfare agencies in South Korea, Choi (2012) notes the relationship between a learning orientation and innovation, driven by attention to responding to the needs of nonprofit customers.

Generally, there are three stages in design methodologies (Bason, 2017):

- *Stage One: Exploring the Problem Space.* To begin, the object or service to be designed or redesigned is identified. There is an interactive process of understanding the context and desired attributes, the causal relationships and mechanisms at work, and the expectations of the users. In this stage, an array of social science methods can be used, including structured observations, surveys, interviews, and ethnographic observations. Literature reviews can be conducted to better understand what is known about the conditions that might affect the design object or service.

  In human-centered design, particular emphasis is placed upon developing empathy for the users of the design, be they the clients for a service or frontline staff who have primary responsibility for implementation. Attention is paid to these street-level interactions. Ideas about other changes are understood in relation to how they support desired user interactions. Human-centered designers try to understand broadly – visually, emotionally, physically – to gather meaningful information at this stage about how people interact with systems.

- *Stage Two: Generating Alternatives.* Through a process of creativity and engagement, people are invited to discuss the problem space and think

broadly about potential responses. This second step is not conventionally analytical; rather than using inductive or deductive logic of science, abductive logics are deployed in which there is often a creative 'jump' that seeks to solve challenges in a creative, innovative way (Gonzalez & Haselager, 2005). People are encouraged to explore surprising facts or anomalies learned in the first phase of inquiry in their contexts (Project, 1998). They then prioritize the ideas for further development to see which is most effective in relation to the constraints of the setting.

In human-centered design approaches care is placed on thinking carefully about how problems are framed. Most often, institutions frame problems and solutions in reference to their own objectives. When users concerns are placed in the center, new alternatives come into focus.

- *Stage Three: Implementing New Practices*. Because there often are many components of a solution being developed, designers try them out in combinations or at some scale and assess what results. A key practice in this regard is developing prototypes that elaborate ideas at low cost (time or money). Prototypes then can be tested to better understand how the design idea actually work. Conventionally, this involves developing models, physical or graphic, that embody key design elements. Social science methods, surveys, interviews, experiments, can also be useful at this stage to test the ideas, documenting how and what seems to be effective.

  In human-centered design many techniques focus upon testing prototypes with the actual users. Storyboarding, modeling the appearance or experience of the new design, or other means of testing it with user groups is essential (Lumina Institute, 2012; Hanington and Martin, 2012).

Design is process of giving form. Human-centered design is a tool of management that enables organizations to give form to services and products that respond to the needs, and perspectives of key people, such as customers and frontline-staff, often overlooked when nonprofits are focused on satisfying funders or board members. The methods can be deployed at the beginning and throughout a program to enhance creative problem solving in relation to those users.

Developmental Evaluation: Learning and Refining during Implementation

For years and across the public, private and nonprofit sectors, evaluation has been defined and construed as an activity that emphasizes making a judgement about

the merit and worth of a program, service or an initiative. Often fueled by government and private funders to document return on investment and performance, it is part of the ideology of new public management (Bryson, et al 2014; Ansell and Torfing 2014). This "accountability movement" has normalized compliance and performance measurement in nonprofits yet has not often translated into organizational learning (Carman, 2010; Moynihan, 2008). The outward focus on meeting funders' accountability expectations have taken away from using information to improve services and programs (Wing, 2004). This also has instilled a fear about evaluation among nonprofit program staff and managers, limiting the usefulness of evaluation for enhancing the creativity, efficiency and effectiveness of non-profits and their role in innovation (Patton, 2006).

Developmental evaluation is a form of program evaluation that offers this alternative approach. Through an emphasis on rapid-cycle learning by project and program partners, it is focused on a developmental purpose, to inform and refine innovations (Hargreaves, 2010; (Patton, 2010; Patton, McKegg, & Wehipeihana, 2016). In this way, it is different from traditional formative and summative evaluation techniques in both purpose and approach. Formative and summative evaluation assume a linear trajectory for programs or changes in knowledge, behavior and outcomes. In contrast, developmental evaluation responds to the nature of change that is often seen in complex social systems (Patton, 2010). It is being used in a number of fields in which nonprofits play important roles, from agriculture to human services, international development to arts, education to health (Patton, McKegg, and Wehipeihana 2016; Dozois, Langlois and Cohen, 2010; Lam and Shulha, 2012).

Developmental evaluation seeks to understand, document, and provide feedback on the process and outcomes of innovation. In writing about it, Patton (2015) stresses that there are no pre-set steps for how to use this approach. Like design, it is a methodology that should be tailored to the particular context. However, there are some general phases:

- *Develop Understanding of the Context*: To understand how evaluation can support innovation, this approach focuses upon detailed understanding of the policy environment (Sandfort & Stone, 2008; Stone & Sandfort, 2009), the organizational context, and problem being addressed. Understanding the factors which bear on the innovation, providing opportunities and constraints, helps evaluators to understand the complex system dynamics that surround the program or project.

