



Developing a
framework for
innovation

Booklet Four

Developing a framework for innovation

Being innovative is not a detached activity to be undertaken once and never to be repeated again.



Innovation is not only for small organisations that can react quickly, or large organisations that invest vast quantities of money in developing ideas. An innovative organisation is a place where new ideas are embraced and praised, where old ideas and traditional approaches are freely challenged and adapted, and where failure is tolerated and learnt from. Sounds simple.

So, how do you build organisations that embrace change and that are as nimble as change itself? Do you need to muster the imagination of every

employee, every day? Is it even possible to create organisations that are tolerant of risk and that encourage innovation?

Different organisational structures have implications for the types of outcomes you will be able to achieve, but they can all be adapted or combined to suit your organisation or project. It is important to acknowledge that there are positives and negatives associated with all of the structures – but taking a proactive, planned approach, and setting it in the context of your particular organisation, should set

you up to embrace the change associated with working in a new and innovative way.

We have chosen a handful of approaches for managing organisational innovation to describe in this section. These approaches exist along a spectrum and are presented in their most extreme form so that the differences between each approach can be readily identified. We will take each structure in turn so that you can consider the features of each approach you could consider for use within your organisation.

Internal approaches

1. Everyman approach

This is an open approach to managing innovation that is based on drawing the knowledge and experience from all employees – their collective intelligence – to understand opportunities and risks. It is essentially saying that ideas can come from anyone and that everyone has the capacity for innovation. The objective of this approach is to create an environment or period where employees are given explicit permission to innovate.

However, to make this approach work, it is crucial that the group is diverse. Lots of different perspectives, tools and backgrounds help to expand the base of information so that there is more to draw from. It is also useful to have a 'devil's advocate' to test the ideas that are created. Some organisations may employ the de Bono Hats system (also known as 'Six Hats' or 'Six Thinking Hats') as a tool that provides a means for groups to think more effectively

together more effectively, and a means to plan thinking processes in a detailed and cohesive way.

To operate in this way requires a huge amount of flexibility, strong leadership to help staff focus on the overall mission, as well as an accurate management overview of all the different projects. In addition, some thought is required as to whether this type of culture is a realistic target for the organisation as it stands. Are you confident that staff will rise to the challenge? How do you plan to support staff along the way?

Example: Google

The Google approach to innovation advocates the 70-20-10 principle:

70% of work time should be dedicated to core business tasks. 20% of work time should be dedicated to projects broadly related to the core business – aimed at allowing time to roam free and encouraging creativity. 10% is for wacky ideas that might not work out but are worth pursuing.

Google believe that they gain employee loyalty by allowing staff to do what they want for 10% of the week, but also, they are capturing innovation as people are still thinking. Google employ people from a range of different backgrounds to ensure staff are always looking at problems from many different perspectives.

For more information, see: <http://www.youtube.com/watch?v=aOZhbOhEunY>

How open is your organisation?

1. Create a project space where people can develop ideas, be messy and can hold brainstorming sessions.

2. Create a space in the office to park ideas for the future.

3. Think about having short update meetings and longer sessions for sharing and developing ideas.

4. At the very least allow one hour a week for time to get inspired, and develop ideas. Ideally, you should be thinking about opportunities and doing things differently throughout your work.

5. Ask staff to research opportunities for service development, or examples of services working differently in other sectors/countries. Discuss these once a month at team meetings.

6. Use some tools for thinking about the future. For example, Seven Questions is an approach that staff can use to draw perspectives on the future from key leaders in the organisation. More information: <http://www.iriss.org.uk/resources/future-risks-and-opportunities-toolkit>

2. The safe space approach

Some people believe that a key step to creating or maintaining innovation in an organisation is to discard the idea that absolutely everyone must be involved all of the time.

Developing a team or network to work on innovation is a common way to develop new ideas and practices by managing the resident talent and letting a staff cohort engage and grow their ideas. 'Safe spaces' may grow organically – as in examples of communities of practice, or may require more deliberately constructed models.

These teams are usually immune to the constraints of normal day-to-day operation and generally operate independently from the rest of the organisation. It is useful, however, if these teams can dip in and out of the wider knowledge of their other colleagues to ensure that ideas are not too far removed from what works well in practice.

