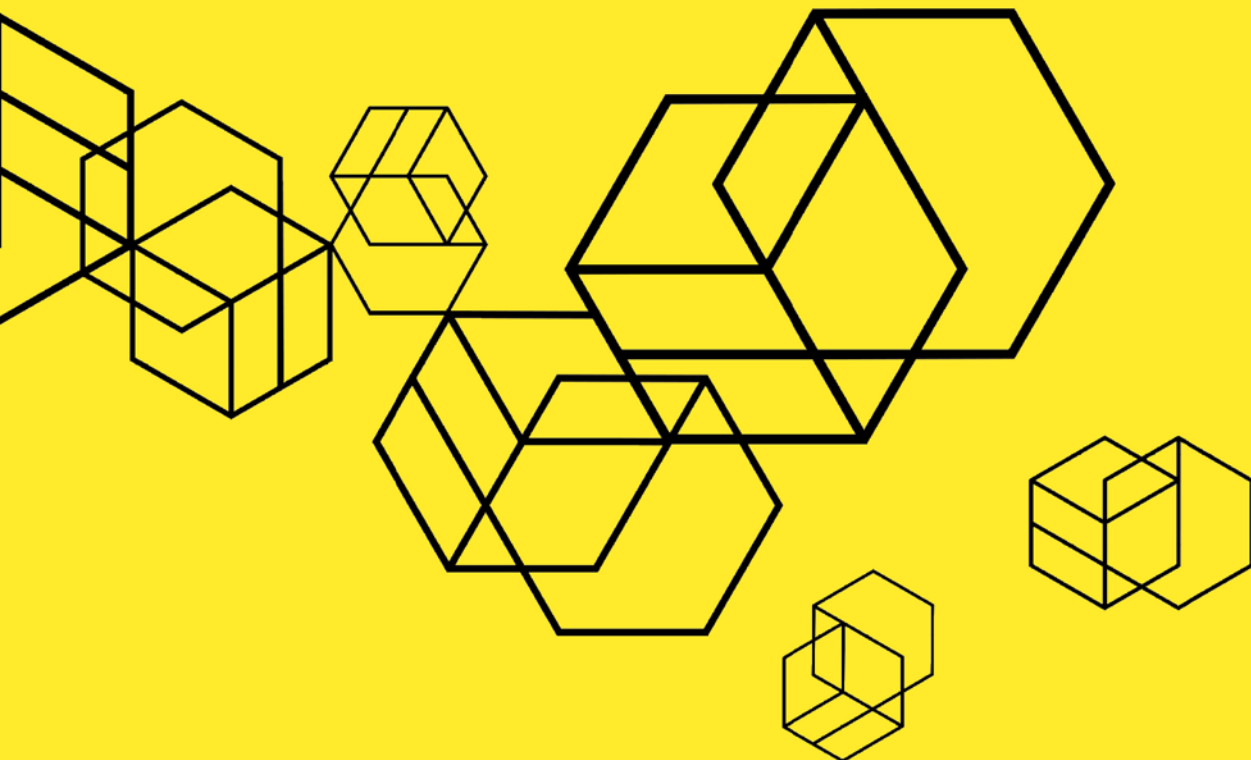




**SOCIAL  
INNOVATION  
COMMUNITY**

# Nova Iskra

*Social Innovation Laboratory*





# Nova Iskra

A meeting point of leading creative professionals and companies open to innovative approaches to business and product development

## 1. ABSTRACT

Nova Iskra is an educational and research platform for design, architecture, new technologies, social theory and practice. At the same time it is one of the first co-working spaces for the professionals related to creative industries in Serbia. Relying on design-thinking methodology as the basis for conceiving, developing and testing contemporary ideas and concepts, Nova Iskra examines and supports the development of innovative, alternative and sustainable models of education, organization and production through collaborative work, experimentation and critical reflection.

Nova Iskra is conducting its operation on three levels:

- 01 Through running and renting an inspiring and dynamic space for work and creative collaboration - COWORKING
- 02 Through initiating projects and organizing various lectures, seminars, workshops and presentations for young professionals on various topics (sustainable production, alternative organization, green economy, new technology, design, architecture and entrepreneurship ) - EDUCATION PLATFORM
- 03 Through creating business connections between professionals from the field of creative industries and private and public sectors - CREATIVE STUDIO.