- *Craft a responsive and rigorous evaluation approach:* Most often, developmental evaluators use an emergent evaluation design that responds to the changing needs and circumstances of the initiative. This means tailoring the data collection and reporting to the what is most needed by leaders to inform ongoing strategy refinement. Conventional data collection techniques – interviews, surveys, focus groups, and structured observation are utilized. However, it is also sometimes useful to use other methods that provide both data and analysis, such as World Café (Brown and Issacs, 2005) Open Space Technology (Owen, 1997), or other methods (Holman, et al, 2007) that allow people operating in complex systems to unearth collective understanding. Analysis must be quick and focused upon identifying and discerning patterns. Overall, data collection and analysis methods often change over time as new issues arise as important in trying to understand the innovation. The appropriate use of methods and responsiveness is what characterizes rigor in this type of evaluation (Gamble, 2008).

- *Work in partnership with innovators to provide timely feedback.* Developmental evaluation tracks the development of the innovation, providing useful information when it is needed for refinement and adjustment of strategy and practice. The innovator and evaluator work as equal partners in the learning and innovation process; innovators benefit from and value the feedback coming out of the evaluation while the evaluator is able to apply a holistic understanding of the context (gleaned through continuous engagement with the innovators) to evaluation efforts. This, however, requires a commitment to learning and flexibility, working in partnership that is able to overcome challenges when they emerge. This approach enables rapid cycle learning among the program partners, and enables them to test quick iterations of ideas as the innovation develops.

Just as with human-centered design, it is important to consider the fit and readiness for this evaluation approach. Evaluators must be willing to immerse themselves in the context and maintain clarity of their role in helping promote evaluative thinking to shape what occurs. Innovators must be willing to learn from evaluation results and make adjustments (Dozois, Langlois and Cohen, 2010; Patton, McKegg, and Wehipeihana 2016). This can challenge some leaders' conventional practices of making decisions without much systematic information or analysis.

In these circumstances, evaluators also must apply a broader array of tools, including facilitation and appreciative inquiry, than merely applied social science. To support effective innovation development, they must be comfortable speaking truth to people with formal authority in order to try to achieve the desired outcomes and ensure learning happens among all partners in the innovation. Fundamentally, they must accept ambiguity and possess the ability to listen and adapt their approach and intervention into the innovation space (Gamble, 2008).

Common Practice Principles

Although design is often focused upon initiation and evaluation on assessment after the fact, human-centered design and developmental evaluation share a number of commonalities. First, they should be applied in complex systems, where there is neither empirical evidence designating the best intervention nor agreement about the most efficient or effective process for bringing it into a new context. Second, in using them to support innovation, scholars must take conventional skills – systematic information collection and analysis, facilitation of learning, adjustment of means in relation to desired ends – and apply them in a new way. Third, there are some practice principles that can shape this application.

As noted earlier, the Future Services Institute is actively employing both methodologies in our work with nonprofit and public agencies. Looking across the applications, we are beginning to articulate a few practice principles useful for scholars interested playing more active roles in supporting nonprofit innovation. Table 2 provides the comparison.

[Insert Table Two about Here]

In the first project, human-centered design was central to developing the virtual access for people living with low-incomes to the financial services. Yet in this case, the Future Services Institute was invited to serve as an evaluator in the FAIR project. We began by exploring the constraints in the larger environment. Key questions initially focused on documenting and understanding participants' motivation behind signing up for the product, their baseline banking status, their enrolment and post-enrolment experiences, product adoption and usage patterns, as well as customer outcomes. While the design process had articulated well-defined short, intermediate and long term goals for the product take-up, the "how" was relatively less well-defined—especially in relation to helping participants achieve longer-term financial goals such as asset building or large scale industrywide change around serving this target population. We created regular status reports that could be shared among the partners to facilitate learning

In the second project, we also spent considerable time analyzing current conditions (Sandfort, Ong, & McKay, 2019). This understanding of cash assistance program, Minnesota Family Investment Program (MFIP), highlighted the massive number of rules that clients must follow. While these constraints come from national policy, we led a human-centered design process with clients, frontline staff and managers trying to improve the communication between program participants and implementers using information technology. An app was developed to allow for easier compliance with the rules to document job-search and other activities, report changes in family circumstances as required under state and federal law, and centralize access to community-based resources. We also provided developmental evaluation to guide refinement of the tool and enable high quality training, and other implementation tools.

In the final case, Future Services Institute applied a developmental evaluation to a field-level intervention into workforce development. Our activities focused upon working as partners with the program team leading the innovation to make sense of the strategies as they were being implemented, track their implications and facilitate real-time decision-making towards a successful initiative. Operating within a complex policy environment, the initiative and the program team sought information and feedback on their strategies to allow them to be responsive to the changing needs, circumstances and goals of the actors as well as the larger policy environment.

