

Compass Innovation Conference – 26th March 2019



We are no longer at the beginning of the RRI journey we are now at the stage where there is a need to shift public perception of RRI as a roadblock to seeing it as an opportunity in order to produce something that works for both organisations and society.

Challenges and benefits of RRI – Panel discussion

- Main challenge for SMEs is maintaining cash-flow, question remains how to stay competitive and responsible. Perception that adopting RRI presents additional work and is a roadblock to competitiveness, solution is to identify and target customers for whom responsibility is a priority and/or a requirement.
- No shame in prioritising cash-flow, 20% of start-ups fail in the first year due to lack of cash-flow. Make RRI cost-neutral and use it as a tool for competitiveness. Social responsibility is under-appreciated as an advantage – it can help with talent attraction and retention. Advantage in engaging all stakeholders which should also involve end-user involvement by thinking of them as volunteer workers.
- Embrace a diverse workforce it has been proven that women in the workforce leads to better problem solving, diversity can achieve the same results.
- Sustainable work model can enhance the reputation of a company. Focus cannot solely be on making money if companies are to be sustainable. Once a start-up is in a comfortable position need to question where the sustainability is going forward. Risk management is a key element of sustainability, to evaluate resilience in the marketplace RRI must be taken account of otherwise companies are opening themselves up to public and social criticism. Need to anticipate societal challenges even as early as the start-up stage. Companies need to ask themselves 'who do I want to be when I grow up!'
- Concern raised around how companies protect themselves against being swallowed up by a bigger organisation that does not have the same ethical and RI framework? Idealistic behaviour and making money can be compatible, the challenge lies in ensuring the company taking over SME will incorporate RRI elements. Holistic approach needed by large corporation and SME. Be aware of the value chain – you may be ethical but selling to like-minded companies can present ethical challenges. For example, when Ben & Jerrys, a fair-trade company sold their business, they included 92 clauses pertaining to responsibility as conditions of the sale in the contract. This level of detail may not be realistic for all companies, but a scaled-down version is certainly viable.
- There may be different pressures on larger corporations and start-ups, but the market is quick-paced and unforgiving for both. There is no legal framework in the fledgling RRI area. It must be accepted that mistakes will be made that affect society but if companies incorporate RRI it will help with accountability. Use information responsibly by being open and honest.
- Even at infancy stage adopt RRI and follow through by ensuring ethical steer even growth is rapid. YOTI (a digital identity company who have grown exponentially in a very short space of time) established 6 core principles from the beginning ensuring their company remains ethical and recommend making the principles of adherence very clear. YOTI have a board of external stakeholders referred to as 'Guardians' whose remit is to ensure that the organisation and in turn all employees are following the same ethical path. There is also

value in having an internal ethics working group. Companies can retain their agility by adopting these simple practices. In the current working climate being an ethical company is a draw for talent.

