

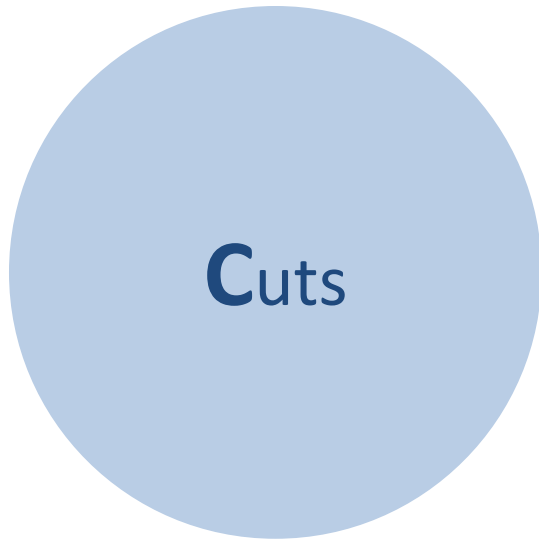
Better outcomes for lower costs

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fiscal constraints





but note that IBM in mid 80s would have seen core as 'mainframes' and Nokia as rubber products

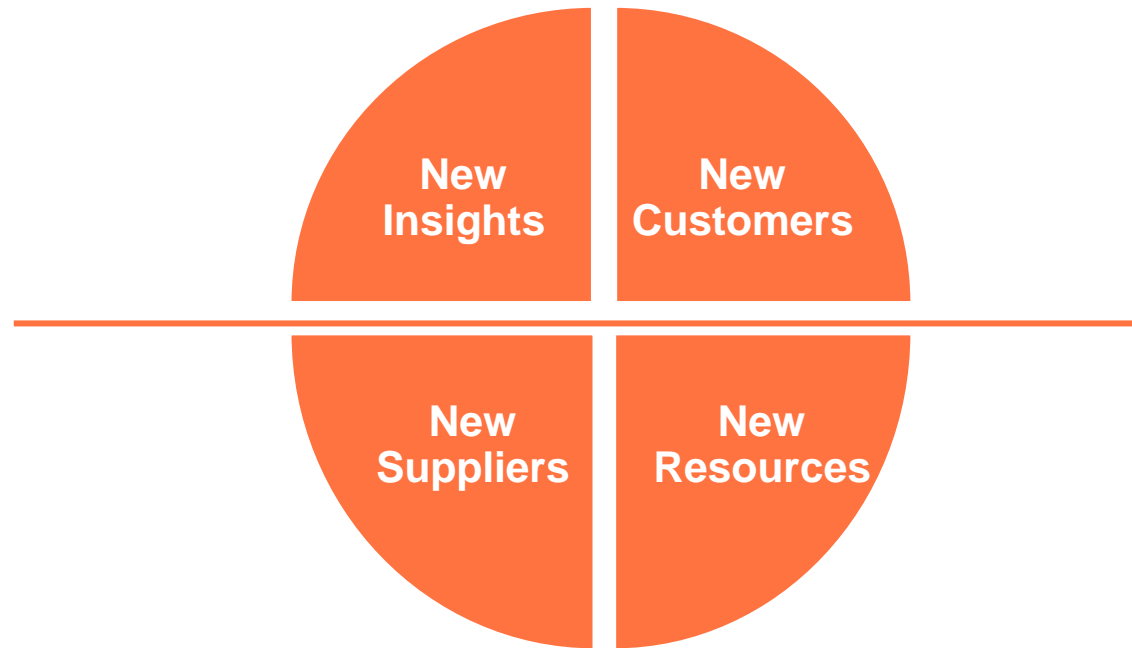
- decommissioning/disinvestment
- rationing
 - cutting services for some
 - making some pay [co-payments])
- eliminating non-core activity or activity that is better done by a different organisation
- very political
- requires excellent stakeholder management and engagement



