

# Bulletin <sup>04</sup>

Autumn 2019

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Innovators  
Network

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Photo by: Sophie Sheinwald  
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Ian Wright blog:

Disruptive  
Innovators  
Network

# Happy first birthday to DIN

## Welcome to the Disruptive Innovators Network Autumn bulletin.

I can't believe it is only a year since DIN launched. Looking back, we have done so much together.

The Network has grown within a year to 50 organisations, all interested in learning how they can respond to the world of disruption and take advantage of the opportunities brought about by innovation.

We try to bring together the strands around Technology, Leadership and Culture to ensure all three are aligned, as without one of these pillars the impact will be reduced.

We've met some amazing start-ups, visited innovators in the Netherlands and Belgium, learned from the likes of Amazon, Microsoft, BT and Rackspace. We've also visited Northumbrian Water's Innovation lab, AO.com, Amazon Fulfilment Centres and Hacked the House with AWS and dived into the world of virtual and mixed reality at Microsoft.

On the tech side it's not just been the variety of the solutions we've had pitched to us but it's the speed of the development that has resonated. Even in just a year you can see how much the products have developed having worked in 'live' situations with DIN members.

I'm particularly excited by our forthcoming hack around 'Building a Digital Worker' with 10 members competing to build their new work colleague!

## Are you ready for the DIN Summit?

We're only a few short weeks away from our second Disruption and Innovation summit on the **12th November** back at the **BT Customer Centre**.

It involves a seriously exciting line up of thought leaders, world class innovators and brilliant start-ups. We'll get a chance to interview the Vice President of Twitter, the Director of Insight and Innovation at Amazon and the Head of 10x Technology from Ocado to name just a few.

DIN members get a free place so if you haven't booked yours already get in quick!

## Challenges to the housing business

Over the year these emerging themes which have shaped my thinking about what sector leaders need to start thinking about:

1. *The future of work* - not just working from home (WFH) but working from anywhere (WFA). What will this mean for job roles, ones no longer required, new ones introduced and how we will work together? This is before we look at the physical space in which we work and which can have such an impact on how we feel and perform.
2. *The Digital Workforce* - with the rapid advances in robotic process automation, how are we going to balance the competing demands of our human and digital workforces? How do we structure our organisations so that the digital workers support people - allowing staff to focus on the more human tasks and complex needs?
3. *Developing a new business strategy to embrace rather than fall victim to disruption* - Those sectors most attractive for disruption are those with lots of incumbent players, low adoption of technology and growing customer disaffection. The housing sector isn't quite at this nadir yet but, unless something changes, the sector must be vulnerable to disruption at least for parts of our business. Conversely, by disrupting itself, the sector can improve its offer and secure its future.

This is a great time to be working in such an important sector as social housing. If we can embrace the best in technology and innovation - at scale across the sector - what a difference we can make to the lives of our residents.

Ian Wright, Managing Director - [ian.wright@disruptiveinnovatorsnetwork.co.uk](mailto:ian.wright@disruptiveinnovatorsnetwork.co.uk)

Founding partner



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# Why employers and technology companies need strategic worker engagement in digital transformation

Trade unions are a vital piece of the future employment puzzle, argues David Biden, CEO, human+. With their guidance and knowledge, unions can help shape the worker's experience alongside new workplace technologies.

*"Automation, artificial intelligence and the need to decarbonise the economy are set to make sweeping changes to industry. But that must not mean communities being swept aside. When working people and communities are involved in making plans, industrial transformation can mean positive change."*

*"The main goal of local industrial strategies must be the creation of good jobs. And the foundation must be co-operation between government, industry and unions, with workers and communities taking part in making plans."*

Frances O'Grady  
TUC general secretary

As the CEO of a company that helps organisations introduce automation into their day-to-day workflows, I couldn't agree more with the TUC. Co-operation over the future of work is absolutely vital. There's no question that disruption is going to take place; it's inevitable across pretty much all industries, as it has been for centuries from the introduction of the first printing press to the foundation of Uber. And from Caxton to Kalanick, we've seen large groups of disaffected or fearful workers who try and reject new technologies or ways of working. It's a very natural instinct of self-preservation.

## Changing the short-term/long-term narrative

Trade unions do not want to hold back the future. But change must be anticipated and managed, and that means human beings staying in control

of data and digitalisation, and those who employ technologies being identifiable and accountable.

A two year commission **organised by the trade union community and the Fabian Society** will identify the immediate actions that government, employers and trade unions need to take to support workers as technology impacts on jobs over the next 10 years.

Riding roughshod over the concerns of your workforce in order to save on overheads via automation is a strategy that is both unethical and unproductive; skilful human workers can be marginalised which actually decreases a business's efficiency.

It's all very well seeing a forecasted projection of net job growth in the long term (which, by the way, I'm a firm believer in), but when people are at imminent risk of losing their jobs to automation, the prospect is different. Objectively, it looks like a union working with employers on digital transformation would be going against a central principle of ensuring better working conditions for its members. Trade unions are also concerned about the long-term stability of employment, influencing government industrial strategy and the economic and social policies of government that impact on their members. So by working



with industry on the implementation of technological change they are actually fulfilling many of their objectives.

The increased productivity that process automation offers tends to boost the economy and help improve standards of work and standards of living. Even if this increase comes from tech that disrupts the workplace, unions and those with an interest in improving working standards for employees should be keen to embrace it.

What we will see evolving over the next few years is an org chart that features a combination of both human employees and virtual workers. Teams will be made up of both people and bots. A combination that will aid the UK's efficiency problem. Trade unions are perfectly placed to help manage this change so it's important they understand how technology such as Robotic Process Automation (RPA) works and how it effects and workforce.

### It's a team game

It is possible to introduce new technologies without firing people to make room. Look at Germany, for instance, which recently effectively brought an end to its coal-mining industry **without displacing a single miner**. Or the tech giant Amazon, which recently revealed its commitment to **upskill millions of workers** whom it has identified as at risk of losing their job. As many as 100,000 employees are expected to undergo the retraining process by 2025.

Amazon's "upskilling" plans includes six programs, which will be available to employees at any Amazon location.

Secondly, education is key. Unions probably understand more about employment law and HR processes than they do about the technology which business decision makers might want to introduce. Breaking down the wide-reaching benefits of Robotic Process Automation for example, can be a big help in enabling unions to get on board with tech providers. Having strong unions with thought-through policies in place, can help tackle the impact of automation and the digital revolution.



