

Co-creation is key to innovation in government



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As public managers face a near-perfect storm of deep budget cuts, rising service costs induced by demographic change, and increasing citizen expectations for better services, they must co-create new solutions to effectively meet this challenge.

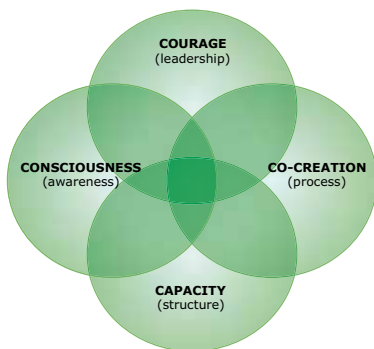
Public sector innovation – new ideas that create value for society – is not new. However, public managers around the world, from Australia to the UK, and from the Netherlands to Denmark, are demonstrating how a significantly more conscious and systematic approach to creating innovative solutions can

effectively address some of our most pressing societal challenges. These organisations are leveraging the practices and tools of innovation to create radical new value. Real-world cases show that cost savings of between 20% and 60% can be possible while also increasing citizen satisfaction and generating better outcomes. In order to make such paradigmatic innovation much more likely, leaders in government must build an infrastructure of innovation – a public-sector innovation ecosystem. The ecosystem is built through four simultaneous shifts in how the public sector creates new solutions:

- a shift from random innovation to a conscious and systematic approach to public sector renewal;
- a shift from managing human resources to building innovation capacity at all levels of government;
- a shift from running tasks and projects to orchestrating processes of co-creation, creating new solutions with people, not for them;
- a shift from administering public organisations to courageously leading innovation across and beyond the public sector.

These ‘four C’s’ of public sector innovation must be nurtured and developed simultaneously, if we are to create sufficiently resilient and powerful public organisations for the future.

Figure 1: The public sector innovation ecosystem: four C’s



Executing the four shifts towards an innovation ecosystem implies specific challenges and new tasks for public leaders at all levels – from the politician and the chief executive to mid-level managers and institution heads. It requires closing the gap between recognising that innovation is important, and doing something concrete about it. Most of all, it requires the courage to really co-create new solutions with people, not for them.

Barriers abound

There are plenty of reasons why innovation might be impossible in government. It might therefore be well worth enhancing our awareness of some of the most critical obstacles that public managers face as they try to drive change from within the system:

Paying a price for politics. Politically governed organisations can be prone to keep and maintain power, rather

than to share it. Politicians sometimes (some would say often) prefer short-term positive media exposure over what could be the most effective long-term solution. Incentives for sharing tasks and knowledge amongst public sector organisations are not very high, and internal politically motivated competition may overrule sensible collaboration.

Anti-innovation DNA. Public sector organisations are hardly fine-tuned innovation machines. In spite of the trumpeting of ‘reinvention’ and entrepreneurship, many of them still embody the type of hierarchy and bureaucracy that private companies have been fighting to throw away since the ‘downsizing’ era of the mid-1980s. Organisational silos, traditional roles and lack of cross-cutting coordination are still significant challenges. New forms of collaboration such as project organisation, virtual organisations and dedicated innovation units are still in many countries considered exotic.

Fear of divergence. As co-founder of the design consultancy IDEO, Tim Brown has pointed out the major innovation barrier in most organisations is that leaders don’t allow for innovation projects to diverge sufficiently. While that may be a problem in the private sector, it’s an even greater issue in the public sector. Public managers and employees tend to shy away from the edge of something new, sometimes even before they know what it is. Some of it has to do with a lack of experience and competence in managing the innovation process. But most of it is cultural: most public organisations intuitively do not seek to be at the forefront of a change agenda. Risk-taking is typically not embraced, but discouraged.

In Australia, the Centre for Social Innovation (TACSI), which is sponsored by the Government of South Australia, launched a campaign to crowd source ideas for innovative social solutions from ordinary citizens, putting one million AUD in the pot for the best proposals. This “Social Innovation Challenge” resulted in 8 rewarded projects in fields ranging from digital solutions in care for the ageing to urban renewal.

