Trend Three: Innovation
Leveraging Innovation to Drive Transformation

Innovation touches every facet of our lives—from transportation to communication, from personnel management to office automation. In the public sector, this is especially evident in how agencies provide services and meet their missions. Technology has enabled much of this innovation, but innovation also requires effective leaders to apply these technologies and drive change within their agencies.

Weaving Innovation into the Fabric of Government Agencies

Many government leaders have found a way to weave innovation into the fabric of their agencies. At the federal level, the U.S. Department of Health and Human Services (HHS) has hired an "entrepreneur-in-chief," while the U.S. Department of State has an Office of Innovation that reports directly to the secretary. At the state level, Maryland has a chief innovation officer, who reports directly to the governor, ensuring the state government keeps pace with technology and citizens' emerging needs while using innovative tools to manage government programs and services effectively.

The single constant within these examples is that senior government executives are leveraging innovation to drive change within government, and leading the charge to incorporate innovation within government.

They are doing so by articulating the value of innovation, fostering a culture of innovation, aligning it to mission, defining and measuring success, and harnessing the benefits of innovation. Moreover, whether at HHS, State, or in Maryland, these efforts are following a pattern of innovation often used in the private sector. In fact, many of the current government leaders leading the charge on innovation come from the private sector.

Articulating the Value of Innovation. The old saying goes, "If you do what you've always done, you'll get what you've always gotten." For a different outcome, change the methods. The first step is for leaders to explain the value of adopting new methods and new tools.

As survey findings and poll results indicate, citizens expect a government that works differently—a government that encourages citizen participation, shares its information more easily, and delivers services more effectively and efficiently than in the past. Significantly, given such expectations, citizens aren't interested in paying more for a more responsive government. In fact, most want to pay less. To accomplish this kind of government involves changing some of the fundamental assumptions and methods of government operation through innovation. The first task for government executives is to articulate how pursuing innovation can form a government that meets the demands and expectations of the 21st century.

The present day differs from the past in two critical ways. First, powerful mobile computing allows individual citizens to create, access, and analyze data at any time, and to tap into their social networks for advice or guidance wherever they find themselves. Citizens want the ability to request and use government services at any time and from any place, and governments need to meet that need.

Access to social networks enables a culture of participation for interested citizens. For instance, social applications that run on phones, tablets, and wearable technology illustrate the value of participation with every shared picture, request for online petition signatures, and every opportunity to fund a new prospective product or service before it hits the market. Governments must make their services and operations open to participation at any time and place.

Government leaders must harness citizens' desire to participate in open government while also demonstrating how that participation can help deliver better services at lower cost. This is currently happening at many levels of government: by involving citizens in co-creation, co-production, and co-delivery of services, and by tapping into the knowledge of crowds through programs like the Securing Americans Value and Efficiency (SAVE) awards.

Fostering a Culture of Innovation

To realize the promise of innovation, government leaders need to go beyond simply fostering a culture of innovation to actively encouraging it. Government leaders can do this in a number of ways.

Appeal Both to Internal and External Stakeholders for Innovation. Many mechanisms have been set up at the federal level for public sector employees to offer their suggestions for innovation. All federal employees, for example, may contribute to the ideation platform called the SAVE award, which asks for suggestions on how to save money across the federal government.

On an agency-wide level, numerous platforms have been established to tap the ingenuity of employees for ways to improve agency operations, including the U.S. Department of State's Sounding Board, and HHS' HHSInnovates. Both programs were established by agency leadership to gather input from rank-and-file employees on how best to improve their agency performance in meeting their missions. Many municipalities have also been looking to the private sector to help them innovate through app contests, while the federal government is currently in the second round of bringing in outside innovators through the Presidential Innovation Fellows program.

Offer Incentives for Trying, and Even More for Succeeding. By encouraging innovation among employees, leaders can provide the conditions that make employees go beyond their job description. Though monetary incentives may be an obvious tool to foster employee innovation, the fiscal realities of today require government executives to use other means to motivate staff. Often, simply acknowledging the importance of experimentation and encouraging it is enough to instill the spirit of innovation agency-wide. One effective way to accomplish this would be to include innovation as a routine part of employees' annual review. Recognizing successful projects goes even further in demonstrating that leadership values the time and talents required to successfully innovate.

> The HHSinnovates program was created as part of HHS's Open Government efforts to spur employees' innovation. The program is aimed at building a culture of innovation at HHS through facilitating the exchange of innovative ideas throughout the department. The program is a contest that seeks not only to recognize and reward good ideas but also to help promote them across the department.
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> Twice a year, HHS employees are invited to submit innovations via an internal intranet site. The top innovations are posted for secure, online voting and commenting by the internal HHS community, which selects the finalists. From the finalists, winning innovations are selected by the Secretary. In the spirit of open government, HHS posts summaries of the winning innovations and asks the public to cast their vote to help select "The People's Choice."
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> The HHSinnovates program has undergone six rounds to date, seeing nearly 500 staff-driven innovations, and collecting more than 60,000 votes.