Images from Amazon's **upskilling scheme**  
[aboutamazon.com/working-at-amazon/upskilling-2025](https://aboutamazon.com/working-at-amazon/upskilling-2025)

### Unions are the leaders we need

In reality, the jobs 'threat' from automation is that it may inadvertently speed up or exacerbate existing socio-economic problems and make working life tougher for certain groups. Those who have had less access to education or opportunity in their lifetime due to their race or gender, for example, tend to take up jobs which are at greater risk of imminent automation.

**The Institute for Public Policy Research summarised this neatly in a recent report.**

*"Despite the growing capability of robots and artificial intelligence (AI), we are not on the cusp of a 'post-human' economy. Automation will produce significant productivity gains that will reshape specific sectors and occupations. In aggregate, however, these gains are likely to be recirculated, with jobs reallocated rather than eliminated, economic output increased, and new sources of wealth created. The problem, instead, is likely to be one of how income and wealth are distributed. Automation could create a 'paradox of plenty': society would be far richer in aggregate, but, for many individuals and communities, technological change could reinforce inequalities of power and reward."*

Employers, government, unions and product developers all need to come together, true, but industry analysts can already create a pretty reliable matrix of workers who are the most at risk of losing their jobs to automation in the next five or ten years, whether that is by geography, role, or age. Trade unions are faced with a unique opportunity to both fulfil their duty of safeguarding vulnerable employees from exploitation or job loss, but also empower workforces to be best-prepared for dealing with the presence of innovative technology in 2020 and beyond. I'm looking forward to seeing a greater level of engagement between employers and trade unions in managing the digital workplace revolution.



# Managing by algorithm

Workforce morale and customer satisfaction at risk

Arturo Dell, Director of Technology and Innovation at HouseMark

Picture this common scenario for London commuters: it's the first day back to school after the summer holidays, it's raining, it's the morning rush hour and the Northern line isn't working. Seasoned commuters will know that buses are an option, but it will be a tight squeeze to get into one. Disruptive seasoned commuters will know that we now we have a different option, we can get an Uber to the nearest alternative station! This exact scenario played out a few weeks ago and there was a mini-outrage on social media when a 10-minute journey ended up costing over £80 pounds.

As expected, social media opinions ranged from anger at how Uber benefits from people's misery to acceptance that this is capitalism in action and Uber is just reflecting the real 'value' of a 10-minute journey evaluated by supply and demand and accelerated by algorithms designed to optimise their outcomes.

I looked at this from a different perspective; to me this is a perfect example of the new challenges emerging from the practice of algorithmic management. I was curious to find out how the drivers would justify the price. Side with the passengers feeling ripped-off? Dive deep into the intricacies of surge pricing? Shrug their shoulders and blame the system?

***"Algorithmic management is not an example of a technology-supported management practice; in fact, it constitutes a totally different managerial logic. Specifically, algorithmic management has the unique ability to track worker behaviour, constantly evaluate performance with rewards and penalties and automatically implement decisions. Algorithmic management provides the feeling of working with a "system" rather than humans and is characterised by lower transparency."***<sup>1</sup>

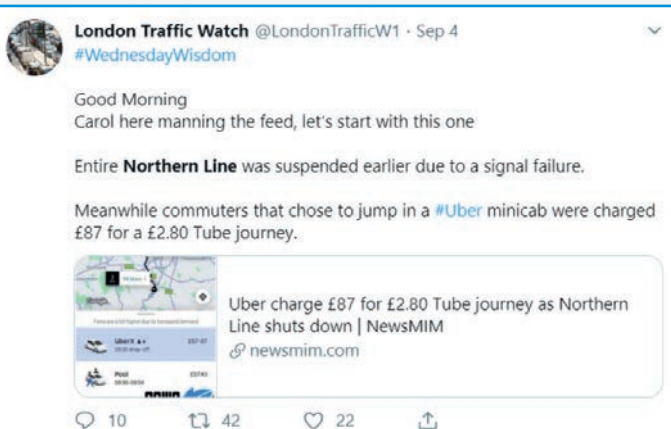


Figure 1: Outrage on the streets of London.

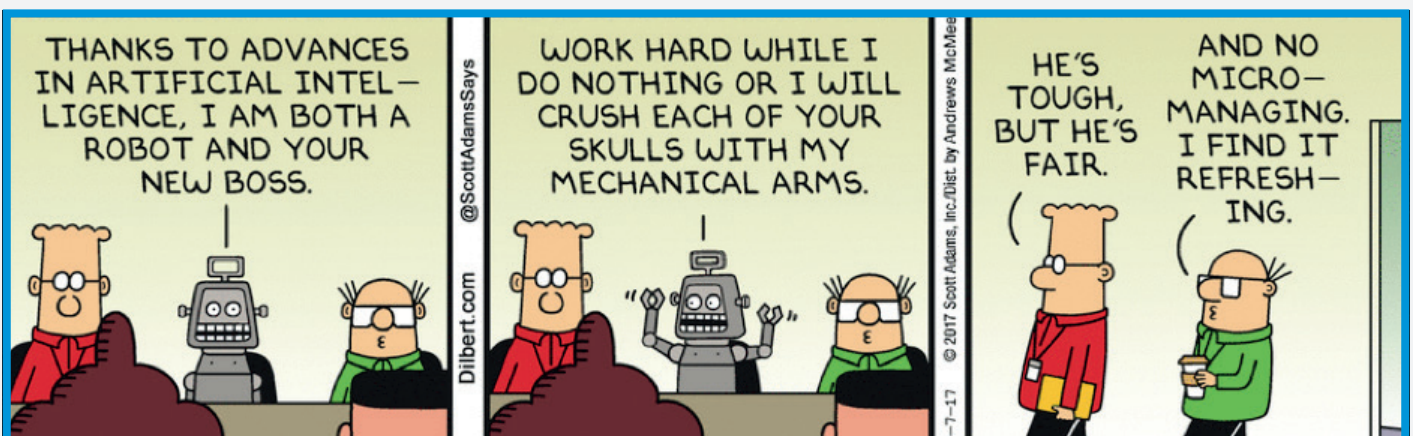


Figure 2: AI boss according to Dilbert

<sup>1</sup> Taken from a [recent report](#) by Mareike Möhlmann and Lior Zalmanson on Uber drivers and their views on being managed by algorithm





Figure 3: Drivers from competing online firms work together to create artificial price surges

The feeling of being managed by some obscure, impregnable system has generated some interesting coping mechanisms by the growing number of people who work in these environments. I was fascinated by a [report](#) showing how a group of Uber and Lyft drivers working outside an airport in Washington would coordinate to switch off their apps to create an artificial absence of cars prompting the systems in both Uber and Lyft to trigger a price surge. An original way to regain control or just plain old cheating? The impact of the gig economy on the workforce is not a new phenomenon, some social commentators have described a new emerging class of the 'precariat' which describes a growing socio-political group who share an increasingly precarious lack of job security<sup>2</sup>. Algorithmic management has not created the precariat but is certainly defining the framework for managing this dispersed workforce.

