

By Katy Singlaub

# Innovation in Public Management: What the Future Will Demand of Us

Innovation—it's what we strive for as public managers to better our organizations and, in turn, better our communities. As a county manager and as a student of innovation worldwide, I've had the opportunity to research, witness, and facilitate the power of innovation in local government. What has become clear is that there are patterns and themes that all of us can replicate; most involve a shift in thinking and not major, new investments we can ill afford.

Public service is noble work. It ennobles us. What could be more worthy than helping people grapple with the questions of how best to design and govern our communities, where the vast majority of the planet's people live, and encouraging prosperity and the achievement of potential and destiny while protecting and preserving the natural and environmental wealth that we and our ancestors have been so fortunate to enjoy?

Although it is ennobling, our work is also challenging, and one of the key challenges for today's public manager is to learn to harness the power of innovation and apply it to solving the simplest as well as the most complex problems of the local government workplace.

I want to share some thoughts on the meaning and place of innovation in local government at this time in our history. This is not intended to be a comprehensive review of all the innovations that local governments have implemented in recent times but, instead, a series of observations about connections, the applicability and transferability of learning about innovation, and a question about how and where local governments will go next.

## INNOVATION AS A FOUNDATION

What do we mean by innovation? In general, definitions of innovation point to something that is new or unusual, a breakthrough, something unique. But author Frans Johansson expands this idea in *The Medici Effect*, where he suggests that  $4 + 4 + 4 = 35,372$  is new and creative but also that it is irrelevant. An innovation, then, to quote Johansson, is “the creative idea become *realized*.” That is, it must be implemented, and doing so involves a series of elements that are almost limitlessly available to local government but not always embraced.

Why do we need to accelerate the pace of innovation and change in local government? Thomas Friedman, author of *The World Is Flat*, describes a poster from the factory of his friend Jack Perkowski, chairman and chief executive officer of ASIMCO Technologies, an American auto parts manufacturer in China. It is an African proverb, translated into Mandarin, and posted on the factory floor:

Every morning in Africa, a gazelle wakes up.  
It knows it must run faster than the fastest lion or it will be killed.  
Every morning a lion wakes up.  
It knows it must outrun the slowest gazelle or it will starve to death.  
It doesn't matter whether you are a lion or a gazelle.  
When the sun comes up, you better start running!

We are all in a race for survival, even in government.

Although local governments do not face the same kind of competition for profit and cost reduction among their industry that private sector firms do, business leaders and citizens are increasingly unwilling to sit by and watch local governments' cost of service escalate far more rapidly than the rate of inflation because of governments' reliance on a traditional model of labor-intensive service delivery.

Corporate leaders in our cities and counties ask why we are not introducing the same innovations they must introduce or face the failure of their enterprise. All of us have an investment in stimulating an environment for radical innovation—not only because it is demanded by our citizen-customers but also because it is imperative to the survival of our quality of life.

I don't mean to imply that local governments in the United States are not already innovating and implementing relevant, imaginative new strategies for fulfilling their missions. This impressive foundation

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provides an excellent base from which to launch the next level. Let's look at the chain of forces that Thomas Friedman cites and how these forces are demonstrated in local government innovation.

### FRIEDMAN'S FORCES

**1. Fall of the Berlin Wall.** The end of the Cold War shifted the world from a two-system economic environment, with free-market capitalism on one side and centralized authoritarian communism on the other, to a single predominant economic system supporting democratic, free-market forces. Local governments have similarly moved from a strongly centralized

funding of service delivery to a decidedly more entrepreneurial system, with many communities, like Carrollton, Texas, moving toward competitive service delivery.

**2. Netscape and the explosive success of Web browsers.** The Internet and smart Web browsers enabled users, independent of time and geography, to access each other's knowledge about anything and everything. The early Web browser technology was founded on a basis of trust and integrity, with an assumption that the early users, all researchers, would quickly help to improve it.

Their interest in recruiting people to use it at little or no cost assumed that people would use it wisely and, by using it, would quickly expand the database of knowledge available for browsing, thereby increasing the value of the browser technology. And they were right. Local government professional e-networks and discussion groups now provide instant access for colleagues to answer one another's queries and share lessons learned.

**3. Development of workflow software.** Computer software has connected such systems as different e-mail or word-processing systems with each other. Local governments throughout the United States now use workflow software to connect completely independent, stand-alone technology systems in public and private not-for-profit agencies. The software is used, for example, to improve the efficiency and outcomes of service delivery to mentally ill homeless individuals who often do not carry identification and cannot recall where they are.

