IDEAS
FOR THE PUBLIC SECTOR

NEW ONE-DAY WORKSHOP PROGRAM

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Introduction

The focus on innovation has traditionally been associated with the private sector in which the motivation to maximise profit drives cost reductions, improved market share and better products and services. In contrast, the incentive to innovate in public sector organisations has been subject to a very different set of pressures, interests, restrictions and demands. Nevertheless, public sector organisations can and do innovate in order to develop new solutions to old problems and plan how to address emerging challenges. Since public sector organisations represent the interests of so many people and are entrusted with a variety of socially important tasks, public sector innovation can potentially result in far greater value than innovation in the private sector. The **Innovation Development Early Assessment System (IDEAS)** is a structured one-day workshop designed to identify new ideas with genuine merit in the public sector.

- It is a **structured method** that uses a comprehensive set of standardised assessment criteria.
- It is aimed at **early assessment** when there is not much tangible data available.
- It is designed to identify **ideas with genuine merit** that warrant further development and testing.

The purpose of an IDEAS workshop is to explain and illustrate a system that will extend participants' ability to identify, evaluate and promote innovative ideas in the public sector. It is a framework that sharpens their insight to decide whether or not they want to champion a project. Once they have learned how to use IDEAS, they can keep using it in several ways. They can use it to provide a basis for ‘panel beating’ their ideas into a stronger proposition. They can use it as a method for re-evaluating their ideas each time they modify them. And they can use it as a framework for presenting their ideas to people who may be able to help get them adopted.
Public Sector Innovation

In the context of IDEAS, the public sector includes Commonwealth government organisations, state government organisations and other organisations that are funded by governments such as government business enterprises and state owned companies. Public sector innovations are often characterised as falling within one of three broad categories that differ according to scale and complexity.

- **Incremental innovation** represents minor changes. The vast majority of innovations in the public sector are incremental in nature and they are critical to the pursuit of continuous improvement.

- **Radical innovation** occurs less frequently than incremental innovation. It consists of new ways of doing things in terms of organisational processes or ways of looking at problems. Radical innovation does not alter the overall dynamics of an organisation, but it can bring about considerable improvements in performance.

- **Transformational innovation** is rare and gives rise to changes such as new types of organisations or fundamental changes in the relationships within and between public sector organisations. Typically, these innovations take a great deal of time to have their full effect because they require major changes to organisational, social and cultural arrangements.

Somewhat more useful categories of public sector innovation can be characterised on a qualitative basis.

- **Operational innovations** are improved methods of undertaking a procedure, process or service leading to better quality and efficiency.

- **Service innovations** are improvements to the features and design of public sector services.

- **Administrative innovations** include improvements in organisational structure, administrative interrelationships and management methods.
• **Conceptual innovations** include new ways of looking at problems, challenging assumptions, new frames of reference and new methods.

• **Policy innovations** are changes in policy thinking or intended policy outcomes.

• **Institutional innovations** are a completely new mission, objective, goal or strategy that revolutionises how a public sector organisation functions or interacts with stakeholders.

Public sector innovations are continually taking place. Examples of recent trends in public sector innovation include:

• New organisational structures and distributed governance, such as government business enterprises.

• More partnerships, such as public-private partnerships, regional-local partnerships and partnering with voluntary organisations.

• Horizontal integration, such as breaking down public sector silos and fostering cross-institutional co-operation and co-ordination.

• Improvements in fiscal management including budget reform and containment of deficits in the wake of the global financial crisis.

• Performance-based management and budgeting versus ad hoc or incremental approaches.

• Building and strengthening public service capacity at national, state, regional and local levels.

• Devolution and decentralisation of powers from central to regional/local government and other agencies.

• Service improvements, such as the design of more personalised, client-centred services.

• Operational improvements, such as streamlining business processes and delivery systems.

• Regulatory change, such as a focus on deregulation and simplification, and a shift from enforcement towards voluntary compliance.

• Use of information and communications technology for both front and back office operations, such as providing on-line, 'e-enabled' services.
Role of Early Assessment

Innovation in the public sector has been characterised as a five phase model.

- Idea generation — finding, adapting or creating the ideas
- Idea selection — assessing which ideas to implement
- Idea implementation — putting the ideas into practice
- Sustaining ideas — keeping the initiative going
- Idea diffusion — sharing and spreading the ideas/initiatives

Everything, from the smallest incremental improvement to the most transformational innovation, starts with an idea. Most individuals in the public sector know about countless opportunities to apply innovative solutions to issues in their workplace. There is a basic weakness, however, in the second phase of the model. How should we go about selecting the best ideas? If we do not identify the most promising ideas, then the subsequent phases cannot play their part. The purpose of IDEAS is to strengthen the model by providing a method for identifying ideas that are likely to repay an investment in developing and testing a business case.