Where’s the citizen? Most public organisations have a long way to go before they honestly can claim that they are putting citizens’ needs at the centre of their efforts. This point has been at the core of observations by the OECD, the European Commission and in several reviews of British public sector innovation. Achieving administrative efficiencies is somehow more natural to government than delivering high-quality services and outcomes.

An orchestra without a conductor. Public sector organisations have few or no formal processes for conducting the innovation process. Managers focus on budgeting, operations and tasks, and employees may be highly skilled lawyers, economists, doctors, nurses and schoolteachers – but few of them have formal skills in creativity or innovation. At best, public sector organisations operate with highly linear, ‘stage-gate’ project processes. However, innovation, particularly in its early ‘front end’ phases, needs to focus more on co-creation: open collaborative processes, iteration, active user involvement, visualisation, prototyping, test and experimentation.

Leading into a vacuum and the 80/20 rule. Although there is much good to say about evaluation and evidence-based policymaking, evaluation has become such a prevalent tool in the public sector that it overshadows the need for faster, more experimental, forward-looking problem-solving. When it comes to their development efforts, public sector organisations seem to spend 80% of their energies on understanding the past and (at best) managing the present, and perhaps only 20% of their efforts on systematically exploring future directions for better policies and services.

The scaling problem. Too many innovations stay locked in their location of origin, not spread, scaled or diffused – regionally, nationally or internationally. Traditional methods such as best practice publications, websites, toolkits, command and control efforts, networks and various forms of collaboratives have proven to be of limited effectiveness. What are the tools, approaches and means that can up scale public sector innovations from one domain to all the domains they might benefit?

These barriers to getting innovation in government off the ground are daunting. However, by building innovation ecosystems, governments can seek to explicitly tackle them head on. Let's consider each of the ecosystem's dimensions in turn.

Consciousness: Building a language for innovation

Arguably innovation is a difficult word: it can be interpreted very differently by different people and organisations; what might be very innovative in one context might be considered common sense in another. None the less, public

In Brazil, the government has established CGEE, the Center for Strategic Studies and Management Science, Technology and Innovation, which assists decision-makers with systematic foresight and scenario research. The centre has helped inform policy makers in fields as diverse as nano technology and climate change.

organisations that want to up their innovation game need to build an awareness of innovation as a discipline in its own right, and help public managers and staff to see what the implications might be for them. In Australia, for instance, several initiatives are paving the way to raising innovation consciousness. The commonwealth government has proposed a new strategy to foster a culture of innovation in government; the Victoria Public Service has launched an ambitious Innovation Action Plan to embed innovation and cross-cutting collaboration in the civil service; and in Adelaide, a new Centre for Social Innovation is running widely-publicised 'innovation challenges', leveraging the potential of crowdsourcing for new ideas by inviting ordinary citizens to contribute with suggestions to find bold solutions that can create better lives.

Capacity: Organising to innovate

Building innovation capacity is to ensure that political context, strategy, organisation, technology, and culture and people all strengthen an organisation's ability to innovate – rather than the opposite. MindLab, the organisation I head in Denmark, is an expression of the desire to embed innovation practices in the organisational structure of multiple government organisations. A cross-ministerial unit working with three major departments, MindLab takes on concrete projects in fields such as employment service, eliminating red

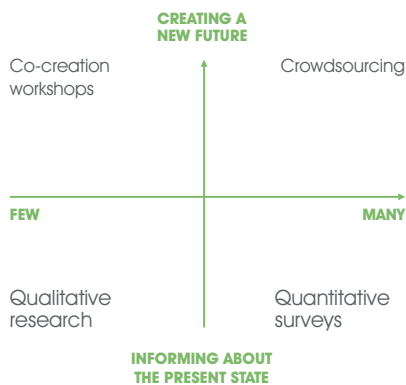
tape for citizens and small business, and redesigning online digital tax services. By combining the resources of public servants with a dedicated innovation staff, including designers and ethnographers, MindLab is essentially an innovation catalyst. Likewise, in the Netherlands, the Department of Public Works and Water Management is using scenario planning, creative physical spaces, facilitated workshops and visual technology to engage civil servants across the organisation to collaborate more, empowering them to tackle the complex future challenges of living in a flat country in times of climate change. Across the globe in Brazil, the CGEE, a government-run foresight unit, is working to provide long-term strategic insight to policymakers, using new web-enabled tools like a Future Timeline, visualising trends and generating a better basis for decision-making.