**4. Open sourcing of software.** Open sourcing has fostered self-organizing collaborative communities founded on continuously improving intellectual property owned by no one. Because open-source software is openly and freely shared, it is constantly improved by its users and is available, free, to

anyone. In return, users who develop an enhancement make that improvement available to everyone for free. Local governments like Palo Alto, California, now use “wikis” as an open information source for all users who want to post interesting information to improve the knowledge base.

**5. Outsourcing.** Organizations now frequently hire outsiders to perform limited functions such as research, call centers, and publishing. In this practice, increasingly common in local government, agencies contract out functions as diverse as custodial services, solid waste management, transportation, human resources management, fire departments, police and detention services, libraries, and medical care for indigents, as some examples. As long as quality standards and efficient performance can be maintained at a lower cost, local governments will continue to widely use outsourcing to deliver services.

**6. Offshoring.** Organizations now have the ability to take their entire operations and move them offshore. Local governments in the United States have not readily adopted offshoring for obvious reasons—many citizens, employee labor unions, and elected officials do not tolerate public services being done remotely by people who are not U.S. citizens or legal residents. I expect, however, that enterprising local governments will soon find ways to offshore entire functions and processes of government, invisibly and without objection, and may do so because of rising costs and declining revenues.

**7. Supply chaining.** The master of supply chaining, of course, is Wal-Mart, where the transaction in which you buy a product is monitored by the bar code on the purchased good, which electronically and automatically sends a signal to deliver another one, which is then picked, packed, shipped, and distributed onto the shelf within hours or days.

In local government, one of the areas that has been successfully and

vertically integrated in a limited kind of supply chain is building permitting, which ultimately delivers a product (the inspection report). When the chain becomes fully implemented, each step in that automated, successful inspection report may one day electronically trigger a request for the next person in the supply chain of building your house, such as the grader, framer, plumber, electrician, finish carpenter or landscaper, to get to work. Ultimately, it would automatically notify the building inspector to come and perform each inspection, up to the final inspection.

**8. Insourcing.** In this case, organizations can bring entirely independent functions in-house in order to create more powerful integrated supply chains. One example that Friedman uses is UPS, which not only picks up your Toshiba laptop computer in response to that work order for a repair that you already sent to the manufacturer, but also completes the repair and handles the delivery of the laptop back to you, the customer, after UPS’s Toshiba-certified computer repair technicians—according to their contract with Toshiba—actually repair your computer to Toshiba’s standards.

By reducing the number of separate transactions to complete the work, UPS makes money for itself and for Toshiba, and increases value to customers. Many local governments, dissatisfied with the quality and cost of local community access television providers, have already insourced their own television production units. They can thus control message, content, quality, and time of viewing, and they can link to Web and other media, saturating the local bandwidth with their own unique programming.

**9. In-forming.** That dominant search engine Google not only connects you with information about friends, colleagues, and business associates, it gives you information about them that they may not even be aware is knowable. Meanwhile, Google is keeping data about what and who you are

looking for and will link you up with advertisers and service providers based on your unique personal preferences.

The younger generation knows this well, and they will expect local government to find them, hence the entry of some local governments into Facebook and MySpace, as well as the enormous popularity of local government use of customer relationship management (CRM) software to connect citizens with the specific information and services that they are interested in. This is done quickly and automatically, and no intervention or contact from a government employee is required. Recent legislation to push text messages during emergencies also uses this force.

**10. The steroids.** Friedman’s “steroids” refer to all the technology that amplifies all the other forces to make them digital, mobile, personal, and virtual. This force is widely used by constituents to shape local governments; you can bet that during the next public meeting of your city council or state legislature, a lobbyist or concerned citizen will be sending the mayor or the assemblywoman an e-mail or text message with a caustic question to pose to staff during the presentation!

## TEN KEY PRINCIPLES

Based on Friedman’s forces, I propose that there are 10 key principles for successful innovation in local government.

**1. Build on vision and values.** There is surprisingly little correlation between technical expertise and successful innovation. The correlation, it seems, is with passion. Innovation is successful more often when it is guided by core values and a vision for better outcomes and results for those served.

**2. Create and sustain a culture of innovation.** A culture of innovation demands many things, and among them is diversity. Exposure to differing perspectives, cultures, and thought patterns exponentially increases the opportunity to see something in an entirely new way. Do we routinely

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## The Medici Effect



Frans Johansson

In a keynote presentation on September 23, 2008, that is based on his bestselling book, *The Medici Effect: Breakthrough Insights at the Intersection of Ideas, Concepts, and Cultures*, author and entrepreneur Frans Johansson will take ICMA conference attendees on a journey to “the Intersection”: a place where ideas from different fields and cultures meet and collide, ultimately igniting an explosion of innovation.