Their multifaceted platform embraces the design process as a starting point for developing problem-solving ideas, projects and services by joining them with tailor-made, transdisciplinary teams comprised of leading experts, professionals and creatives. They use progressive ideas and experiences from the creative domain as tools to empower, update and develop small and medium-sized businesses, as well as to provide creative and business support to entrepreneurs, on a local or global level. One of the NOVA ISKRA objectives is supporting and enhancing the status of vulnerable and marginalized groups (youth, women, rural households) by placing the emphasis on developing knowledge and skills, creating employment, enabling inclusive participation in the labour market and general wellbeing of all people.

By managing design and employing innovation, they discover new values in the fields of creative



business, education, social improvement and empowerment of local communities.

The initiative NOVA ISKRA addressed job search and matching, self-employment, social entrepreneurship, training and education, workplace innovation and organizational innovation.



## 2. DESCRIPTION OF THE CASE

### THE CONTEXT

Nova Iskra, a hybrid, transdisciplinary platform and a fully independent venture that connects the creative community, links it to the potential businesses and supports the realization of their ideas on the market, is a unique place with both organizational and service innovations.

The initiative has been shaped by the detected needs of new and emerging young professionals, particularly in creative industries, and some other factors: new and emerging occupations and changing market demands, a lack of networking and opportunities for affirmation as well as the lack of accessible programs for skill development and knowledge improvement for both young professionals/ entrepreneurs and small and medium-sized businesses (locally and globally). NOVA ISKRA addresses lack of economic opportunities and sustainable jobs, and brain drain as well as gaps between education outcomes and labor market requirements.



Direct communication of the initiative's founding members with (mainly) young professionals (e.g., designers, architects, developers, and other creatives) and cooperation with them led to the realization that there was no meeting point (space) for an easy and regular exchange of professional experience, ideas or knowledge.

Despite sporadic individual successes, even those who have received some public recognition (usually international) were not sure on how to further proceed. They had neither business plans nor knowledge of the market. The situation was much worse for those at the very beginnings of their career and business. They could see that some individuals were recognized, but the path to success remained opaque and vague to them. Besides, the opportunities for sharing stories (often painstaking) were very rare. Instead of inspiring the community, a success (perceived as something that “just happens”) was treated as something rare and suspect, even negative.

Although some so-called “guild-oriented” information that concerned the profession was available through universities and specialization studies, information about skill development or agency information was unavailable. The existing professional associations were mainly engaged in the promotion of design as a profession through exhibitions, but not engaged to educate and reveal success behind commercial part of it. There was not a place where one could get help in the process of realization of ideas or to better position oneself in the market.

For the initiative's core team, made up of professionals from the domain of culture and with a background in management, detecting the problem was “awakening” (Nana Radenkovic, 2016). There was no critical mass to address the problem, but at that moment a two-member team decided to start working on launching the initiative.

Obviously, there was a lot of potential, but a structured way to support the development of the creative community did not exist.

On the other hand, the youth unemployment rate in all sectors in Serbia, including the creative sector, was very high, and opportunity for employment rare. According to the reports by the Statistical Office of the Republic of Serbia, the youth unemployment rate in Serbia averaged 45.09 percent from 2008 until 2016, reaching an all time high of 54.20 percent in the second quarter of 2014 and a record low of 32.70 percent in the first quarter of 2008. (Although the new data show that there was some progress made, the youth unemployment rate is still high: in the first quarter of 2016, it was 44.20 percent and decreased to 36.10 percent in the second quarter of 2016.) (<http://www.tradingeconomics.com/serbia/youth-unemployment-rate>).