Even though the most dramatic examples involve people

elite  
salariat  
proficians  
"old" working  
class precariat  
unemployed/lumped  
precariat

Figure 4: A new digital age class system?

working in the gig economy, the experience of being managed by an algorithm is becoming more common and is something which is manifesting itself in housing. Rent officers in many housing providers regularly follow algorithm-based logic to decide who to call and chase for payment. Repairs operatives look at their devices to tell them which job to handle next and a transactional satisfaction survey is sent for customers to complete as soon as they leave. With the introduction of [machine learning products embedded in Outlook](#) which give users 'nudges' on how to become more productive, which emails need urgent action and suggestions to prevent spending too much time on meetings, this trend not only affects gig economy workers but is becoming more widespread and will continue to grow.

There is a [fascinating study](#) about the impact algorithmic management has on gig economy workers and I think it provides valuable insight for housing providers. The three most common complaints from workers managed by algorithms are:

- **Constant surveillance** - Staff feel the work is too prescriptive with every task decided by the algorithm and the threat of potential punishment for non-compliance. There's also the personalised feedback loop from customers in the form of an immediate transactional customer satisfaction rating which adds to the feeling of lack of freedom
- **Lack of transparency** - As per the example of the price surge in London, staff feel they need to operate under the instructions of an opaque system which manipulates their activities towards goals which are totally out of their control
- **Loneliness** - Perhaps in common with home workers, staff feel isolated without colleagues to engage with or supervisors to build a relationship with.

All of this is triggering online activism with communities of gig economy workers sharing their experiences away from their employers. In some recent examples, [fledgling trade unions](#) are being formed to represent this growing workforce. [Mark Graham](#), one of the key thinkers in the domain of the gig economy, has suggested the need for a [transnational digital workers union](#). For further discussion of the role of trade unions in technological transformation see article by David Biden on page 2.

Even if we don't recognise all these traits in our workforce yet, we need to keep learning from the experience of other sectors and avoid some of the excesses described here. Practising openness and transparency, enabling human contact for dispersed teams, building trust around the goals of the organisation and ensuring that algorithms are optimising their output in line with the company's goals, are all steps which will go a long way to preventing some of the unintended consequences of algorithmic management.

<sup>2</sup> For a full description of the precariat see Guy Standing's book on the subject: [amazon.co.uk/Precariat-Dangerous-Class-Bloomsbury-Revelations](https://www.amazon.co.uk/Precariat-Dangerous-Class-Bloomsbury-Revelations)

Keeping an eye on these new ways of managing people by algorithm is not only important from an HR perspective but it may have a deep impact in terms of customer satisfaction. The reason why the housing sector is looking to digital transformation and innovation is ultimately to improve the service it provides to its customers. The learning from the more extreme examples of the gig economy shows us that a workforce which is experiencing unmitigated algorithmic management will be unable to provide an excellent customer service. This poses a significant challenge now when tenants expect more from landlords and are finding their voice to state their rightful demands to be listened.

At HouseMark we have been leading the collection of customer satisfaction data since 2011 when we launched the STAR framework. This year we have been carrying out a review of STAR to ensure we maintain a modern approach to capturing customer satisfaction data. We've had significant traction with over 250 landlords and over 7,000 residents participating in the review.



Figure 5: STAR review participation in numbers

It is very interesting to see the prevalence of transactional satisfaction measures<sup>3</sup> used in the sector. Landlords find these a highly effective way to manage third party contractors and define staff rewards. This is not in itself a problem but the lessons from the gig economy should help define a safe path where the combination of algorithmic management and the use of immediate feedback loops doesn't cause unintended consequences such as low staff morale which will ultimately impact on satisfaction scores.



Figure 7: Alternative satisfaction measures

	Perception surveys	Transactional surveys
Report the results to the board / exec teams (for example in KPI reports)	88%	83%
Identify actions that need to be taken	82%	74%
Communicate results to tenants (for example in an annual report)	79%	60%
Benchmark the results	73%	30%
Staff training and development	30%	37%
Manage third party suppliers (for example repairs contractors)	21%	47%
Link satisfaction scores with staff bonus	7%	9%

Figure 6: Uses for satisfaction data

Another interesting insight from the review is the use of satisfaction measures which evaluate ease of use and trust. This is another area where landlords should monitor the impact of some of the algorithmic management challenges particularly when measuring trust. Some of the providers of mass-scale services supported by the gig economy workforce such as Uber or Amazon may accept a low trust score because they know customers will be willing to sacrifice trust for convenience. This is not the case in social housing where the product is the home and trust is a precious commodity. If staff feel they are managed by an impersonal system which they don't understand, it is very unlikely they will be able to engender the kind of trust in customers needed to successfully deliver the service.

When the new STAR framework is released in December 2019, the sector will have a new mechanism to capture satisfaction and providers will be able to ensure some of the inevitable changes brought about by technology and algorithmic management don't create unintended consequences which impact their satisfaction scores due to low staff morale.

So the next time I get a nudge from Outlook telling me to respond to an email or to leave more time aside for collaboration, I will remember that for every fantastic new invention there is a potential unintended consequence and it is the job of the disruptive innovator to keep looking for them before they materialise and design strategies for safe adoption.

<sup>3</sup> Transactional satisfaction surveys are ones that are carried out following an interaction with the landlord, such as a responsive repair or a call to a contact centre. Transactional surveys measure satisfaction with specific elements of service delivery, rather than how your organisation is perceived as a whole (perception surveys).