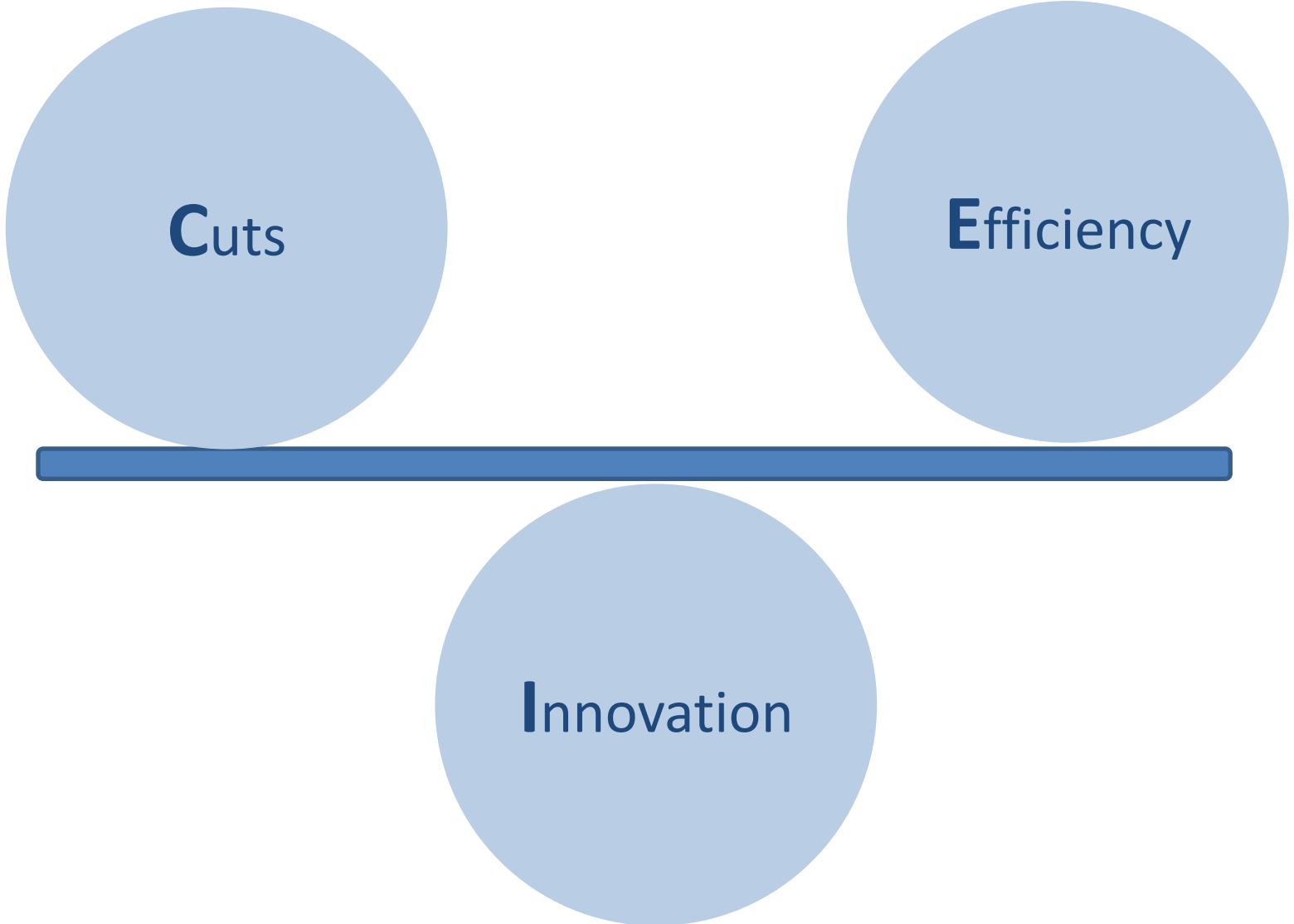
Efficiency

- benchmarking against current frontiers of performance
 - focus on areas of activity with largest gap
- leaning, process re-engineering, etc
- does not alter *nature* of inputs or outputs: more or same for less
- leaner organisations, but no better equipped for future challenges

Prioritise: areas where, through innovation, can achieve **significantly better outcomes for significantly lower costs**