In addition, while there is a growing consensus on the importance of social entrepreneurship for inclusive growth, the notion of “social economy” is still not widely understood in Serbia. As the result of a series of awareness raising campaigns, trainings and projects of support to social enterprises, many by Nova Iskra and their partners, the concept of social entrepreneurship is becoming more popular and increasingly used by public officials, government officials involved in the social entrepreneurship policy making, CSOs and funders. However, there is still lack of a strategy or other policy document that would organize the strategic action for the promotion of social entrepreneurship, and the existing legislation is limiting the development of social entrepreneurship. Despite the weaknesses of a conceptual, legal, institutional and policy framework, social entrepreneurship has been



developing for years in diverse legal forms. The Strategic Study on Social Economy Development in the Context of the South East Europe 2020 Strategy (2015 Review) identified the lack of start-up support and disadvantaged access to public tenders as the main impediments that limit and slow down progress in the development of the SE.

Serbia is preparing for a membership in the EU, which also obliged the policy makers to adopt the policies to EU standards. Also, because Serbia has been using several funding programs, some ministries and agencies are promoting youth policy and social innovations.

## **THE CASE**

Tailor-made, transdisciplinary teams comprised of leading experts, professionals and creatives applied the design process as a starting point in developing problem-solving ideas, projects and services. Their progressive ideas and experiences have provided creative and business support and empowerment to both entrepreneurs and small/medium-sized businesses. By applying design thinking process and combining co-working, business incubation, social entrepreneurship, knowledge and skills development, networking, job matching and multisector linkages, NOVA ISKRA enables inclusive labor market, where emerging creative professionals and vulnerable groups (youth, women, rural households) have opportunities for employment and self-employment and be, along with forward-thinking businesses, agents of change and sustainable economic growth.

The initiative's multifunctional space was officially opened on Dec 6, 2012. Since, it has become the focal point for the local and regional professional communities related to all fields of design and enterprise, while it is at the same time the first functional co-working space opened in Serbia. In the first six months more than 3,000 freelancers and coworkers visited Nova iskra workspace “to co-work, to extend their knowledge, to do business or just to dream together.”

The reconstruction and furnishing of the physical space in which the initiative has been brought to life was a challenging task. In late 2011, the project found two main sponsors that promised to cover 10% of the projected total budget at the time, but the team of now four members decided to take the risk and start with the first stage of the project implementation. The credibility of those two first sponsors helped attract further support. In the early stage, the project was supported by the Municipality of Savski venac and the companies (Telekom Serbia, Erste Bank, IKEA, Simpo-Šik, JTI and Guardian In glass) joining with mainly in-kind donations, becoming in that way “the examples of good practice.” The main technical partner of NOVA ISKRA was Samsung, while further technical partners included companies such as SBB, Dremel, Canon, Division, Art Media Group, Geze, Global Press, AWS, Doncafe, Pavle glass company, Ecolab and Beohouse. Each subsequent stage of the initiative was conducted with co-financing. The co-investors were mostly companies that have already been Nova iskra users. For some segments, the initiative has been applying to public tenders. For example, their project “Urban Garden” gained the support of the Serbian Oil Industry through the company's open call. For some of the last



segments of the initiative's expansion, such as the development of infrastructure, the Development Agency of Serbia provided financial support, which was an important milestone in communication with state institutions.

## **DESCRIPTION OF THE LEARNING PROCESS**

NOVA ISKRA, a hybrid type of organization consisting of three legal entities (NGO, design agency, LTD company), binds together the fields of creative industries, commerce and civil society and uses design thinking and user-centered creation as main methods in creating solutions. Organizational innovation and workplace innovation play a key role for the actors and the users of NOVA ISKRA as well as in the practice field.

