Innovation: More Important Now than Ever Before

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IMMI Conference
March 20, 2013
Vuja de
Internationally

- Mideast Arab Spring
- African Resource Mecca Competition
- European Debt Crisis
- Climate Change
- Rise and Faltering of China and India
Changes in The Last 5 Years

**Domestic**
- Partisan Gridlock
- Fiscal Cliff
- 1\textsuperscript{st} Black President
- Deep Recession and Slow Recovery
- Jobs Shift: Post Industrial to Knowledge Economy
Iowa

- Agrarian to Manufacturing to Knowledge Economy
- Climate Change: Floods and Droughts
Changes in The Last 5 Years

Local Government Trends

- Dog Parks
- Sustainability
- Higher Expectations
- Flattened Organizations
- Transparency
- BIG Data
- Engagement
- Paperless/Cloud Computing
What Changes Have Surprised You The Most?
What Do We Know About INNOVATION?

**Business**
- Business Has to Innovate!
  - R&D is money spent to create knowledge
  - Innovation is knowledge spent to create money
- Mission: Profit Focused
What Do We Know About INNOVATION?

Entrepreneurial Focus

- Creative Individual
- Person with Unique Ideas
  Who Believes the Idea
  Can Change Everything
- Mission: Idea Focused
What do we know about innovation in Local Government...?
Describe the most Interesting Changes that Have Occurred in your organization in the Past Two Years?
Prevailing?
Leading?
Emerging?
Innovation Process and Performance
What is Innovation?

Innovation is
The Adoption
of Any New or
Adapted Idea

Ideas left idle are only ideas...
Ideas put into action are innovation...
Key Definitions

- **Adoption**: incorporating practices developed in other organizations.
- **Adapation**: new approaches or practices that are created by the organization; application of new technology.
- **Invention**: develop and implement a totally new practice.
- **Diffusion**: the spread of new ideas and practices through the local government sector.
Types of Innovation

Breakthrough

Incremental
For Example
Breakthrough Innovation

- Fundamentally changes the process
- "Discovery consists of seeing what everyone has seen and thinking what nobody has thought"
  - Albert Szent-Gyorgyide

Characteristics:
- Rare
- Often external
- Generated out of need
Incremental Innovation

- Innovation that builds on existing knowledge to improve a product, process or service
- Learning, growing, and adapting to a changing environment
- Incremental can lead to breakthrough

Characteristics:
- Subtle
- Within span of control
How Does Innovation Happen?

**Associating:** Connecting seemingly unrelated ideas

**Questioning:** Ask why, and why not

**Observing:** Scrutinize the environment around you (ex. the behavior of citizens)

**Experimenting:** Try out new ideas and approaches

**Networking:** Test new ideas from a network of diverse organizations

*5 Discovery Skills-Harvard Business Review Study*
Innovative Manager Characteristics

- Positive, Visionary Outlook
- Impatience with Business as Usual
- Commitment to an Innovative Culture
- Tendency to Set Ambitious Targets
- Understands Exploratory Versus Judgmental
- Ability to Build Relationships of Trust
- Persuasive Communication Skills
Local Government Innovation in U.S.

- Local Option - Governments are Moderate to Low Adopters
- Affected by Context and Structure
- Promoted by Greater Resources
- Most Innovation is a Response to Problems & External Pressure
- Committed Managers Make a Difference
Adopters

Everett Rogers, Diffusion of Innovations

- Innovators – 3%
  - Venturesome
  - Cosmopolitan
  - Boundary spanner:
  - Gatekeepers

- Early adopters – 14%
  - Integrated
  - Respected

- Early Majority – 34%
  - Deliberate

- Late Majority – 34%
  - Skeptical

- Laggards – 16%
  - Traditional
Adoption of Innovation

Innovation Intention
Which Are You Committed To?

- **Encourage** inventions and being the first to adopt new approaches [Innovators]
- **Support** inventions and actively seek-out newly emerging ideas in other places [Early & Extensive Adopters]
- **Monitor** new approaches and adopt them when other local governments have tested them [Early Majority]
- **Follow** other governments in adopting approaches that are proven to be worthwhile or effective [Late Majority]
- **Maintain** current practices and considering change if the organization is clearly out of touch [Late & Limited Adopters]
- **Preserve** the status quo [Laggards]
Innovation Intentions

How do you know if you are innovative?