ICE balance: strategy for a cold financial climate

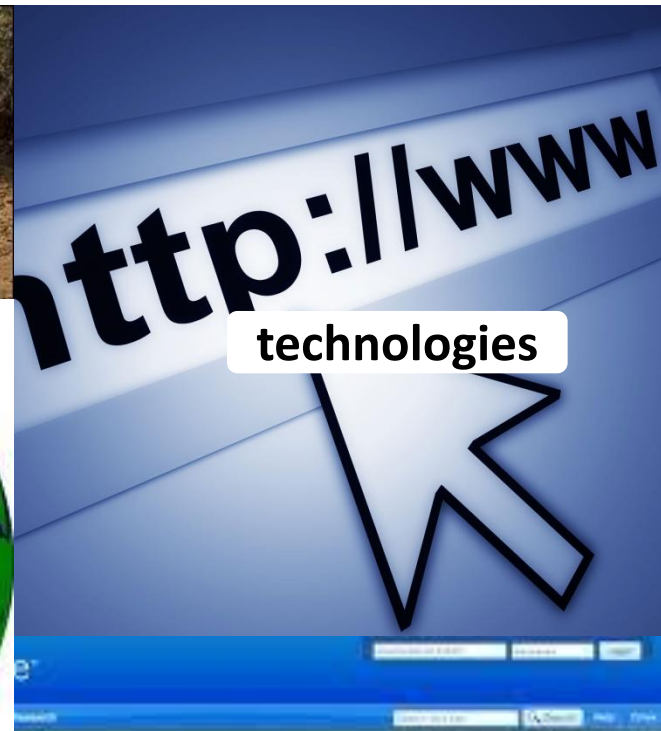


Leading transformational change: 'split screen'

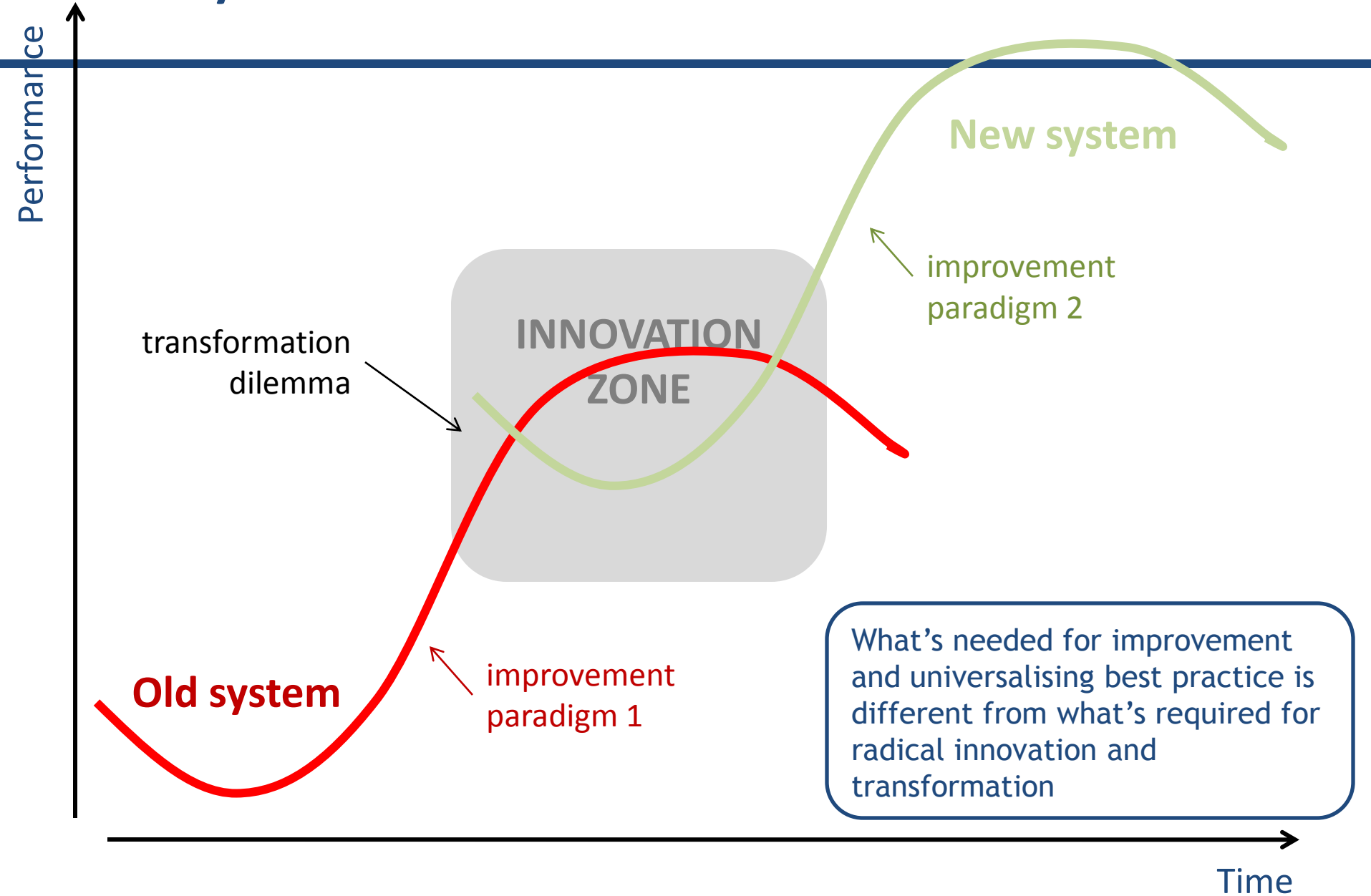
**Managing continuous
improvement and reform
of the current system:
'business as usual'**