Some of the key benefits to working in this way include that there is specific time, budget and staff resources set aside for trying out new ideas. Hopefully this ensures that innovation happens, and is ongoing within the organisation. Using a safe space internally means that you can retain control over the direction of the project. Of course, this means that the organisation will feel the burden of all risks.

There are broader considerations around whether or not this approach can help foster a culture of innovation within the organisation, or by contrast, whether it generates a marginalised image of innovation as separate from the day-to-day business. It is also important to consider whether or not this team and its outputs would be seen as an optional luxury. In tighter financial times, could the innovation unit be a target for cuts?

Example: The Social Innovation Lab for Kent (SILK)

The Social Innovation Lab for Kent (SILK) was set up in Kent County Council to provide a creative environment for a wide range of staff to work together on a range of problems, by putting citizens at the heart of the work.

SILK creates safe spaces where people have the opportunity to question and challenge assumptions, to make new connections and to tap into others' expertise. SILK has successfully mixed frontline staff with unit heads and policy officers to tackle some difficult social problems such as digital inclusion and engaging fathers. SILK has a dedicated team, budget, work programme and sponsoring director and successfully brings in skills from areas not normally used by local government.

For more information, see: <http://socialinnovation.typepad.com/silk/2009/09/silk-video.html>

How well do you communicate your ideas and get buy-in?

1. Use different methods for conveying ideas – PowerPoint, pictures, props and music – anything that will excite people and help them to understand.
2. Stop using buzzwords – quite often there are inconsistencies in the way that they are used anyway. Encourage people to ask questions if they don't understand what you mean.
3. How do your target group communicate with each other? Phones, text messages, Twitter, Facebook? Are you speaking to them in the ways they speak to one another?
4. Answers will only be as good as the questions you ask. Have a look at this article and consider how you frame the questions you are asking – <http://litemind.com/questions/>.

External approach

3. Outsourcing/ transferring risk

External approaches generally involve outsourcing (in some way) to other partners. Being able to use the ideas, expertise and fresh perspective from a partner(s) organisation and integrate this with the knowledge and skill that exists internally can be exceptionally valuable.

This normally means that innovations are commissioned outside of the organisation so that financial and project risks are limited. Working in this way means that the commissioning organisation has full control over the specified outcomes of the project and that there is minimal disruption to the ongoing day-to-day work of the organisation. This can be a useful approach when there is a lack of in-house expertise and it can also help to provide the impetus for organisational change.

Outsourcing innovation however can mean that internal staff feel disengaged with the new

innovators/innovations and may feel ill at ease implementing ideas that have not been generated from within.

Using external consultants or partners also incurs the risk of project failure, cost overrun or time delay. What if the external organisation does not fulfil their side of the bargain? What if their standards are lower than yours? What if they fail to meet deadlines or allocated budgets? These are all questions that have to be considered and managed before the commencement of the project/innovation.

Example: HM Revenue and Customs (HMRC)

Typically, the HMRC will use commissioning and procurement to buy in innovative services and solutions. The HMRC has an Innovation in Procurement Plan (IPP), which outlines how the organisation intends to inspire innovation throughout the procurement process within HMRC.

The HMRC has set the following targets:

- Generating value for money from encouraging innovative ideas with existing suppliers
- Increasing the number of innovative ideas that could lead to increases in value for money, service improvements or sustainability
- Recording how many innovative ideas are taken forward
- Continually applying innovative thinking to commercial processes to try to improve the way of working

Using this approach, innovation is left to the contractors, with ideas being encouraged and commissioned externally. After an idea or innovation has been commissioned, it might be that staff will work on that project, but this will be mainly to deliver the process or operational components of the work.



4. Working in collaboration – sharing risk

The sector is a competitive environment; however, forming relationships with others that have a similar remit can be an effective way of tapping into a wider set of ideas and skills.

Working together to create a collaborative vehicle to deliver a particular project, opportunity or campaign is another way to approach the development of innovation in your organisation. Creating this separate body has similar advantages and disadvantages to using the 'safe space' approach.