# Embracing the sharing economy:

## An interview with Benita Matofska



Photo by: Sophie Sheinwald for Generation Share

*The UK makes up a third of all sharing activity across Europe with 64% of us already participating in online and offline sharing of cars to clothes to food. Some 83% would share more if it was easier. The UK sharing economy is worth an estimated £13 billion in 2016 and is expected to grow to £140 billion in 2025*

Source: Generation Share, Benita Matofska, published by Policy Press 2019

In its many forms, the Sharing Economy offers all these benefits plus the opportunity for service providers to offer tools to allow the communities within which they work to develop their own micro local economies. In the UK, 65% of us participate in sharing services.

In this special feature, we look at the Sharing Economy and its relevance to social housing through an interview with leading international speaker and Sharing Economy expert Benita Matofska, creator the charity **The People Who Share**, founder of Global Sharing Week and author of **Generation Share**, a ground-breaking visual book evidencing how the Sharing Economy is saving and changing lives by bringing the inspiring stories of the change-makers who are building it.

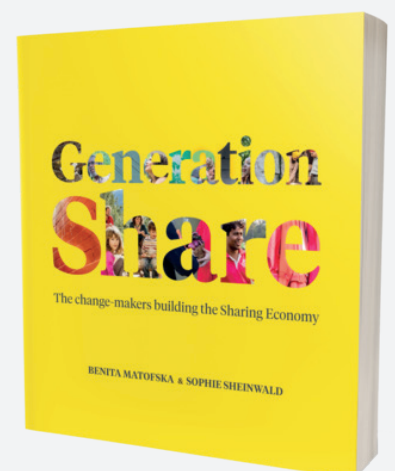
A stream of recent scientific research tells us how little time there is to prevent an irreversible future decline in the sustainability of life on our planet. The urgency of the issues means that radical, rather than merely adaptive, steps are required in how we consume and sustain our natural resources.

The Intergovernmental Panel on Climate Change reports in **2018** and **2019** set out the gravity of the crisis

Action is required at national and international level, by public providers and commercial businesses, through the global aggregation of community activity and in the personal choices we make as humans such as how many children to have, whether to own a car or deciding not to fly when other transport options are available.

There is an even bigger benefit where the actions we take as a housing sector to tackle climate change produce additional benefits in terms of tackling poverty, enhancing social mobility and reducing isolation, hospital admissions and crime.

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## Interview:

# The sharing economy is a system to live by

*"Sharing means creating the conditions to understand others, it's not a one-way street, it isn't just giving up something from my surplus to someone else, it's a relationship where someone provides me with the opportunity to share with them"*

Alessandros Pagidas, Greek philosopher  
Source: Generation Share

It's where we care for people and planet by sharing available resources in any way we can. We live on a planet of finite resources but our potential to share is unlimited. My life's work has all been about how we can unleash that unlimited capacity to share by working with different organisations and communities in order to build this sharing economy.

## What is the Sharing Economy?

The term 'Sharing Economy' emerged from the global crisis of 2008-9 and the need to do more with less. Its birth demonstrated that necessity is often the best mother of invention. Fuelled by technology that was able to match people who had spare or idle resources with those that wanted or needed them, the term became associated with new types of 'peer-to-peer' or person-to-person online marketplaces like Airbnb. I recognised that, in reality, the Sharing Economy is much more than a collection of new types of Silicon Valley backed ventures, it is wide-reaching and changing society as we know it. It is at once an economic system built around the sharing of human and physical resources and a mind-set. The media has presented a very narrow perspective of the Sharing Economy, one that doesn't represent its wide-reaching impact and the spectrum of sharing that is happening around the world. My book Generation Share evidences this.

I believe that by making available these positive stories of change-makers who are sharing resources in their communities, homes and businesses, we make the Sharing Economy more open, accessible and available for people, particularly from low income backgrounds – who are the clients of social housing.

## The Sharing Economy is essentially made up of five parts:

- **Categories** (what we share) – these include physical items such as homes, goods, toys, food, clothes and cars, but also human assets like knowledge, time, creativity, poetry, laughter, skills, power or opportunities.
- **Subsets** - the divisions or parts that make up the spectrum of the Sharing Economy such as: crowdfunding, the gig economy, recycling, open source, the Maker movement, fair trade, social enterprise, volunteering and mentoring.
- **Mode** (how the Sharing happens in practice) – this includes renting, borrowing, swapping, collaborating, partnering, peer-to-peer, collective purchasing, cooperatives, new organisational structures, community action and on-demand.
- **Characteristics and Values** – these are the attributes that determine the type of economy, For example, that it's circular in nature, smart, resource efficient, and sustainable. Its values are transparent, inclusive, positive, equal, abundant, efficient, accessible, collaborative, diverse, entrepreneurial and commons based.
- **Impact** (why we share) - this is the social impact or value created through Sharing (social, environmental and economic) that is often hidden. It includes social mobility, poverty alleviation, environmental improvement, sustainable development, advancement of health, citizenship, happiness, human rights and animal welfare.

Positivity is particularly important because to change the world we need to change the current negative and cynical narrative. That's why Generation Share showcases inspiring, innovative and positive examples of the sharing economy from across the world.

**Older Women's Co-Housing (OWCH)** are a group of women over fifty who are the first senior co-housing community in the UK.

OWCH was founded in 2003 to develop a network of women who would support each other as they got older by becoming by becoming friendly, helpful neighbours, as an alternative to living alone. OWCH then decided it could best meet its objective through a co-housing scheme.

The group partnered with Hanover Housing Association. Hanover employed a site finder and the group chose a school site for sale on the private market. Hanover financed the site acquisition and construction on the basis that all homes were presold or pre-let before construction started. On completion, Hanover sold 17 homes to OWCH buyers (each paying 10% deposit) and 8 to Housing for Women for let at a social rent.

OWCH moved in to 'New Ground' - a new purpose-built block of flats in Barnet, North London - in 2016. The 2-3 bed flats are clustered around a walled garden and all have their own patio or balcony. There is a communal meeting room with kitchen and dining areas and residents share a laundry, allotment and guest room. OWCH have formed a fully mutual company to manage their community.