The idea was initiated by two young professionals with vast experience in cultural management, product design, creative industries and project management. Their previous knowledge about the sector gave them understanding of the unmet needs of the young professionals and creatives regarding supporting environment for their professional development. However, awareness about the needs was not sufficient. In order to find an appropriate way to fulfill these needs they conducted a research among key stakeholders (young professionals, freelancers, designers, NGOs, companies etc.). Basically, it was a number of meetings with key actors and detecting their needs and expectations in connection with shared working place, educations, networking opportunities etc. The second phase was learning and exploration of the similar incubators and hubs abroad that are examples of good practice. In this respect, knowledge gained through this process can be regarded as proactive learning because it occurred before the innovation process. However, despite the good preparation the main learning process occurred during the running of the initiative. This was firstly the case with financing the realization of the project. While the project was initiated in 2010 its realization was postponed due to the lack of the funding interest. The value of that experience was in fact that it helped the team to realize that different approach to funding is necessary. They strengthened the team with new professionals and started a strong fundraising campaign and negotiations with the potential investors. Their efforts resulted in the support from the municipality, large companies such as Ikea, Samsung, Generali etc. but also local community as well as local producers and designers that provided in kind donations. When Nova Iskra finally started to work on it, their premises was used by 36 professionals as co-working space, but also it became a focal point for many other designers, free-lancers, activists, etc. That was the moment when the ongoing learning process started and it was focused on the constant interaction with the key actors and broadening the range of the services in accordance the acquired information regarding their needs - they were constantly applying the "learning by doing" method, actively exploring and research the market and client needs.

Firstly, it was detected a need for the organizational innovation that requires a culture of innovation supporting new ways of doing business. The team realized that it encourages individuals to think independently and creatively in applying their knowledge to organizational challenges. At the core of organizational innovation is



detected a need to improve or change a product, process or service. These findings were in line with the view of the European Commission, according to which a workplace innovation is a motor for innovation and competitiveness, and as a way to transform workplaces to make better use of human talents and skills (Eurofound, 2015). The initiative's workplace innovation means a change in business structure, management, relationships with users and other stakeholders, and in the work environment itself. Co-working space is a vibrant working space that provides flexibility and choices for where, when and how to work, but it is also a workplace design tactic to recruit and retain the best talents. Different entities and a broad platform with various programs and activities can be also perceived as a one-stop center for creative industries. The team of Nova Iskra insights in the needs of their existing and potential clients were evolving through time: from a working office or a table, Internet connection, laptops and equipment to complex educational program (lectures, seminars, workshops, training and development, communication and networking, business meetings and cooperation, mentors, assistance in problem solving, inspiration and feedback, employees and employers/ customers and producers, co-creation and co-production. This ongoing research about key actors' requirements and needs have resulted in whole range of new services that immediately met the needs of old and attracted new clients. The final result was increased productivity and better solutions to challenges for users but also contribution to smart and inclusive growth for local community (which is also an aim of the Europe 2020 Strategy).

They learned that training and education has to be one of the most relevant programs because they help creatives to stay informed, gain or improve skills, learn, and network. Realizing that life-long learning is the core precondition not only for team members, but also for the development of innovative ideas of the professionals and clients of Nova Iskra, the education program has been realized in cooperation with NGO's, corporations, SMEs, a wide and diverse network of local, regional and global experts from different fields and, since recently, with one state agency. For many young professionals from the creative field in Serbia, where the youth unemployment is very high (almost 50%, at the moment), Nova Iskra became the place where they can both improve themselves and create better opportunities to find a job or to create one (the same applies to SMEs). More importantly, they have been matched accurately (their particular skills mix and qualifications well-suited to jobs).

A foremost driver of the learning process was the fulfillment of needs of the creative industries professionals that emerged as consequences of both economic crises and the general lack of support. Nova Iskra, however, is an expanding and successful initiative. Several factors, which sometimes overlapped in various stages, determined the success: team culture, financial stability, community involvement, a number of new programs with different aspects of social innovation, recognition by the state (financial support) and, very important, a network of partnerships (across all sectors).

It can be said that development and progression of Nova Iskra is marked by constant rethinking of the existing solutions and working on the new ones, more efficient, effective and sustainable. Their programs create new products/ brands like FOLKK and SIDE EFFECTS (launched recently), which provide job opportunities for social enterprises around the region. In order to be able to provide such programs and solutions, permanent interaction



with the local community in necessary. Nova Iskra team uses methodological approach in investigating, experimenting and implementing concepts, theories and practices that are formed around the idea of a common (good) in the local / regional context.

This approach resulted in establishing educational formats such as Studies of Commons that are focused on three themes:

- 01 The common areas of work and life,
- 02 Participatory organization and management of shared resources
- 03 The co-production.