**Building the capacity,
models and practices to
address deep current and
future challenges**

Why *radical* innovation in public services is essential

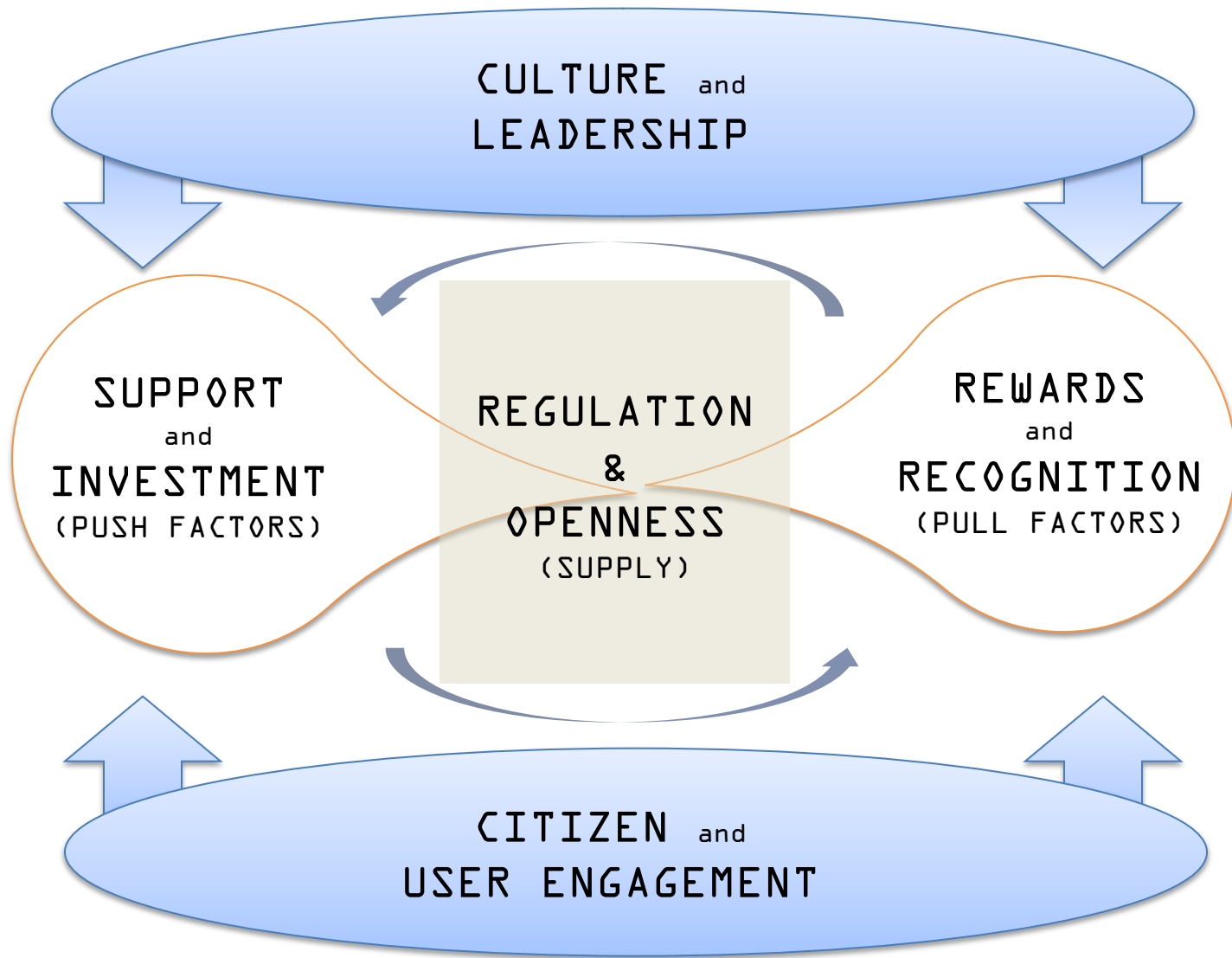


System transformation



How to:

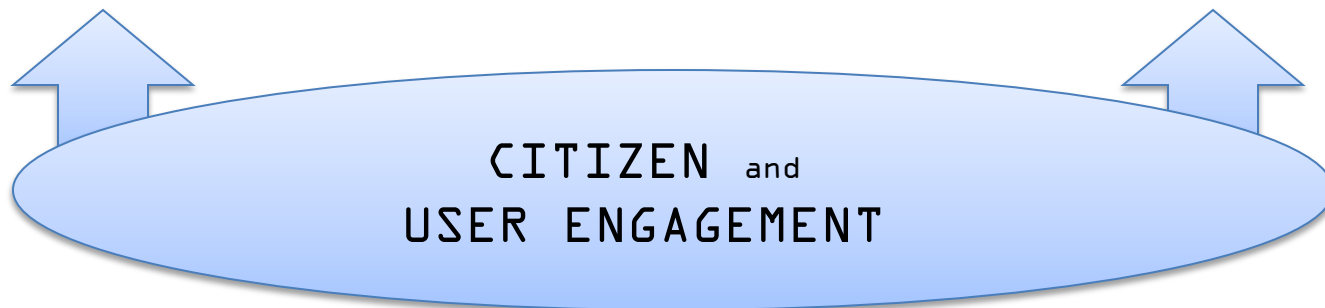
- Culture
- Discipline
- Community



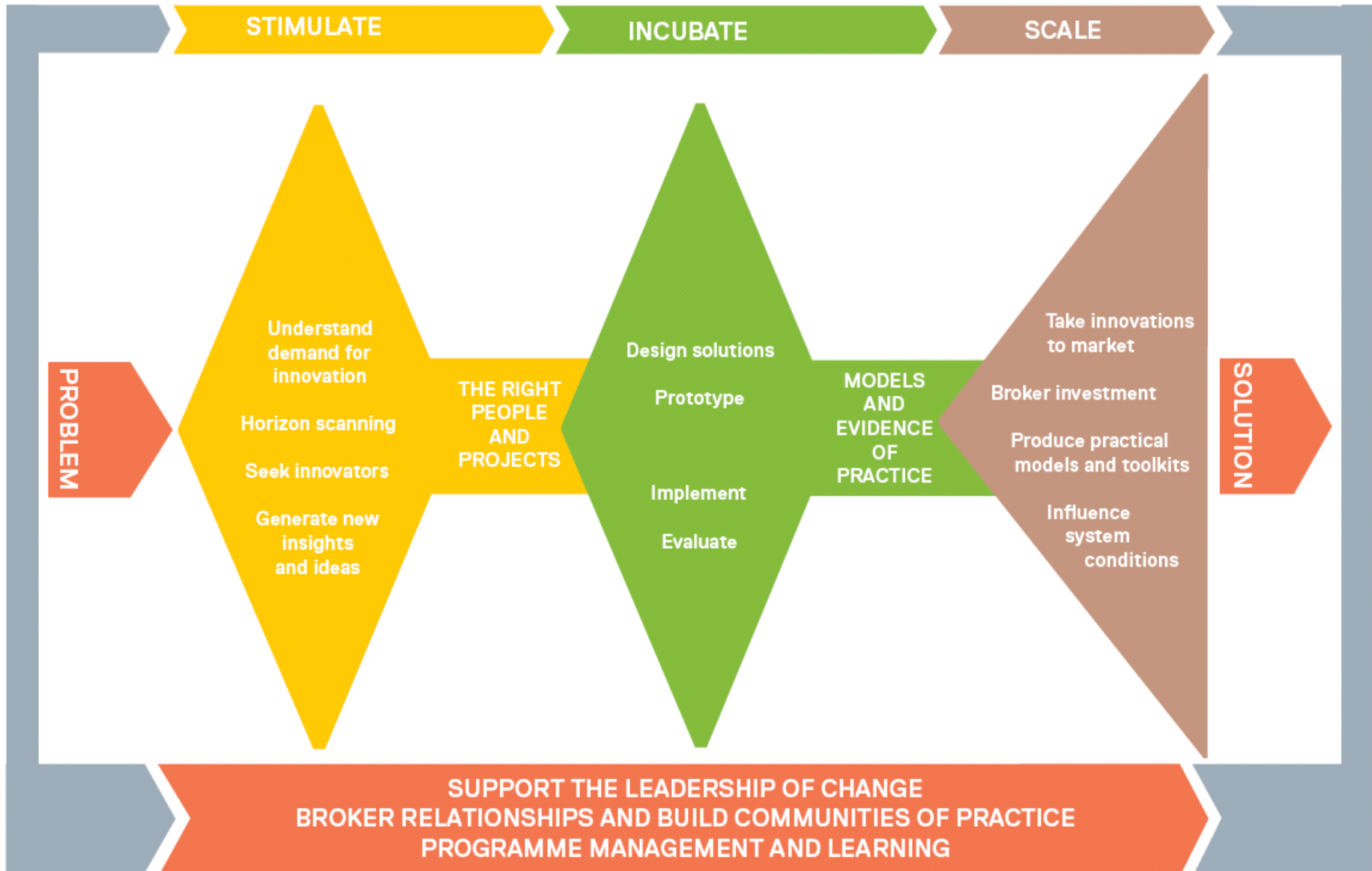


- passionate about outcomes, flexible about means
- encouraging experimentation, and well-managed risk-taking
- externally and front-line oriented, embracing diversity
- focused on limited number of priorities and challenges
- maintaining 'split-screen' narrative

- extreme and leading edge users
- beyond consultation: co-creation and co-production
- mobilising demand: strengthening and empowering user networks and organisations
- comparative performance information
- choices and resources



Disciplined Innovation Model



STIMULATE

- **Understand demand for innovation**
 - Clear challenge or goal
 - Beneath the presenting problem: ethnography
otherwise just better current practice
- **Horizon scanning**
 - Other organisations, other sectors, other countries
 - Learning from extremes
- **Generate new insights and ideas**
 - Divergent ('yes, and ...' rule) and convergent thinking
 - Provocateurs, users and new entrants
 - Creativity tools (eg de Bono 'six hats')
- **Seek innovators**
 - Moment of maximum leverage: ambition and readiness
 - The funnel