Photo by: Sophie Sheinwald for Generation Share



Impact is fundamentally about how we are sharing opportunities and resources. We have over £3.5 trillion worth of idle resources worldwide, from empty homes to surplus uneaten food. Yet, 40,000 people die every day because they don't have access to basic resources such

as food or shelter or water, so the Sharing Economy is about how we connect or match that surplus with that need. We have the capacity to end world hunger, to end poverty, if we share; we can build a sustainable economy.

We know scientifically that there is a correlation between sharing and wellbeing. The more we share the happier and healthier we become. Indeed, being part of a community could be lifesaving. There is also a direct correlation between isolation (not sharing) and physical pain, particularly in the case of inflammatory diseases such as arthritis.

A recent three-year study in the Somerset town of Frome showed that emergency hospital admissions fell dramatically following the introduction of a Sharing project to tackle isolation. The Compassionate Frome project, launched by GP Helen Kingston, deployed health and volunteer community connectors to help patients find support. Despite a 29% increase in emergency hospital admissions across the rest of the region, in Frome they fell by 17%. The study found that this is due in no small part to the Sharing projects catalysed by Compassionate Frome. From Men's Sheds (where men come together to make and mend), to Library of Things, where you can share and borrow needed items, the study demonstrates that there's some science to back up the notion that Sharing can save lives.

***Growing the Sharing Economy is more than the global aggregation of local initiatives - it's about growing a network which connects people on a grand scale***

Rather than aggregation, I tend to talk about this network with its ripple or butterfly effect where a small action in one place inspires further action and leads to impact both locally and elsewhere.

Mike Sylvester runs the Workers Café, a community co-working café in Dalston, London. The café provides freelancers, remote workers and other creative-minded people in a much cheaper external working environment than Starbucks etc. Here, workers can stay all day if they wish, meet other like-minded people, build friendship and networks and share knowledge and information.



Photo by: Sophie Sheinwald for Generation Share



When people talk about 'scaling up' the Sharing Economy, the narrative is often about the valuation of multibillion-dollar companies such as Airbnb or Uber rather than the broad spectrum that makes up the diversity of the Sharing Economy. That's why I prefer to talk about the sustainable growth of this emerging economy where people are connected and there is a network effect.

### How the Sharing Economy can help social landlords:

- Collaboration in innovation – circulation of new ideas, sharing of risk and both human and physical resources
- Staff mentoring to support and enable new skill development and unleash social capital
- Collaborative living – co-ops/TMO's and young flat sharers and seniors – meeting housing need and aspirations through co-creating solutions
- Tackling isolation and loneliness amongst tenants – reducing hospital admissions
- Building community cohesion, improved wellbeing, happiness, lowering crime rates, increasing opportunities, employment
- Collective procurement – sharing risk and leveraging power of spend
- Sharing resources – like lift-sharing schemes or making redundant buildings into community start-up co-working spaces or sharing centres – as a contribution to tackling climate change
- Protecting and preserving the environment, greening urban spaces, tackling food waste and food poverty through the sharing of food, providing access to shared goods and services, an efficient use of resources.

### The social housing sector has an appetite for sharing knowledge rarely seen in other industries. Current sector sharing initiatives include:

- **Disruptive Innovators Network (DIN)** - offering a range of learning models and ways to engage with other disruptive innovators and thought leaders and new delivery partners
- **HouseMark** – comparative data, business intelligence, improvement tools
- **HACT** – promoting ideas and innovation
- **Procurement for Housing (PfH)** – member-led collective procurement
- **Women in Social Housing (WISH)** – networking and support for female housing workers
- **Voluntary regional/specialist fora/clubs** – peer-sharing of knowledge
- **Landlord trade and representative bodies** – sharing of sector knowledge and good practice

### *When mainstreaming the Sharing Economy in social housing, the key issue is marrying a system of production with a community-centred form of services*

A sharing mindset enables environmental and social value to be created such as the recycling of surplus in an efficient manner, providing access to shared resources and building business models focussed on shared resources. These models increase the economic viability of the organisation.

The sharing economy principle is that there are three types of value that are costed and accounted – economic, social and environmental. We know this as the 'triple bottom line.' In order to mainstream all of it, we've got to look at these three factors interchangeably. Even businesses that only look at the economic impact of their actions are actually having a social and an environmental impact (often negative), whether they know it or not.

The social housing sector can learn from the social impact sector and social enterprise specifically. Because those businesses are always considering the 'triple bottom line' – the very reason that those organisations are set up is to deliver these three types of value.

### CASE STUDY: LIFTSHARE

Liftshare is the largest car sharing enabler in the UK and has been running since 2003. Liftshare's successful B2B operation funds a free-to-use car sharing platform for the general public. Liftshare is a business with a clear social purpose whose goal is to disrupt the morning commute whilst solving air pollution and traffic congestion by reducing overall car journeys. So far, Liftshare has seen off a stream of new market entrants such as Uber.

As you look out of your office window at 5pm to watch the company car park empty into as clogged by-pass you may wish to join a corporate lift-sharing scheme.

Social housing self-defines as a sector that takes these three value streams into account in decision making and operations, but its operational systems often doesn't deliver social impact results.

The operational aspect is all-important. We can have every idea in the world about how we are going to change things but unless we have the will and the mind-set to deliver it – it's just conjecture.

If organisations are to change and normal rules of the market are to be changed, we need to empower tenants and strengthen communities. The system currently has them held captive. They should know that through shared resources and opportunities, they can have access to social mobility and meet other social needs.



Photo by: Sophie Sheinwald for Generation Share

*"One thing that's nice about being disabled is that it makes you aware of your dependence on other people. I can't get dressed, go to the toilet or eat without assistance. Of course, no one else can either, right? We invisibilise the sewage worker, we invisibilise the people who make the clothes, they are somewhere else, but your dependence on them is enormous. Sharing is just very visible when you are disabled."*

Jacob Berkson, founder of Thousand 4 £100, a migrant solidarity campaign that crowdfunds rent for refugees in Brighton.  
Source: Generation Share

## How the Sharing Economy can empower tenants and communities

- Lift shares – alleviates transport poverty
- Bike shares – alleviates transport poverty
- Shed/tool, goods sharing – supports subsistence living
- Repair shops– supports subsistence living
- Food sharing/banks/community cafes and grow your own – alleviates food poverty
- Rent a Room scheme – additional income
- Volunteer caring – supports assistance for disabled people, elder independent living and (in general) helps alleviate loneliness and isolation
- Home swapping – holidays etc – improved quality of life
- Access to 3D printing, computing, business start-up support etc – stimulates local economy
- Access to new types of employment, opportunities, flexible working - stimulates the local economy
- Food sharing – alleviates food poverty, connects people through food
- Skills sharing – enables different forms of value exchange, necessary for living
- Culture, leisure sharing – increases quality of life, opportunities, wellbeing.