Co-creating for better service and outcomes

Co-creation is an approach to involving citizens, businesses and other key recipients of public services much more directly in the innovation process. It focuses not just on understanding present challenges, but also on creating new futures with people, not for them. Rather than mainly involving citizens through quantitative satisfaction surveys, as is usually the case today, co-creation reflects the need for public managers and staff to get much, much closer to people's everyday lives through

qualitative social research and through deep direct involvement in workshop-based dialogue about concrete solutions. Finally, we can tap into the creativity and innovative potential of ordinary citizens by inviting them to submit their own ideas about how to solve societal problems (crowdsourcing). In other words, we should harvest the entire potential for citizen involvement, as illustrated below.

Figure 2: Potential for increased citizen involvement



For instance, in the UK, the NHS Institute for Innovation and Improvement is involving physicians, nurses and patients directly in radically improving new treatments and service processes. In the county of Kent, the Social Innovation Lab Kent (SILK) is reshaping social services through creative working methods, ethnographic research, service design and empowerment of citizens to take part in service delivery. In the United States, the Transportation Security

Administration is applying human-centred design to reinvent how citizens experience airport security. Through new insight into citizen's service journeys, the agency has developed new solutions to improve the efficiency and experience of airports, and enhance the level of security. In France, Paris-based La 27e Region works as a social laboratory for the country's 26 regional councils, applying service design and other innovation approaches to tackle challenges in the fields of education, urban and city development, and social cohesion. They have helped involve local communities and students in co-creating the architectural blueprint for entirely redesigning a high school in the south of France. In Denmark, we have placed co-creation at the heart of our efforts at MindLab.

Co-creation not only ensures that we address the real-life challenges of end-users of public services; it also guides the involvement of all other internal and external stakeholders that are critical to implementation and assuring behaviour change and societal impact.

Courage

Finally, regardless of how strategic or systematic innovation practices become, public sector innovation will not take off without courageous leadership at all

levels of government. Here are four rough profiles of the types of leaders who must be bold enough to embrace innovation:

The visionary is the political leader, who must formulate the vision and set the level of ambition, while overcoming the temptation to interfere with ongoing experimentation and development.

The enabler is the top manager, who must be both protector and the number-one champion of the organisation's innovation ability.

The 360 degree innovator is the mid-level manager; potentially the largest sceptic of fresh thinking and change inside government, but also, at best, a 360-degree facilitator of innovation.

The knowledge engineer is the head of institutions which deliver services and enforce regulation, and who ultimately determines how the public sector serves citizens and businesses – every day.

Being courageous enough to really let citizens and business into the machine-room of public sector innovation, involving them in co-creation, might be the biggest challenge facing these leaders. In a recent issue of the *Economist* the editors characterized the UK government's spending cuts with a single word: 'Ouch!'. Given the stark realities many public managers face right now, it shouldn't be hard to recognise that embracing innovation is not optional. ■

Christian Bason is director of the Danish innovation unit MindLab. Christian Bason's most recent book, *Leading public sector innovation: Co-creating for a better society*, was published by The Policy Press in October 2010.

In the Netherlands, the Department of Public Works and Water Management in 2008 launched the future centre LEF (it isn't an acronym, LEF means 'courage' in Dutch). LEF is a major physical facility with a number of workshop spaces, open meeting areas, plenary rooms and a large exhibition space. As part of the Ministry, LEF's ambition is to provide a creative platform for problem solving, ideation processes and enabling breakthroughs for the more than 8.000 employees of the public body. Groups of civil servants can book the space and a team of facilitators to help them tackle their problems and generate new solutions.