The main difference is that the issue being addressed is agreed by the group of organisations or by a 'lead' body. Being structured in this way allows risks to be pooled across a number of organisations or individuals. This ensures that any potential loss is averaged across the group as a whole, but gain is fully felt by each individual organisation.

Example: Dott 07 (Designs of the Time)

The Design Council and the regional development agency, One North East, formed Dott 07 as a collaborative vehicle to explore what life in a sustainable region could be like. These parent organisations set the overall brief for Dott 07 to work on in the region.

Dott 07 was set up as an independent organisation, with new staff appointed to work in collaboration with local partners. Using a co-design model and working with these individuals meant that they could identify problems specific to the region and that any project or service which was developed as a solution would be self-sustaining.

Dott 07 ran for three years but no longer exists as it fundamentally met its aims by helping local partners to think about these themes in a different way and by finding new solutions to the issues that existed.

For more information, see: <http://www.dott07.com/>

5. Working in partnership – sharing risk

Bringing together diverse companies to work together in partnership can be a useful model to harness the energy of different perspectives and diverse corporate cultures to spark radical new ideas.

The key premise behind this approach is that each organisation brings expertise from their own areas, which might be different from that which exists in your organisation. This is useful, as staff can benefit from a wider learning experience which can help to reinforce the culture of innovation.

Preparation is important to any type of partnership working. When working in this way it is important to ensure that expectations are consistent across partners, and that there is a shared understanding regarding the outcomes of the project. Working in partnership can be quite a tricky thing to do well, and it is important to allow some slack in the schedule for ironing out tensions, coordinating people and reaffirming overall objectives. The responsibility for innovation resides with each of the

organisations within the partnership. This means that the risk is shared evenly – with each having as much to lose or gain as the other

Example: McLaren and NATs

Corporate Connections, a NESTA initiative, brought together companies from a range of diverse backgrounds to develop new ideas and potentially create new businesses through a series of collaborative workshops. Opportunities that emerged from the workshops were assessed and analysed, with the best ideas being followed up for further development and seed funding from participating enterprises.

Two of the companies taking part in Corporate Connections, McLaren and NATs, have begun a business collaboration as a result of the programme. NATs, the UK market leader in air traffic control services, has adapted race technology developed by McLaren to aid the management of aircraft on the ground.

For more information, see: <http://www.100open.com/case-studies/mclaren-nats/>

Think about how you collaborate

- 1.** Share documents and ideas using free technology services, for example Google documents or Dropbox across teams, departments and organisations. Project management platforms such as BaseCamp provide the basis for innovative working.
- 2.** Don't be embarrassed to bring together those people who are passionate about the issues. Email or call them to get together – they will be keen.
- 3.** When you are developing new partnerships, seek them with unlikely groups to see how varying perspectives create different approaches.
- 4.** Collaborative working should not be about the median idea in a group or committee. If this occurred previously, work in smaller groups so ideas are not watered down.
- 5.** Join a Meetup with like-minded people or set up monthly coffee meetings yourself. Use websites like www.meetup.com to look for regular events already happening or publicising your own.



6. Open innovation approach

Proponents of the open innovation approach believe that the way we work needs to change, and that it is important to embrace new strategies for systematically tapping into ideas, resources and people from the outside.

Using the open innovation approach means that the organisation opens up its knowledge and shares the challenges it is trying to solve with the world. Individuals and organisations are then encouraged to respond with ideas. This means that there is often no control over the output of the innovation – though the organisation will still control the outcome as long as the question to be answered is suitably clear from the outset.

The success of the open innovation approach is likely to be high as it is linking into a world of untapped ideas and resources, rather than limiting to the scope of the organisation. It is important to remember, however, that solutions produced through using

this approach may come from amateurs or volunteers working in their spare time, or from experts or small businesses that are unknown to your organisation. In some ways, this could be considered a great advantage; in other ways it could mean a host of administrative issues in filtering out good ideas and choosing the most viable ones to implement.

Sometimes this strategy involves financial incentives to encourage people to get involved; however, often, individuals will contribute purely on the basis of their drive to be involved or the prestige that may accompany the overall 'win'. This normally means that resources come from both the organisation itself and from the external partner.