## CASE STUDY: THIRTEEN GROUP, STOCKTON ON TEES

Thirteen Group is working with Middlesbrough Council and other Tees Valley authorities to provide 150 new shared housing properties house sharing tenancy opportunities for under-35s and ex-offenders who are at risk of homelessness or already homeless. Via its Key Step service, Thirteen Group provides support to enable the sharing tenants to sustain their tenancies and remain in their own homes.

It is unusual for social landlords to provide general needs shared housing given the higher management costs involved. But Thirteen Group and its partners are motivated by the fact that shared accommodation empowers residents to share housing costs, resources, budgeting and home-making skills and to encourage friendship and reduce social isolation and the health and crime issues that often result from it.



Tenants should be given the opportunity to take the lead on co-creating or crowdsourcing the organisation's Sharing Economy activity. Once we can unleash this incredible capacity to share, that all tenants have, we release the 'change maker' capacity in the customer base. A bottom-up approach to the Sharing Economy will succeed far better than a 'top-down organisationally-led' initiative.

I did some work with Peabody a few years ago. That project was about bringing social entrepreneurs into an estate near Victoria in London. The idea was that by introducing different types of sharing initiatives within that community this would create benefit and connections with the people who lived there. Activities such as for example, a shared lunch where people contributed something made a difference. As a result, many people met their neighbours properly for the first time.

### ***There are six key aspects to becoming a Sharing Economy or change-maker organisation***

The first characteristic is to be brave. In adopting the triple bottom line, you are swimming upstream because the way that organisations traditionally operate does not deliver triple line benefit. You need to be brave to change this.

Second is positivity. You need an incredible amount of positivity to achieve this change. But it's also about positive solutions – being solution-focussed. We can solve these problems!

Third is adaptability. The world is changing at a very rapid rate and we need to be incredibly adaptable. The whole process of innovation is that we may start out with an idea, but we find out on that journey that things aren't happening as we planned, and we need to have the adaptability to respond.

Fourth is sharing – we aren't doing this in isolation. One of the challenges I've seen in all sectors is this territorial approach to ideas. In charity it might be that one charity wants to be seen as the lead agency in solving a problem. In business, it's the lone wolf approach. Having that willingness to share with and learn from others helps us achieve more together than any form of competition. Additionally, we need to consider how we are sharing as businesses and organisations. For example, we are beginning to see the concept of 'benefit corporations' being extended to the UK. Typically, the shareholders of a business have a fiduciary duty to ensure profitability. In a 'benefit corp' you also have a duty to deliver impact. Neither profitability nor impact can be at the expense of the other. When the company is making a business decision it needs to be sure that the proposed activity is going to benefit people and planet as well as being commercially viable.

Fifth is love. By putting love at the heart of our decision making, we bring very different outcomes, ones that benefit people and planet, that make a difference to not only human lives but to the organisations themselves.

Sixth is, being future focussed. We cannot be thinking about the immediate short-term problem, there is no quick fix. We've got to be thinking about the impact of what we do long term. It's because we haven't been considering the long-term impact of what we are doing that climate change exists.

***I believe that there is a huge opportunity for sharing in the social housing sector and that, by empowering tenants and ultimately creating change-makers out of the landlords, the sector can build community, a better society and a positive, sustainable future for all.***

*A sharing city is a playground for the Sharing Economy, everything that is needed is already there. All the cars are there, the food is there, the houses are there, you just have to divide, share and make better use of available resources within the city for everyone's benefit.*

Harmen van Sprang, co-founder, Sharing Cities Alliance  
Source: Generation Share

By showcasing positive stories of change, sharing examples of where people are thriving, we can make a difference, create that ripple effect. Once people can see the magic that is all around them, once they can see that what they need is right on their doorstep, once they can see the positive values that their neighbours have and how they can actually together create that social mobility and that change they want in their lives, there is really no end to what can be achieved.



# Creating an AI Strategy

**Andrew Burgess, Strategic Adviser in AI,  
owner and founder of AJ Burgess Ltd.**

Creating an AI Strategy is, in my mind, one of the most important stages in the journey to exploiting the huge potential of artificial intelligence. Before any consideration is made of the types of technologies or the processes to be automated, it is crucial to understand what the technology is capable of, and how the benefits will align with your overall business strategy.

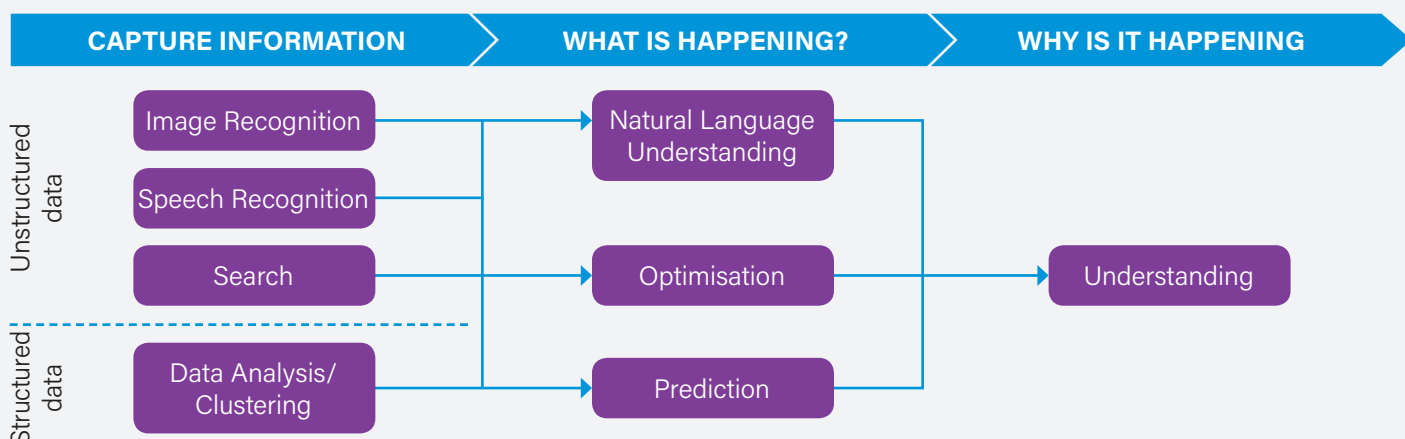
I developed my Artificial Intelligence Framework over the past few years through a need to be able to cut through the plethora of information, misinformation and marketing-speak that is written and talked about in AI and be able to articulate clearly to business executives. The AI Framework focuses on eight core capabilities: Image Recognition, Speech Recognition, Search, Clustering, Natural Language Understanding (NLU), Optimisation, Prediction and Understanding. In theory, any AI application can be associated with one or more of these capabilities.