These Studies are designed to encourage critical thinking and performance, offer theoretical and practical knowledge concerning model or approach to participatory development and management of shared space and other resources, as well as examine the possibilities for collective production. Program methodology is based on the process of design thinking and consists of three modules: Understanding (Research) Ideation and Prototyping. It is not only that initiation of such program is an ongoing learning process, but also its realization contributes to acquiring new knowledge for team members as well as new networking opportunities.

While it is too early to talk about social change(s) that are a result of this particular initiative, the main ideas and the initiative's processes have been well adapted by the users and all those participating in any way in the initiative. In order to adopt to ever changing world and demands, dedication to lifelong learning is a requirement for both the initiative and its users and partners. One of the main insights acquired through experience was that complex challenges, such as youth unemployment cannot be solved by a single social innovation. Instead, systemic innovation is required. Systems are slow to shift because of the tendency to maintain the status quo and because necessary changes in mentalities, structures and processes are hard to achieve. Systemic change often requires involvement across all four sectors (business, government, civil society organizations and households), which is very time consuming and difficult process. On the other hand, there is a significant role for networks and new forms of collaboration in driving systemic change. Through constant learning-by-doing, the team realized that it was easier and more dynamic when they partnered with either the civil or private sector. It was easier and faster as they have similar understanding of the process, tools and methodology that can be used in the problem solving action. In the social sphere, however, systemic innovation is rarely achieved through a single organization or sector and without a complex interaction of public policy and reforms to legislation, changes to business cultures and practices as well as shifts in consumer attitudes and behavior.

Moreover, the team members realized that the initiative's absorptive capacity can be developed only through individual, organizational and community capacity building. Without gathering knowledge and employing experts from around the world to be a part of their network and share information, knowledge and their resources, they wouldn't be able to continue their development or to foresee the future trends. Both the initiative's team and their users need to constantly improve those skills. For the initiative, a huge inspiration comes from the field of





commons. When they think about new projects or resources and development they see people and knowledge as one of the main resources for their business.

One of the particular fields important for targeting young entrepreneurs is technology. This area also demanded ongoing learning and monitoring of the trends for team members. One of the obvious reasons for the emphasis on technology is the phenomena of nomad workers, global citizens who are using technology to do their work from different geographical locations. Aside enabling new forms of work and networking, digital connectivity and online and mobile technology platforms allow the initiative to have ongoing dialogue with the different audiences in convenient ways. This provides better market insights and, based on a level of cooperation, a co-creation of valued solutions. Social media particularly have a very important role in that dialogue. Co-creative approaches to shaping products and services help include other stakeholders (e.g., partners) whose insights are extremely valuable in informing the innovation.

Technology moves quickly and it is a challenging task to use what is available in the most effective way. For the initiative, digital commons (generally freely available) are extremely important to keep abreast of the latest trends and tools. Technology increases efficiency and effectiveness, facilitates new types of bottom-up and decentralised forms of collaboration, and helps configure new types of social and business models, which otherwise wouldn't be possible. This leads to the transformation of existing processes, roles and relationships, particularly because their forms and impacts are not easily predictable. Nova Iskra's educational formats are responding to specific needs of the community in order to gain contemporary knowledge and fresh skills when it comes to digital communication strategies development, or UIX design, creative coding or similar professions that are using every opportunity to upgrade and evolve. At the same time the management process depends on usage of various digital communication and organizational tools (google, Slack, Trevo, Asana...etc).

## **DISCUSSION**

Nova Iskra is an alternative model of economic organization, potentially an important source of employment and growth. Success is perceived by the number of people empowered through their capacity building program, the number of new initiatives (solutions) and the sustainability of the initiative and created solutions.

The initiative's impact is presently visible on the micro-level (the impact on user), mezzo-level (the impact on the community and organization) and, to much lesser extent, macro-level (the impact focusing on society).

Nova Iskra emerged as a pragmatic response to needs experienced by individuals and groups in their daily life, bypassing bureaucratic procedures. The initiative's undertaken actions at community/local level improved their users' quality of living by meeting the needs that were not met by the public or traditional private sector alone. Within the last 3 years, Nova Iskra has conducted more than 120 educational programs (lectures, presentations,



workshops, study visits, mentorship and consultancy programs) with more than 9,000 beneficiaries and topics varying from entrepreneurship and design management to R&D, innovation and sustainable development.