This approach provides a way of finding a solution to a problem without having to shoulder the burden of risk, as the prize fund is paid out only for results (not talk, or ideas).

Example: NESTA, Big Green Challenge

The Big Green Challenge was NESTA's £1 million challenge prize designed to stimulate and support community-led responses to climate change. In this project, competitors were supported to articulate, develop and implement their ideas. Participants had a fixed amount of time to demonstrate how they had reduced carbon dioxide emissions in their community. The prize was awarded to winners based on performance at the end of the challenge's duration.

This project explored how far an outcome-based prize – which rewards results not activity – could stimulate innovation in communities, while encouraging the drive and focus needed to achieve measurable change. An evaluation of the approach found that outcome (performance) based funding offers the potential to mobilise community resources to achieve specific goals and to accelerate change (NESTA, 2010).

For more information, see: http://www.nesta.org.uk/areas_of_work/public_services_lab/big_green_challenge

Social Innovation Camp (SICamp) is another example 'of a project' that brings together software developers and designers with people who understand a social problem to help build web and mobile solutions to social challenges. However, rather than offering gains in terms of finance, SICamp offers three months of support to the winning and runner-up teams as selected by the Social Innovation Camp judges at the end of the weekend.

For more information, see: <http://www.sicamp.org/>

Conclusion

All of these structures present different risks to your organisation which need to be evaluated and managed.

These structures are not mutually exclusive – multiple models may coexist within an organisation at the same time – but the key thing to remember is that they all take a strategic approach to innovation. They seek to ensure that the pull of the core business which currently exists in the organisation does **not** influence the development of new ideas. Rather, these structures actively support these new ideas to distinguish them as different from what has been done before.

The key step for any organisation is to consider the structures that will help to exploit the existing assets and to formally create a strategy to support its implementation. Many of the features that support innovation in each of these approaches are those that support the management of change in organisations.

Each has different implications for:

- Leadership
- Creativity
- Engagement of staff and others
- Evaluating the intended and unintended outputs and outcomes
- Ensuring feedback to encourage organisational learning
- How many ideas are developed, and what types of ideas are produced

In addition they all have different consequences for the range and number of innovations that will be developed. For example, external approaches to innovation tend to focus on one or two problems or issues and will result in a fewer number of ideas being developed and implemented. In contrast, internal approaches are likely to produce multiple ideas and innovations.

The different structures outlined also have implications for the relationship between risk and the funding of an innovation in social services. You might also want to consider the three main options available.

To recap, these are:

1. Your organisation could fully fund the innovation itself, taking all the benefits of the innovations success, but also bearing all of the risk.

2. The innovation could be funded externally, where the funder bears the risk but can also set the boundaries and dictate the overall scope and direction of the innovation (and take any credit for it).

3. The innovation is jointly funded, ensuring that the risks, pitfalls, benefits and successes are shared and managed equally between each partner. Although this may seem like the likely choice, partnership working can be problematic and requires a high degree of trust and co-operation.

Fundamentally, your innovation strategy should include overall goals, a target portfolio for innovation efforts, a mechanism to allocate resources to achieve that portfolio, and clearly defined goals and boundaries for innovation. So, think about your strategy, enunciate it clearly and let everyone in your organisation know its goal

and how the innovation efforts will support the core business of your organisation. Innovate on purpose, with purpose.

Examples of innovation strategies:

UK Government: Innovation Nation (archived 2008)

http://bis.gov.uk/assets/biscore/corporate/migratedd/publications/i/innovation_nation_exec_summary.pdf

EU http://www.emfs.eu/sites/default/files/innovation-union-communication_en%285%29.pdf

Department for Transport

<http://www.dft.gov.uk/pgr/scienceresearch/technology/lctis/lowcarbontis>

Kent County Council

<https://shareweb.kent.gov.uk/Documents/council-and-democracy/council%20financial%20publications/ced-business-plans-2011-12/corporate-policy.pdf>

So, are you setting your aspirations high enough?

Working towards an inspirational vision

Future headlines are fictional articles from newspapers, magazines or journals that you can use to predict the future and understand what kind of impact your work will have on society.

Headlines are useful for communicating key messages in a memorable way or making a topic relevant.