Do you want to be innovative?
Local Factors Prompting Innovation

- Political - Election, Legislation, Pressure – 26%
- Crisis - 26%
  - Political
  - Financial
  - Environmental
  - Social
- Internal Pressures/Problems – 61%
- New Leader from Outside – 19%
- New Leader from Inside – 0%
- Opportunities Including Technology – 13%

*Borins: Analysis of Innovation in American Government Award Winners
Drivers of Diffusion

Reasons for Adopting Innovations
- Complying with Norms and Values
- Copying Others
- Being Required to Change

“The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality”
DiMaggio, Paul J. and Walter W. Powell. 1983

What are The Drivers of Origination?
- Who Are the Path Setters?
- Who Cannot Follow Others?
Key Questions

- Who Are the Champions of Innovations in Your Organization

- What Are the Sources of Support for Change?
Innovative Thinking
## Business Thinking vs. Innovative Thinking

<table>
<thead>
<tr>
<th>Traditional Business Thinking</th>
<th>Innovative Thinking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Logical</td>
<td>Intuitive</td>
</tr>
<tr>
<td>Deductive/Inductive reasoning</td>
<td>Abductive reasoning</td>
</tr>
<tr>
<td>Requires proof to proceed</td>
<td>Asks what if?</td>
</tr>
<tr>
<td>Looks for precedents</td>
<td>Unconstrained by the past</td>
</tr>
<tr>
<td>Quick to decide</td>
<td>Holds multiple possibilities</td>
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<tr>
<td>There is right and wrong</td>
<td>There is always a better way</td>
</tr>
<tr>
<td>Uncomfortable with ambiguity</td>
<td>Relishes ambiguity</td>
</tr>
<tr>
<td>Wants results</td>
<td>Wants meaning</td>
</tr>
</tbody>
</table>
Key Questions

- Do You Disagree with any of the Distinctions?
- Do Innovators Not Want Results?
- How Do You Look For & Use Best Practices?

Beware of Simplistic Models And Rigid Dichotomies

Simplistic vs. Simplicity

Simplistic:
- Ignorance
- Inattention
- Laziness
- Deception
- Easy for us

Simplicity:
- Awareness
- Knowledge
- Spirit of helping
- Honesty, Sincerity
- Easy for them
How Do You Create an Atmosphere for Change?

- Creativity
- Teams
- Leadership
- Culture of Engagement:
  - Staff
  - Community
What Areas Will Demand Innovation In The Future?

**Traditional:**
- Fiscal Rethink
- Workforce and Workplace redesign
- Infrastructure for the 21st century
- Co produced local services

**Non-Traditional**
- Blurring of institutional lines
- Communities of choice
- Resource Inequities
Successful Organization
Six Signs

1. Community Has Leveraged its Place Authentically
2. Workforce is Fully Engaged & Understands Its Mission
3. Community Trust Local Institutions & Perceives Them as Welcoming
4. Has Goal & Capacity to Produce Services with Others
5. Collective Fiduciary Responsibility:
   - Use Tax Dollars Wisely
   - Efficiency & Effectiveness
6. Sense That All Citizens Should Equitably Share in the Benefits of the Community
Hard Work already Happening in Iowa...

- Measuring Sustainability
  - Dubuque
- Regional Education Partnership
  - Manchester
- Edible Landscapes
  - Iowa City
Innovation Resources

- Knowledge Network
- Governing Magazine
- Professional Associations
- Best Practices & Benchmarking Data
- Attend Conferences, Workshops & Webinars
- Site Visits to Companies & Other Communities

- Government Innovators Network, Ash Institute, Harvard School of Government
- National Civic League
- All-American Cities
- Alliance, ICMA, NLC & NACo Case Studies & Award Winners
Thank You

Questions & Answers
MAR 20 WELCOME CITY MGRS OF IOWA
22 Naha Greenholtz
28 RALPHIE MAY