**THE RIGHT
PEOPLE
AND
PROJECTS:
ideas,
innovators,
incubation**



design

fertiliser

pruning

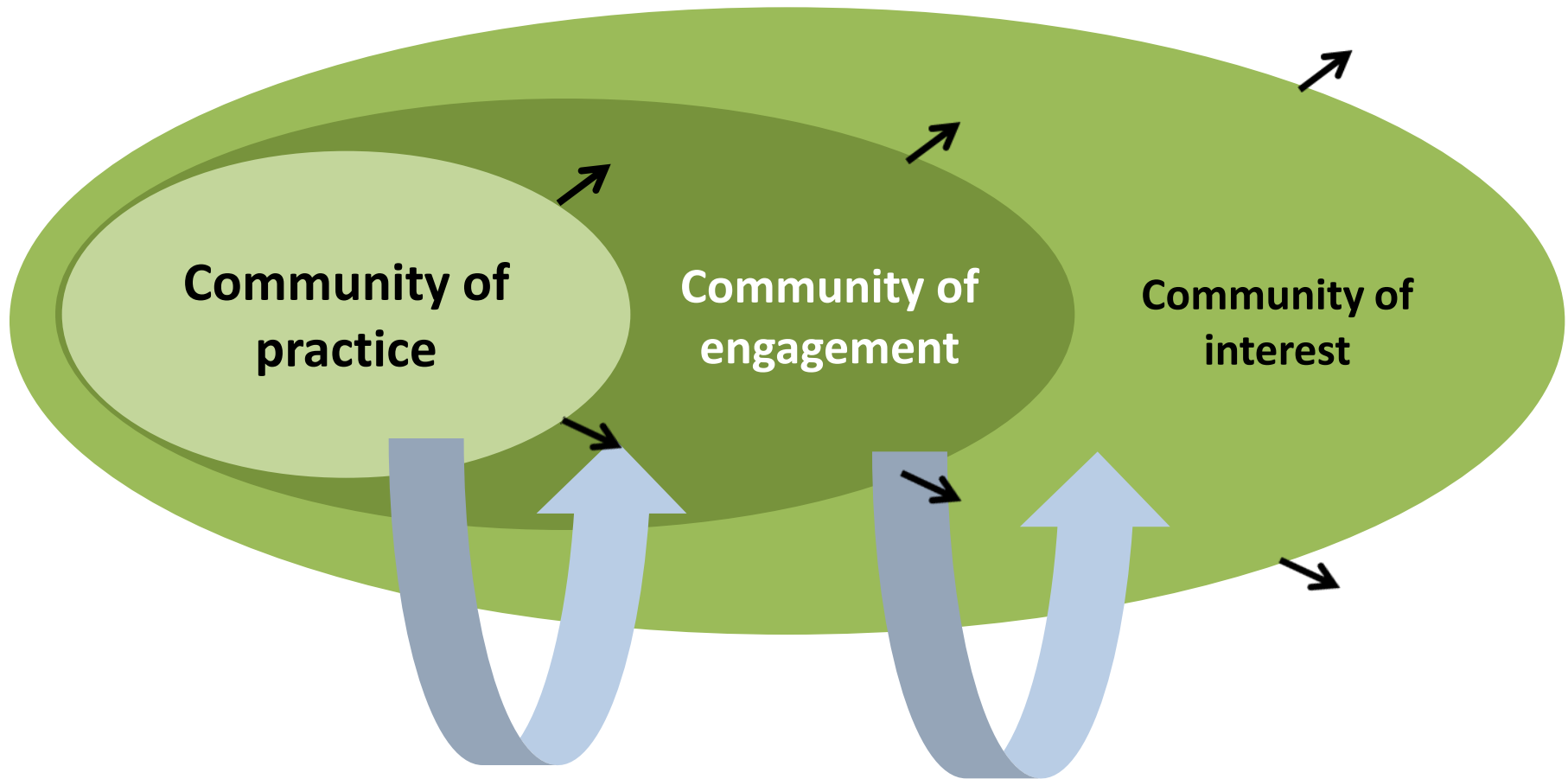
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INCUBATE

- Designing solutions and modelling
- Prototyping and simulations
- Implement
 - Professional and leadership development
 - Change management and transition curves
- Evaluate
 - D&R
 - Develop business case – and identify barriers – for wider implementation

**MODELS
AND
EVIDENCE
OF NEW
PRACTICE**



“early adopters”: critiquing, enriching and validating new models being developed by community of practice

adoption and adaptation through codification, protocols and standard operating procedures

Three concluding takeaways

- Encourage and value innovation and innovators
- Identify a small number of priorities for innovation and create a budget to support innovation
- Apply (source) disciplined methods and engage users

Thank you

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