Johansson’s presentation will explore his proposition that breakthrough ideas are best found at this intersection of different cultures, occupations, ways of thinking, and points of view, and that it is there

that open-minded people can see patterns and find analogies, look at things from different angles, and challenge the first principles that often become intellectual straitjackets.

Johansson will reveal how people can use the “Medici effect”—a reference to the proliferation of new ideas enabled by the Medici banking family in Renaissance Italy—to find intersections in their own lives and turn the ideas they find there into groundbreaking innovations that will benefit themselves, their organizations, and their communities.

encourage our managers and supervisors to hire nontraditional candidates for jobs? They are likely to bring new ideas that may help us find solutions we wouldn’t have thought of otherwise.

**3. Use a significant crisis or opportunity to innovate.** Crisis stimulates our thinking and compresses our available time for study; in other words, it favors action. Local governments report using such techniques as examining reverse assumptions to find an innovation during a crisis. Reverse assumptions require that we consider what might make the problem worse, and then we work backwards.

Fire professionals know that if we examine the aftermath of a catastrophic wildfire for those factors that can make the catastrophe worse, we might discover that patterns of high winds, heat, slopes, and certain vegetation can predict with great accuracy when and where fires will occur. We then can plant different vegetation on those slopes and assign more firefighters and brush crews on shifts and in locations meeting those criteria.

**4. Create collaborations.** Bringing diverse interests together expands the likelihood that ideas will bear fruit. Like open-source technology, collaborations improve the ideas and share power. When Washoe County contracted with SAP for its enterprise resource planning solution, we brought together and housed off-site a team of staff from purchasing, human resources, finance, and even the district attorney’s office—not just technology professionals—and implemented our system in one year, on budget.

**5. Identify and nurture a champion.** Like the angel investors who provide seed capital for entrepreneurial ventures, the champion—an elected official, a manager, a key department head, or a citizen—gives moral support and hope to the innovator, enhances the credibility of the innovation, and can remove or neutralize the organizational barriers.

A local city councilwoman led a successful effort to fund and build a new state-of-the-art regional animal services center by helping forge a partnership between Washoe Coun-

ty and the humane society, which is co-located in the facility and handles the adoptions. This new partnership dramatically reduced the rates of euthanasia of animals in the county.

**6. Seek innovation at the intersection of seemingly unrelated fields or concepts.** Frans Johansson describes the explosive growth in the number of opportunities for unique combinations, and therefore innovation, at the intersection of seemingly diverse and unrelated concepts and fields. To innovate this way, we must break down associative barriers—those filters that cause us to habitually relate familiar things in familiar ways.

If we were able to integrate functions of the police department with our libraries, for example, what might we create? If our engineers were linked with senior services, what innovations could they discover? The Alliance for Innovation is just such a creation at the intersection. A partnership was formed among Arizona State University (research), the International City/County Management Association (practitioners), and the Innovation Groups (pioneering organizations) to transform local government through an alliance that is stronger, more nimble, and more innovative than any of us could be alone.

**7. Demonstrate courage.** As Alvin Toffler wrote in his important book, *Power Shift*, it’s not enough to be right; we have to be effective. We can’t rest on knowing our solution is right; we have to lead by example and be willing to sacrifice, demonstrate flexibility, and have courage to stay the course. How many of us have lost ballot issues, only to bring them back and win, perhaps many years later?

**8. Persevere if the innovation is important.** The difference between a creative individual and a successful innovator is often the discipline to keep going and keep trying. Keep at it, and consider using a pilot program to demonstrate the effectiveness of



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your innovation. When the overhaul of the child welfare system in the state of Nevada was proposed, Washoe County created a pilot program that ultimately led to vastly improved child outcomes and won the support of our state legislature.

**9. Cultivate the credibility of the leader.** The credible leader can guide the organization toward innovation, attract innovators to the team, and inspire confidence from the elected governing body. Credibility involves envisioning the future and using that vision to inspire others, but it also involves building a track record of following through with implementation of new and exciting ideas.

**10. Share the gift.** This is the most important principle of successful innovation in local government. Like the viral dissemination of information through browsers and open-source technology, innovations in local government will need to replicate

quickly because that lion is running faster than people are. Innovations will become better and more relevant, and they will have more impact to the extent that we can accelerate their adoption.

We must help to ensure that the tools, the training, the equipment, and the human infrastructure of systems and processes are provided for all to operate effectively after innovations are in place and up and running. It is the manager's task to integrate and empower employees, citizens, businesspeople, and elected leaders in the process of continuously identifying and improving innovations. As we do this, we re-create the origins of local government: small groups of people that came together to improve residents' conditions and their very lives by doing it better together than they could have done it alone. **PM**

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