Some individuals believe that the leap from an idea to successful implementation is only a short distance and they may not recognise how complex, costly, and time consuming the process can be. Consequently, it is important to be able to evaluate the merit of new ideas very early in the innovation process because it is the least costly stage in which to identify and eliminate likely failures. Inasmuch as some ideas will never proceed to implementation, indiscriminately investing time and money on them only dilutes the resources available for projects with genuine potential. Innovation is not a democracy in which all ideas are created equal. It is a meritocracy in which those ideas with demonstrated merit should receive encouragement.

IDEAS is designed to make an early assessment of a new idea. An IDEAS assessment takes place long before there is enough tangible information to do a business case, and its purpose is to decide if further work on the idea is warranted. Idea assessment does not need to be expensive or time-consuming in the early stages, but it does need to be systematic and comprehensive.
IDEAS Framework

IDEAS is organised into four themes:

- **Perceptions**: how the problem is understood, the imbedded culture of the organisation and the reaction an idea is likely to provoke when it is first proposed.
- **Stakeholders**: identifying the individuals and groups that have a stake in an idea and where each stands in relation to it.
- **Risks**: anticipating the risks that are relevant to an idea and the consequences if they occur.
- **Resources**: the demands an idea will make on the resources of an organisation.

Each theme consists of five key criteria. The criteria do not require a great deal of information in order to make a judgment. Occasionally, an idea will occur with such clarity that its potential for success is obvious, but this is a rare event. In most cases, we need to clarify the criteria in order to arrive at an informed judgement about:

- Whether or not the idea is worthy of further development.
- Matters that will require special attention in a business case.
- Strategies that will secure support for adoption.

Perceptions

Public sector organisations face a more difficult context in which to innovate than most organisations in the private sector. They have multiple objectives, some of which are ambiguous and may even at times be conflicting. They are often part of multifaceted organisational arrangements that involve wide-ranging consultation and coordination. Most public sector organisations are also large and responsible for a diverse range of activities. Within such a complex environment, we want to be able to anticipate how the problem is perceived by the organisation and how a particular idea might be viewed as a solution.

This first theme is focused on the knowledge base, the entrenched culture of the organisation and the reaction an idea is likely to provoke when it is proposed. In a sense, we are ‘taking the temperature’ of the organisation to see what sort of
predisposition it may have to embrace an idea. In order to reach a judgement about how an idea will be perceived, the following criteria are considered.

- **Problem:** is there consensus within the organisation about how the problem is characterised and understood?
- **Importance:** is it important to solve the problem and is finding a solution going to be a priority in the organisation?
- **Recognition:** will the advantages, features and benefits of the idea be recognised within the organisation?
- **Compatibility:** how consistent is the idea with the attitudes, beliefs and habits within the organisation?
- **Value:** will the idea represent intrinsic value within the organisation?

This theme is also an introduction to the concept of ‘internal strategic alignment’ in which the goal is to decide if there is enough support internally to galvanise the organisation around a shared vision, goal and actions.

**Stakeholders**

Public sector innovators need a coalition of supporters who are powerful enough to ask for constructive participation by others and to allocate the necessary resources. Stakeholders are interested in, concerned about, affected by, have a vested interest in, or are involved in some way with an idea. Workshop participants are asked to identify the ‘key players’ and anticipate where each stands in relation to their idea. Stakeholders include end-users or beneficiaries of an idea, staff that may be affected by an idea, senior and middle managers in an organisation, and politicians and their advisers. There are also external stakeholder interests such as community groups, industry or business associations, environmental groups, local councils, other government departments, citizens’ groups and local residents. Workshop participants are asked to anticipate stakeholder support by asking:

- Who has a stake (positive or negative) in the problem or idea?
- Who is most affected by the problem or idea?
- Who are the key supporters for the idea?
- Who may have different views or object to the idea?
What do stakeholders know, feel, want, believe and value in relation to the problem or idea?

Risks

The public sector is traditionally risk averse in keeping with its role as the custodian of public funds. However, innovation is not risk-free. Consequently, the emphasis in this third theme is to anticipate which risks are relevant to an idea, consider the possible consequences if they occur and decide how important each risk is to the potential for acceptance. In this theme, the focus is on five common risks.

- **Regulatory risk**: includes legislation from all levels of government and regulation imposed by government agencies and non-government agencies.
- **Implementation risk**: the possibility that it may not be possible to bring together the right people, equipment, processes and controls to deliver the goods.
- **Dependence risk**: when an idea must rely upon another government agency, business, process, service, system, person or other organisation for implementation.
- **Timing risk**: when an idea does not fit within an organisation’s planning horizon, budgetary cycle or the political cycle.
- **Reputational risk**: the potential for unintentional consequences that may damage political, organisational or personal reputations.

