



Innovation for the Public Good: The Five Keys to Innovation

Five Key Elements to Promoting an Innovation Culture in Government

Vicki Sellick October 2011

Ask a passerby to name an innovative organization and a familiar list soon appears: Apple, 3M, Google, eBay, etc. Less known are the innovative agencies in the public sector focused on finding new and better ways to tackle social issues such as crime, poverty, and educational underachievement.

In the coming weeks this series will explore the tenacious leadership of New York City's mayor, new funding streams created by the Department of Education's Office of Innovation, and incentives deployed by the United Kingdom's Greater Manchester area to ensure that only the most successful programs addressing criminal justice are adopted.

As we explored how these agencies and others have promoted a culture of innovation, there emerged five ingredients necessary for an innovation culture in the public sector:

Leadership

Leaders need to create space for innovation in their organizations. This is no mean feat. Creating a culture that embraces calculated risk-taking—and that tolerates some failure in order to drive learning and improvement—requires strong leadership. You also need good leaders to precisely define success so that innovation can be focused on achieving the necessary transformation that's crucial when tackling complex social issues.

Dedicated funding for innovation

Designing programs or services that are genuinely innovative requires ongoing investment. Much attention is given to the amount of money invested in research and development, but that's just the first phase of innovation. Funds must be available at every stage of the innovation cycle, from R&D to design to prototyping to seeding growth capital for scaling. Some social issues are often able to draw in private, venture, or philanthropic investment to help trial new approaches.

Permeability

Innovation centers in social policy are “permeable.” That is, they are open to new ideas and ways of working. They embrace insights both from frontline staff and from “outsiders,” including the end users of the provided goods or services. And they encourage new systems, people, and technologies to emerge through a range of providers.

Incentives, rewards, and responsiveness

Innovative organizations reward staff personally for good ideas, improved performance, or systems design. Rewards can come through commendation, recognition, or even a cash bonus. Innovation centers also incentivize new work by ensuring that funding is not tied to activity or program compliance but is instead linked to carefully defined outcomes. Examples of good outcome measures in the social sphere are improved high school attainment, sustained employment, or reduced recidivism.

In the commercial world consumers vote with their wallets, so ineffective or out-of-date products can be rejected by the market. Likewise, innovative public-sector environments use performance data and customer feedback to inform where funding flows. Smart agencies are able to act quickly, ensuring that funding for underperforming or unwanted programs is shifted rapidly to new more promising approaches instead.

Innovation plans

It sounds simple, but the most innovative departments and companies have a comprehensive plan to build a culture of innovation. They understand their strengths and develop strategies to address their areas for development. They invest in both incubating new ideas and in scaling the best ones. They work with users and with latest technologies. And they both cultivate dedicated innovation teams as well as ensuring their entire staff is prepared to support continuous improvement and learning. As a result, they’re constantly adapting.

We believe agency leaders who want to promote innovation need to focus on all five key ingredients. The next five parts of this series examine each ingredient in detail, drawing on examples from around the globe. Next week’s installment looks at the importance of strong leadership.

This is the latest installment of a [weekly column on government innovation](#) produced by CAP’s [Doing What Works](#) team in partnership with the [Bellwether Education Partners](#) and the [Young Foundation](#), as part of the “[Innovation for the Public Good](#)” series supported by the [Rockefeller Foundation](#).

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