Allow People to Fail. Government executives must provide cover for those who pursue innovations that fail. Providing such cover is the necessary corollary to encouraging people to try new approaches. The catchphrase in the tech industry is "fail fast." Ideally, people learn from failures, use what they learn to enhance their next attempt, and share the lessons with others, so that each successive attempt at innovation is more likely to succeed. Punishing failure will inhibit innovation.

Create Mechanisms for Innovation. Many federal agencies have initiated one-off innovation programs, both for internal and external stakeholders. Programs like HHSInnovates could be replicated across government and then incorporated into each agency's standard operations. Innovation programs will vary from agency to agency and each program should be expected to evolve within an agency. Employees are more likely to participate fully if they believe that their agency has an enduring interest in innovation.

Institutionalize Successful Innovations. Finally, after employees have been encouraged to innovate, given permission to fail, and rewarded for success, and when they believe that there are opportunities to innovate and avenues through which they can, government leaders should weave meaningful innovations into the fabric of their agencies. E-mail is a cogent example of an innovation woven into the fabric of an agency to become integral to its operations. A tool that few had heard of at the beginning of the Clinton administration became indispensable by its end.

Aligning Innovation to Mission

Though it is important to encourage out-of-the-box thinking, it is equally important to ensure that innovations do not distract from an agency's day-to-day mission. With new digital tools coming into existence every day, the allure of shiny, new engagement channels never dims. It is incumbent upon government leaders to act as filters, applying "tests for relevance" on proposed innovations before even piloting them.

The U.S. Department of Agriculture (USDA) offers a good example of this type of "test for relevance" discipline in the way it adopts new social media channels. In its "New Media Request Form," the USDA requires offices to specify why they want to establish a new media account/channel, what the office wants to accomplish, why the technology

is the best tool for achieving stated goals, who the intended audience would be for the new channel, the content and information to be shared and events covered, and the evaluation and success factors associated with launching this new channel.

A hallmark for agencies with a deliberate innovation policy—again HHSInnovates serves as a prime example—is a five-step process that can be summarized as: "Create, Activate, Evaluate, Iterate, and Incorporate." While no model for innovation can guarantee success—see "allow people to fail"—this process increases the likelihood that innovation can lead to transformation, changing the way that an agency operates while improving the way that it delivers services or conducts its back-office operations.

Five-Step Model for Innovation

1. *Create*—identify opportunities to innovate, either in service delivery or mission support (human resources, for example).

2. *Activate*—launch a pilot program that tests the value of the innovation.

3. *Evaluate*—Conduct a thorough and rigorous assessment of the program against pre-determined metrics.

4. *Iterate*—If the program shows promise, or succeeds in meeting its goals, repeat the program at the scale most appropriate to the agency. At the same time, share the program across bureaucratic boundaries. For example, a reform that streamlines an HR process can be shared not only within an agency, but in other federal departments.

5. *Incorporate*—Once a program has proven itself successful, it should cease to be an innovation, and become a routine process. This is the ultimate goal: to transform operations so completely that what seemed innovative is now standard.

Importantly, federal agencies are subject to strictures that do not apply to the private sector. As but one example, these agencies must abide by the Federal Records Act, which applies to social media activities as well as written correspondence. Thus, leaders in federal agencies must ensure that when they adopt new tools—especially as pertains to citizen engagement—they follow regular guidelines.

Defining and Measuring Success

The final piece—and in some ways, the most important—is to define and then measure success. As in the private sector, the public sector should include financial metrics to determine the success of its innovation programs, but unlike the private sector, simply driving down costs should not, in itself, determine success or failure. Even if costs rise slightly, a program could be successful if it advances other measurable goals. Examples of non-financial goals may include:

•   Reaching identified audiences

•   Enhancing transparency

•   Enabling deeper or broader participation

•   Augmenting existing programs to meet citizens' developing needs

- Developing new programs to address emerging mission components

- Including innovation requirements in contracts with vendors both for service delivery and mission support

For each of these goals, agencies will have to identify specific metrics at the beginning of any innovation programs. Metrics may include web analytics, volume and relevance of online participation, or metrics that pertain specifically to the agency's mission: the health of specific populations, for example, or compliance with new regulations—either for external or internal activities.

Conclusion

Though some agencies are appointing chief innovation officers, and many more are adding an innovation component to the portfolio of existing CXOs, ideally the mantle of innovation should be taken up by as many people within the organization as possible. Innovation must be championed by leaders, but it is most often effective when it is embraced by employees at all levels.

Paradoxically, for government leaders to harness the power of innovation, they will ultimately unleash the creativity and expertise of the employees in their charge, moving the responsibility for innovation to every employee within an agency. In this way, they can drive innovation into the fabric of the agency's culture and operations, furthering innovations that make an impact and are sustainable.

Resources

"A Conversation with Bryan Sivak." The Business of Government Hour. May 2013.

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Kannan, P.K., and Ai-Mei Chang. *Beyond Citizen Engagement: Involving the Public in Co-Delivering Government Services*. IBM Center for The Business of Government. 2013.

Stowers, Genie. *The Use of Data Visualization in Government*. IBM Center for The Business of Government. 2013.