The first four of these are all to do with capturing information - getting structured data out of unstructured, or big, data. These Capture categories are the most mature today. There are many examples of each of these in use today: we encounter Speech Recognition when we call up automated response lines; we have Image Recognition automatically categorising our photographs; we have a Search capability read and categorise the emails we send complaining about our train being late; and we are categorised into like-minded groups every time we buy something from an online retailer. AI efficiently captures all this unstructured and big data that we give it and turns it

into something useful (or intrusive, depending on your point of view, but that's a different topic altogether).

The second group of NLU, Optimisation and Prediction are all trying to work out, usually using that useful information that has just been captured, what is happening. They are slightly less mature, but all still have applications in our daily lives. NLU turns that speech recognition data into something useful - i.e. what do all those individual words actually mean when they are put together in a sentence? The Optimisation capability (which includes problem solving and planning as core elements) covers a wide range of uses, including working out what the best route is between your home and the shops. And then the Prediction capability tries to work out what will happen next - if we bought that book on early Japanese cinema then we are likely to want to buy this book on Akira Kurosawa.

Once we get to Understanding, it's a different picture all together. Understanding why something is happening really requires cognition; it requires many inputs, the ability to draw on many experiences, and to conceptualise these into models that can be applied to different scenarios and uses, which is something that the human brain is extremely good at, but AI, to date, simply can't do. All of the previous examples of AI capabilities have been very specific (these are usually termed Narrow AI) but Understanding requires general artificial intelligence, and this simply doesn't exist yet outside of our brains. Artificial General Intelligence, as it is known, is the holy grail of AI researchers but it is still very theoretical at this stage.



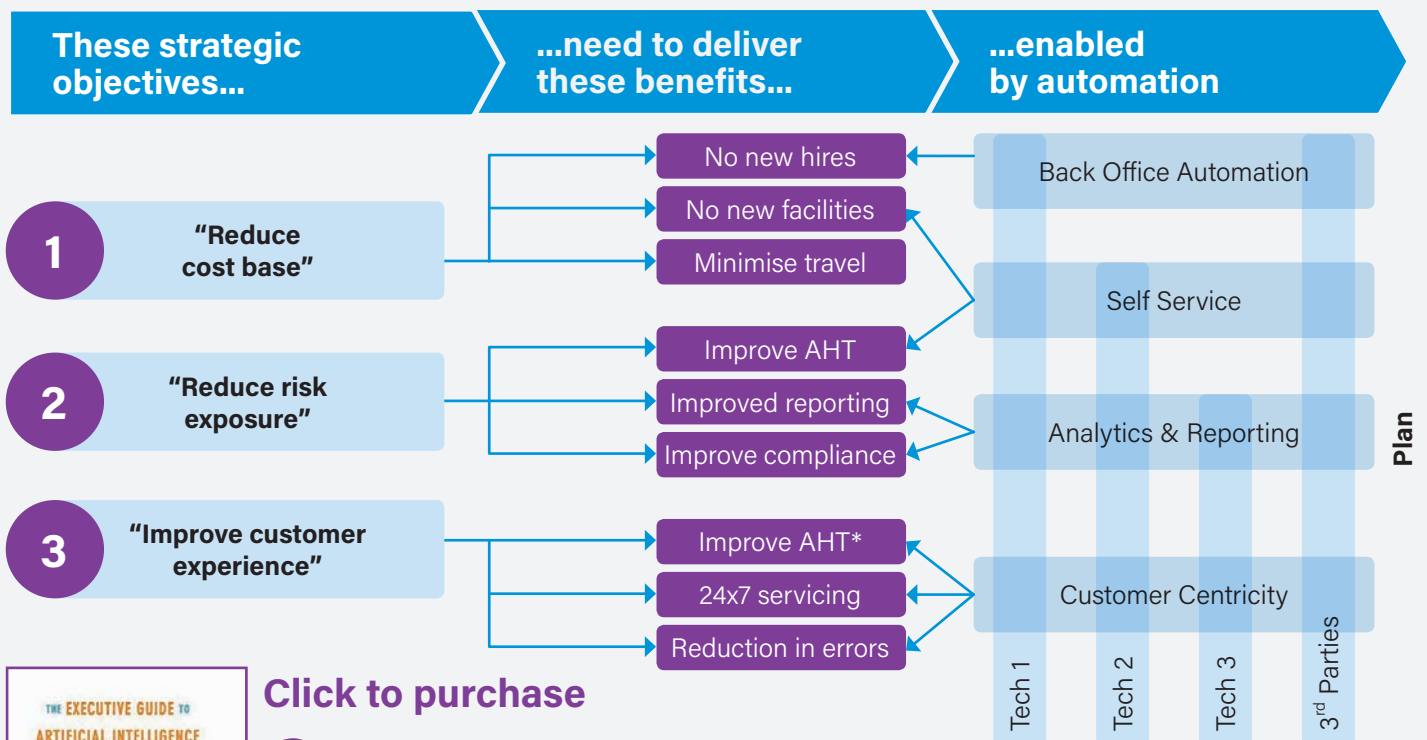


You will already be starting to realise from some of the examples I have given that when AI is used in business it is usually implemented as a combination of these individual capabilities strung together. Once the individual capabilities are understood, they can be combined to create meaningful solutions to business problems and challenges.