Across all, we brought a keen awareness of the target group, seeking to remind all of the actors about the needs and perspectives of the 'users,' be they people living with low-incomes who wanted easier access to financial services or information about their compliance requirements in the welfare system, or nonprofit staff trying to address institutionalized racism in the workforce development system. We also regularly engaged in dialogues with program partners to allow them to reflect upon the project, the data analysis we were providing, and discern wise and appropriate next steps in action. Finally, the feedback to enable this reflection and adjustment needs to be timely. Leaders do not have the abilities to either invest lots of time in understanding complex analysis pursued to fulfill expectations of social science rigor. They need relevant information to facilitate decisions which need to be made to improve the effectiveness of their actions as they seek to realize the potential of their innovative idea or program.

Thus we articulate five practice principles for nonprofit scholars interested in applying design or evaluation to support innovation:

- Understand constraints in the larger institutional environment
- Create descriptive artifacts
- Focus upon target group
- Facilitate co-learning through dialogue
- Provide timely feedback

As suggested by these principles, there are no pre-established steps that determines how either human-centered design or developmental evaluation are carried out. Rather, primary emphasis is placed upon tailoring specific applications to the program, organizational, and policy context (Patton, 2015).

Concluding Thoughts

This paper has provided a critical examination of the existing research about nonprofit organizations' abilities to innovate. It documents the literature is not well developed nor focused on understanding the mechanisms and capacities of innovation. In that space, scholars have a potential role in addressing these limitations, of providing methodological expertise to resource-constrained organizations.

While private funders create considerable pressure for nonprofit leaders to claim the terminology of innovation, they do not do much to help support the organizational capacity to make change. Hopefully, this article provides more information to demystify two promising methodologies to support innovation of interest to nonprofit leaders, boards of directors and funders.

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APPENDICES

Table One: Overview of Illustrative Cases

	FAIR (Financial Access in Reach)	MFIP Connect	Equity Works
Type of innovation	Product: Virtual access to financial services & credit building	Product: Web-app for cash-assistance clients	Service: Operational improvements
Need	Lack of wealth building opportunities disproportionately affecting communities of color	Cumbersome and inefficient experience for implementing program rules and requirements that affected clients and frontline staff	Accountability to government funding streams created programs that yield poor outcomes for low-skilled workers of color that perpetuates racial inequities
Target population & Program features	Serving the unbanked and underbanked by providing access to services such as a checking account with no overdraft fees, a savings account, and a credit builder product	Enabling program participants to submit documents, communicate with frontline staff (nonprofit & government), and learn about resources within their local community	Engaging nonprofit staff to share promising practices and enable leadership to address racial inequities in their organization and the large policy field
Institutional setting	Nonprofit in partnership with a for-profit entity (Sunrise Banks) and, other non-profit and public implementation partners.	Nonprofit employment training organizations, local and state government	Nonprofits providing employment training programs and private philanthropic partners
FSI's Innovation Support	Developmental evaluation	Human-centered Design & Developmental Evaluation	Developmental evaluation

Table Two: Practice Principles of Human-Centered Design and Developmental Evaluation in Illustrative Cases

	FAIR (Financial Access in Reach)	MFIP Connect	Equity Works
FSI's Innovation Support	*Developmental evaluation*	*Human-centered Design & Developmental Evaluation*	*Developmental evaluation*
Practice Principles			
Understand constraints in the larger institutional environment	FAIR operates at the intersection of non-profit and for-profit ways of doing business. Other institutions (banks, credit unions) operating in this space also influences perceptions around FAIR and its benefits.	Outdated government data management systems and app industry standards informed timing and the nature of feedback.	Resource dependency experienced by nonprofit organizations shaped the content of the learning network and leadership cohorts. It also informed how evaluation recommended program refinement and definitions of success/failure.
Create descriptive artifacts	Short, easy-to-read evaluation reports with anecdotes from participants served to both energize and provide critical feedback to the program team and financial partners.	App wire frames. Promotional materials and web-site. Evaluation reports to inform learning and meet accountability requirements. A visual articulation of the theory of change helped organize energy with potential expansion sites.	Evaluation reports informed learning and met accountability requirements. A visual articulation of theory of change aided communication among the partners.
Focus upon target group	Determined the nature, approach and timing of data collection activities (e.g. relied on initial face-to-face contact to build	User-centered lens (frontline staff and clients) continuously informed the nature of	Elevated the voices of nonprofit participants to be equivalent to private funders in informing

	rapport and trust); focused evaluation questions on documenting this perspective	feedback and product refinement	program priorities and refinements
Facilitate co-learning through dialogue	Regular dialogue with program team to inform program refinements. Co-interpret evaluation findings that led to insights important for program development, refinement and scaling	Feedback and dialogue with stakeholders particularly county leadership and staff enabled the app's journey toward a more refined intervention. This enabled more strategic approach to scaling and expansion through sharing of insights and feedback	Regular discussions with program team enabled uptake of feedback. Insights from participants shaped strategies and mid-course corrections
Provide timely feedback	Rapid cycle feedback was critical to make tweaks to enrollment processes as well as customer service and support and establish trust with program participants	Rapid cycle feedback allowed for quick iterations in product design as well as implementation support (e.g. creation of new marketing materials, user guides etc.)	Rapid cycle feedback allowed program staff to be nimble and responsive to changing needs and circumstances of program participants and the larger policy field