However, none of this would be possible without constant capacity building of the core team of Nova Iskra. Although one part of the learning process included proactive learning that occurred during the preparation process, the majority of the new insights were acquired during the innovation process i.e. through reactive learning. As it is presented on the example of the various services offered by Nova Iskra, the majority of acquired knowledge was result of the strong interaction with the clients and other stakeholders. Their collaboration and cooperation resulted in the new services that were offered and this methodology became the basic learning tool for the team. Moreover, it is important to emphasize that the cross-sector knowledge transfer mechanisms emerged as the result of the cooperation with the actors from civil, private and public sector. Constant interaction with the local community led to the development of the new solutions for their unmet needs. The initiative emerged from sharing and networking between a wide range of actors. It has been building partnerships among many stakeholders that work on various issues or projects at local, regional and global level. Interdisciplinary teamwork has been established in a mixed and extended work collective with the new type of professionalism that has combined fragmented knowledge through dialogue and involvement of users. In this respect, networking is not only a service offered by Nova Iskra, but it is the process used by the team for own development as well.

Although the team members had previous formal knowledge as well as working experience, the complexity of the project and constant changes in the environment caused stronger orientation on the tacit knowledge transfer as the ongoing "learning-by-doing" process. This was not only the case with the development of the new services, but also human, financial and organizational management.

The initiative proved that despite the unfavorable economic situation and complexity of stakeholders, it is possible (with the new thinking and practices) to create opportunities and to reach sustainable solutions. Using Design Thinking as a methodology proves that the initiators of Nova Iskra understand that the best solutions are not possible without the good insights into human behavior. Human-centered innovation begins with an understanding of users' unarticulated or unmet needs. Design thinking is "learning by doing." It includes different steps (observing, interviewing, empathy mapping, storyboards, associational thinking, prototyping, and decision-making analysis) and results in sustainable solutions. The programs of Nova Iskra build and strengthen human and social capital.

The management team of Nova Iskra today consists of eight members of managers and professionals with broad experience in cultural management, marketing and PR, production, education and trainings, consultancy, program and project coordination etc. They all brought explicit knowledge into organization gained through their formal education and trainings as well as tacit knowledge gained through previous working experiences and certain degree of the knowledge transfer occurred between the team members. However, the capacity building within the



organization was mainly result of the tacit knowledge i.e. learning-by-doing and in this respect "new knowledge is generated through the dynamic interaction and combination of these two types"<sup>1</sup>. Thus, although the research findings suggest that "intangible barriers to social innovation are associated to the capacities of the human capital" or more concretely "capacity and skill shortages, lack of managerial skills" and "under-skilled work forces"<sup>2</sup> this is only partially true for Nova Iskra. The fluctuations within the team members happened mostly due to the overload and burn-out syndrome, while on the other hand lack of experience was also a reason of leaving of few team members.

However, majority of the knowledge transfer was gained through interaction, collaboration, co-design and co-creation with the young professionals, creatives, users and stakeholders. While Bagheri and Pihie(2011) suggest that "entrepreneurial learning has four dimensions: experience, reflection, social interaction and observation"<sup>3</sup>, it can be inferred that the crucial role in capacity building of Nova Iskra was social interaction and sharing of knowledge, information and ideas.

<sup>1</sup> Lam, A.: Alternative societal models of learning and innovation in the knowledge economy, ISSJ 171/2002, UNESCO 2002., Published by Blackwell Publishers, Oxford, 2002., p.69

<sup>2</sup> Terstriep, J; Kleverbeck, M, Deserti, A. & Rizzo, F. (2015). *Comparative Report on Social Innovation Across Europe*, Deliverable D3.2 - SIMPACT PROJECT (Boosting the Impact of SI in Europe through Economic Underpinnings). Brussels: European Commission, DG Research and Innovation, p.100

<sup>3</sup> Bagheri, A. and Pijie, Z.A.L. (2011): *Entrepreneurial Leadership: Towards a Model for Learning and Development*, Human Resource Development International, 14(4), p.447-463



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