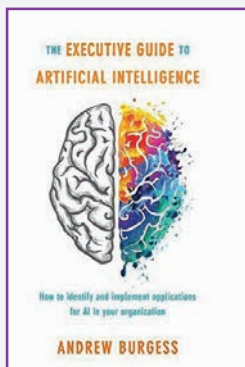
The AI Framework therefore gives us a foundation to help us understand what AI can do (and to cut through that marketing hype), but also to help us apply it to real business challenges. Once we have that straight in our mind then we need to turn our attention to developing the AI Strategy and ensuring it is aligned with our business strategy.

Aligning with the Business Strategy obviously means having a good grasp of what that is and what it is trying to achieve. Typically, businesses might be looking to reduce their cost base by a certain amount, they may be looking to improve customer experience through increased CSAT scores or they could be looking to reduce their exposure to

risk through better reporting and compliance (plus many other options and combinations). AI will be able to address some, but not necessarily all, of these objectives - the trick is to match the automation activities with each of the addressable objectives. But how do you know what the automation activities are? This is done (usually with external experts) by investigating each of the candidate areas and identifying where the different automation technologies (RPA and all the different flavours of AI) could bring value. The end result is a 'heat map' presented as a matrix of functional areas and automation technologies. Each of the automation opportunities can be mapped against the types of benefits that will be delivered, which should ideally align with the overall business strategy. Those opportunities with the greatest alignment, the higher potential value, the most common technology or the biggest concentration in one functional area should thus be prioritised. The AI Strategy is now starting to take shape and can start to inform the Business Case and Roadmap.



\* AHT means Average Handling Time



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At this stage, we will be able to start to answer questions such as: How will AI help me enhance customer service? How will it make my business processes more efficient? And, how will it help me make better decisions? All of these are valid questions that AI can help answer, and ones that I explore in detail in the course of my [book](#).



# Exploring corporate innovation

With LEGO's Intrapreneur In Residence

by Laura Cox, Senior Staff Writer - D/SRUPTION

## Exploring corporate innovation with LEGO's Intrapreneur In Residence

Intrapreneurs often face an uphill struggle. Driving new thinking and strategies in businesses is notoriously difficult... The bigger and older the organisation, the harder the task. That said, change is constant, and businesses need to learn to adapt. As a result, intrapreneurs are becoming more important, demonstrating a changing world of work that makes collaboration and experimentation 'business as usual.'

In the words of **David Gram, Intrapreneur In Residence at LEGO**, the most effective intrapreneurs learn to become 'diplomatic rebels.' They balance the disruptive forces of innovation within the bigger corporate ecosystem, building up an intrapreneurial culture without jeopardising the existing business. Inspired by his work for LEGO Future Lab and LEGO Ventures, Gram co-founded Diplomatic Rebels to teach precisely these skills.

*"LEGO learned the hard way, early on, what it means to take big risks when you don't yet have the right strategies. You need to be small and nimble and agile. That's where LEGO Ventures comes in, to invest in and build startups that are able to explore new business opportunities for the company. You need to be able to carefully cultivate ecosystem thinking in which smaller entities with high autonomy can explore but be part of the system."*

David Gram, LEGO

Before this can happen, intrapreneurs need to become diplomatic rebels. For Gram, there are not many people who naturally can be a rebel and a diplomat at the same time. So what does it take?



Photo by Caleb Woods on Unsplash

## 1) Understand the resistance

Being a diplomatic rebel starts with understanding resistance.

***"There will be resistance within the organisation. It's not a sign that you're doing it wrong or that people aren't appreciative. It's human nature that people will wonder what changes mean, and what will happen to their role. If you understand that, you don't burn out or become frustrated."***

Empathising with resistance in this way means that future changes are likely to be more clearly considered, and better articulated.

## 2) Understand the rules you are breaking

As well as accepting resistance, the most effective intrapreneurs understand the rules that they are breaking. This means knowing the business's history. Why is it built the way that it is? What are the rules, and why are they there? Why are people behaving the way that they are?

*“When you understand that, you’re able to respect it more, and you’re able to tap into that legacy in the stories you tell, It’s about developing empathy for the world around. There is a saying at LEGO – if you want to understand how the lion hunts, don’t go to the zoo, go to the Savannah. You have to go where things are happening and experience it.”*

### 3) Build a tribe

As the saying goes, your tribe creates your vibe... But intrapreneurs need to build their support networks in the first place. Being a successful intrapreneur is about creating a collaborative movement because, when making major changes to established processes, it’s impossible to go it alone.

*“Try to see your innovation project as more than just another product or service, but rather as a movement within the organisation. If the project demands new processes, business models and ways of working the intrapreneur will need to invite multiple key stakeholders onboard early on and create excitement. Storytelling is a key component of succeeding with that.”*

### 4) Write ‘love letters’

Intrapreneurs who are driving radical innovation projects are better off if they are able to leverage the existing assets and resources of the business ecosystem. Otherwise, they are in the same position as an emerging company starting from scratch. Doing this means getting people on board. So, to build the tribe, diplomatic rebels take a humble approach that Gram calls ‘writing love letters.’

*“You need to reach out to all of those people and ask them to help you. Writing love letters is an attitude of humbleness and respect towards the existing business, and knowing you’re standing on the shoulders of giants to look into the future.”*

### 5) Make other people shine

When successful intrapreneurs receive help, they shout about it.

*“When you give credit to others, you bring people with you and it becomes a movement. Often it’s small efforts that make a huge difference to how you, your project, and your mission is being perceived.”*



Photo by Daniel Cheung on Unsplash

## Creating a space for the diplomatic rebel

Based on years of experience in large businesses, the five habits of the diplomatic rebel represent some of the ways of working that intrapreneurs need to cultivate. But it’s also up to businesses to attract these kinds of people, and enable them to become respectful risk takers.

*“In my experience, the most effective way to explore radical new concepts is to create separate smaller entities where things can happen. Seal it off from the mothership, allow the way of working to grow and mature, and then you can merge and mix with the existing business if relevant.”*

Playing and creating is natural for LEGO’s main market – children. But, as children become adults, many tend to play less and become less creative. This, says Gram, is exactly what happens to organisations. “As organizations grow large they become less inclined to try out new things and experiment as they lose their imaginative power. To beat this, a separate space will have to be created for the intrapreneurs where they can try, fail and learn as a small startup.”

*“There’s a lot to learn from the LEGO product in that respect, because you can constantly redo what you’ve done. You need to find the playfulness – the ability to dare to experiment.”*