These are not the only possible risks and workshop participants are asked to think carefully about what other risks might apply to their idea such as the risk of doing nothing, the possibility that an idea might make existing staff redundant, the chance an idea will not achieve enough take-up to be financially viable or if the organisation will not be able to cope with an increased level of activity?

Resources

The fourth theme is focused on the resources needed to develop and implement a new idea. These are key variables for establishing a business case and gaining approval. Lack of resources can be a significant barrier to innovation, especially if it
means trying to justify extra expenditure in the face of budget cuts. However, there are often existing resources that can be applied to a good idea, so this theme is focused on the gap between the resources that are needed and the resources that may already exist.

- **Technical resources** consist of functional expertise, system expertise and domain expertise.
- **Administrative resources** consist of the know-how to manage planning, organisational issues, staff relations, negotiating, project management and communications.
- **Operational resources** are investments in space, equipment and systems.
- **Human resources** consist of the number and types of staff required.
- **Financial resources** are the budget allocations needed to develop and implement an idea.

The amount and types of resources depend on the sophistication of an idea and the nature of the problem it faces. The overriding premise is that the circumstances of an idea dictate the resources needed to implement it. Resources represent the fundamental building blocks of a business case. Not all resources, however, are strategically important. While common resources, such as office space, are necessary to carry out most normal day-to-day activities, it is critical resources, such as key technical expertise, that matter most in evaluating the feasibility of an idea.

**Workshop Procedures**

During an IDEAS workshop, the evidence that needs to be uncovered and the meaning of the responses is carefully explained. The main activity of the workshop consists of each participant rating their own idea across all of the criteria. In the last session of the workshop, the responses are combined into a diagnostic map of the underlying drivers and an innovation feasibility rating.

Plotting a diagnostic map is an integral part of the evaluation process because it enables participants to visualise how each of their responses have contributed to the overall result. Engaging in a visual evaluation for each component of the system
reveals a great deal more insight into the strengths and weaknesses of an idea than relying upon a single numerical rating.

**Diagnostic Map**

The purpose of the innovation feasibility rating is to provide workshop participants with an overall measure of their idea’s potential for gaining acceptance. It falls into one of three bands which are interpreted in terms of a traffic light.

- If an idea falls into the green band, then its potential for acceptance is regarded as good and further investment of time, energy and money in developing a business case is likely to be rewarded. An innovation feasibility rating in this range usually represents a balance of good ratings for shared perception, stakeholder support, manageable risks and resource requirements.

- If an idea falls into the yellow band, then its potential for acceptance in its current form is regarded as uncertain. It may nevertheless warrant some degree of cautious consideration. The objective is not to invest heavily in a business case at this stage but to limit development to
activities that are not costly and focus on resolving some of the concerns that brought down the innovation feasibility rating.

- If an idea falls into the red band, then its potential for acceptance in its current form is not regarded as promising. A rating in this range generally represents poor ratings in at least two of the four themes. In this situation, abandonment may be the best course of action. Sometimes it is the idea itself that is flawed and sometimes the flaw is in the organisational or political environment.

**Panel Beating**

When workshop participants have finished their IDEAS assessment, they are invited to engage in ‘panel beating’ their idea into a stronger proposition. Here are some of the panel beating methods that are introduced in the workshop.

- **Shaping.** How can an idea be modified to address objections that would otherwise cause resistance?
- **Tailoring.** Can an idea be modified to better fit stakeholder needs?
- **Strengthening.** How can the value of an idea be increased?
- **Reinforcing.** What can be done about an idea’s weak points?
- **Looking towards implementation.** How can an idea be modified to enhance its chances of a successful implementation?
- **Key players.** Who must be involved?
- **Comparison to the status quo.** How does an idea compare to what it is replacing? Should it be further enhanced, expanded or scaled back?
- **Potential faults or defects.** What could possibly go wrong with this idea? What can be done about it?
- **Consequences.** What are the immediate and long-term consequences of putting an idea into action?
- **Testability and prototyping.** How can an idea be trialled on a small scale?
- **Pre-evaluation.** How can an idea be modified to meet the needs of those who will evaluate it?
Conclusion

IDEAS consists of a standardised analysis drawn from a cross section of innovation research representing a broad range of public sector expertise. It is a low-cost, comprehensive and systematic analysis that can be undertaken by anyone trained in the IDEAS protocol. It provides a uniform, easily communicated and easily understood basis for assessment coupled with comprehensive and valuable feedback. It is intended that workshop participants will be able to use IDEAS as an effective way of assessing the strengths and weaknesses of their ideas for innovating in the public sector.

Bibliography