- Work smart. There is the possibility of more results with less effort by preaching to the converted and developing them into RRI practitioners. Facilitate those that are open and willing to embrace the RRI journey.
- Is RRI gaining traction? Younger generation seek out ethical organisations to work for. There is an appreciation for the current risks arising out of societal challenges, if we are to innovate our way out of these problems we must do so responsibly. Help alleviate uncertainty.
- There is also the issue of how to deal with your technology/service etc being used by unethical customers. An option is to have the customer complete a questionnaire and not to work with them until it has been completed satisfactorily
- How do we shape new technology in the unequal power of companies i.e. start-up v google. Competitiveness may be key to survival of small companies however there is an advantage in collaboration to create critical mass. This is also relevant in the area of research as researchers themselves are not always in a position to implement what they have produced therefore there is value in bringing together stakeholders to facilitate this process. It is a necessary condition of success to share learning in order to grow. This collaboration can be difficult to manage but the benefits outweigh the efforts. It would be good practice to introduce a clause on collaboration into any contracts
- What is the value in RRI certification? There is a logic in the certification of RRI. RRI should not just be a box-ticking exercise where you can purchase a 'sticker', there needs to be real investment. Merit in having more than one level of certification to recognise and reward the different stages that organisations are at in their RRI journey which could serve as a powerful marketing tool for companies. Setting standards raises the bar but there are rapid changes in innovation which means the bar keeps changing. Aim for the greater good not the just the minimum standard.
RRI needs to be viewed as a process like anything else which facilitates for setting standards around the management of the processes. There is a requirement to have practical tools and labels to effectively communicate efforts.
- There is a need for mechanism to facilitate meaningful conversation around RRI that can help confront new realities being faced. Innovation by its very nature is uncharted territory and requires both collaboration and regulatory requirements with stakeholders.
- Advice is to pick the frameworks that you consider most valuable and most workable for your organisation. Framework must also satisfy public perception and expectation.
- It can be hard to define the elements of RRI which can make regulating it difficult, using the RRI tools can provide a good starting point.
- Innovation should not be perceived as a burden people need to be willing to embrace change. The motivation for innovators is to innovate not to make money. There is a social responsibility to create growth but how money is spent beyond the innovation can be irresponsible. Responsibility extends to the full chain of events.
- Use values over principles as values motivate people, principles are not as inspiring. Formulate values into policies. It should be considered a fiduciary duty of any organisation to enshrine values into their legal DNA from the start. There is an innovational element in embedding RRI principles. By developing a legal framework, you can change the conversation in the board room to one that doesn't focus solely on finances.

- Suggestion of each organisation having an ethical committee however it is not practical to have every employee on the committee. Select a number of relevant employees across all levels to sit on the committee who can in turn educate and guide the workforce. Reteach behaviour by embedding responsibility into the process.
- There may be hidden costs in adopting ethics however it needs to be looked at as a long-term investment as it will cost more in the long-run if not embedded into the company. RRI should not be seen as a hurdle but as the root of economic wellbeing of the company.

Background to the Compass Tool

How the tool was developed:

- Desk research
- Conceptual design – purpose to translate concepts for companies
- Pilot testing

The purpose and function of the tool:

- Learn
- Diagnose
- Benchmark
- Act

Made up of 4 sections with around 250 options to choose from:

1. Company management
2. Idea generation and research
3. Development and testing
4. Market and impact

The tool is flexible to reflect the differing needs of organisations. There is the option to use the platform both on and offline which removes the requirement to share information. Each module is independent and can be completed in isolation with results generated on completion of each module.

There is learning potential for companies after piloting the compass tool. It makes companies more aware of their strengths and weaknesses. Saying that they are adopting RRI principles is not enough they need to be able to demonstrate it.

The online platform facilitates the sharing of results with like-minded people with the aim that it will encourage others to do the same. The intention is to make this tool a standard approach for any company. Reward companies for what they are doing right rather than penalise them for their shortcomings. The tool will guide companies to know what level they are at in terms of responsible innovation, the questions are tailored in such a way that they also provide guidance. The score itself should be used as base from which to work from, it allows companies to work confidentially on embedding responsible innovation. There is a need to pave the way for companies to adopt RRI without them being villainised for any shortcomings to the point where they do nothing for fear of bad publicity.

Needs to be consideration on who to market the tool to in order to have a positive impact. Companies that access funds which specialise in ethical companies could use the tool as a way to demonstrate their level of responsibility in order to be eligible.

Reinforce and support those that embrace RRI to combat the impact of those that don't. Create a system and community of ethical companies to inspire others to follow in their ethical footpath. Toolkits can help focus trajectory of bringing products to market as the toolkits are tangible.

Overall message from afternoon workshop sessions: highlighted the importance of being ethical but also the challenge it can present if not done from the outset. The toolkit offers a pragmatic approach to kick-starting a journey towards RRI.

Key themes/ RRI requirements from workshops:

- Need for commercial confidentiality
- Ethical consciousness
- Rapidity of technological change – speed to market increases risk
- Staff skills & recruitment and customer knowledge
- Strong governance
- Reflect ethical parameters in process and guidelines
- Base research on best evidence
- Collaboration sparks creativity
- Shift mindset to look at problems and provide focused solutions