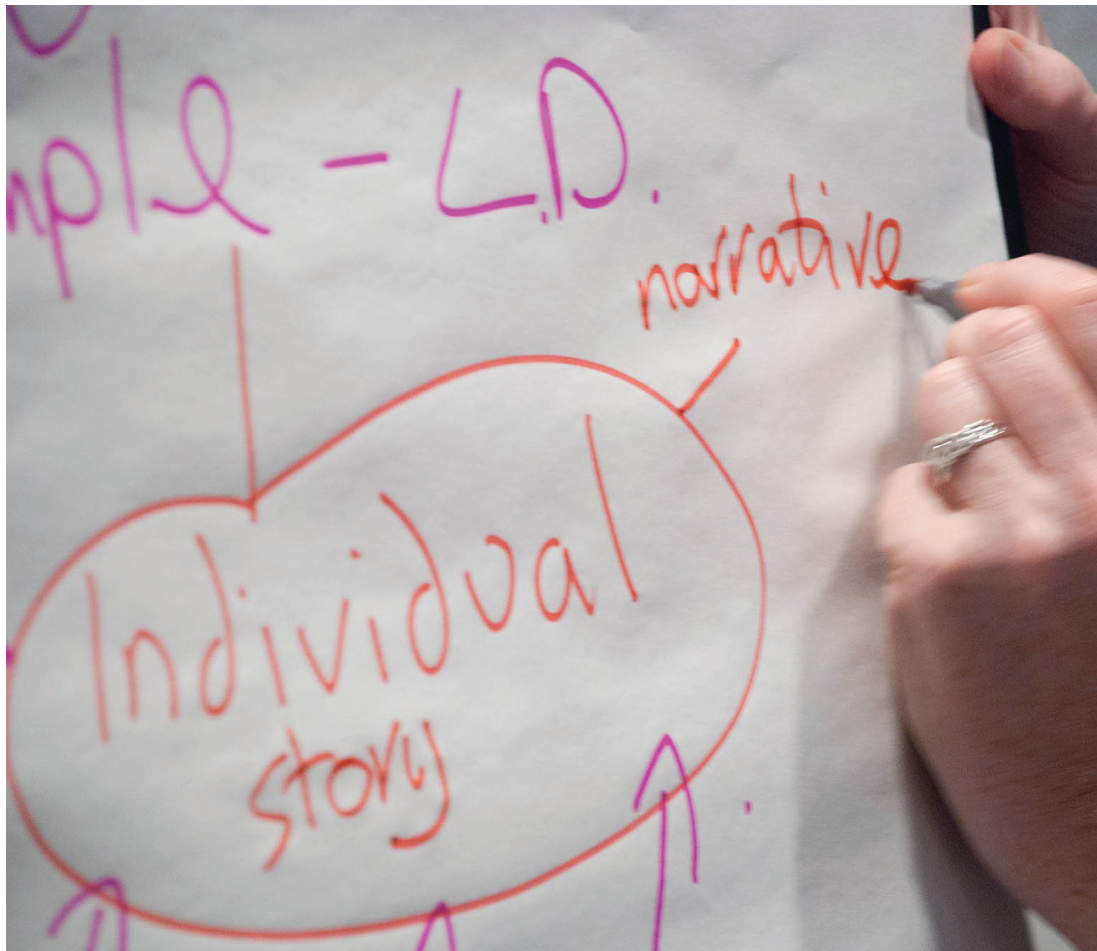
Future headlines should possess a solid base of historic reality, while reflecting aspects of a desired, attainable or possible future. The narrative will typically contain the elements of a setting, characters, conflict or situation to be addressed, key event, a pivotal moment or climax, and a resolution.

Story creation can be done individually or in groups, and can be free form or framed with parameters.

For your story, consider:

- Is the headline catchy enough to attract the reader's attention?
- Is the story compelling enough to keep the reader's attention?
- Introducing the story in a subtitle in one or two sentences and then include a cohesive description in a few paragraphs.
- Why is it news?





References:

NESTA (2010) Big Green Challenge Final Evaluation: An executive summary report for NESTA. Available from: <http://www.nesta.org.uk/library/documents/BGC-Evaluation-Exec-Summary-FINAL.pdf>



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