A New Road to Innovation: The U.S. Government Takes Major Strides Forward

By Daniel Chenok

Over the past year, the Obama Administration has introduced or enhanced a number of initiatives that bring innovators, new ideas, and process improvement to technology, acquisition, and program operations. These efforts are increasing federal employees' ability to introduce commercial best practice into how the government operates. These initiatives also help government to move more quickly from concept development to implementation, often by leveraging "agile" methodologies that build capability incrementally by expanding what works and learning from mistakes along the way.

Key to these initiatives' sustainable success will be to create pathways to spread their methods to other agencies and their stakeholders, including beneficiaries, state and local partners, nonprofits, and industry. The IBM Center recently released several reports that recommend ways to make innovation integral to agencies' long-term success. Focusing on long-term viability and continuous improvement can help translate recent innovation-based gains into an enduring pathway toward government transformation.

Recent Highlights in Innovation

Many agencies have started to integrate innovation into their mission and operational activities in various ways. Prominent efforts over the past year include:

- The U.S. Digital Service (USDS) is an arm of the Office of Management and Budget's (OMB) Office of E-Government and IT. Led by Administrator and Deputy Federal CIO Mikey Dickerson, USDS is leading efforts to improve how agencies acquire and execute IT to support key programs. USDS has created a "playbook" of 13 actions that can help improve results.

- 18F is within General Services Administration's (GSA) Office of Citizen Services and Innovation Technologies and houses the Presidential Innovation Fellows (PIF) Program. Led by Executive Director Greg Godbout, 18F is designed to build "effective, user-centric digital services focused on the interaction between government and the people and

businesses it serves … through the development of digital and web services" to help agencies achieve greater efficiency, transparency, and savings for government and the American people.

- The Department of Health and Human Services' (HHS) Chief Innovation Officer has introduced the IDEA Lab to cultivate innovation to create a more modern and effective government. The lab will bring people together across all levels and organizations from within HHS or who externally support the agency to leverage design thinking, entrepreneurship, and actionable outcomes. The IDEA Lab's concept is the HHS "Buyers' Club," which will share best practices on how to modernize the way government purchases IT. Other agencies and OMB are spreading the word about the Buyers' Club positive impact on procurement speed, effectiveness, and outcomes.

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## Some Best Practices in Setting Up Innovation Capability

This year, our center published two reports that studied innovations over time to develop recommendations for effective practice. Here are some major findings from the reports:

In the IBM Center report, *A Guide to Making Innovation Offices Work*, authors Rachel Burstein and Alissa Black examine the recent trend of creating innovation offices at all levels of government, nationwide, to analyze the structural models being used to stimulate innovation, both by an agency and by its partners and communities. After researching a broad range of federal, state, and local innovation offices, the authors identified six innovation office operational models:

- Laboratory
- Facilitator
- Advisor
- Technology build-out
- Liaison
- Sponsored offices

They also identified issues government leaders should consider in deciding on whether to create a new innovation office, along with critical success factors to ensure the office's successful integration into agency operations and that it has sustainable impact.

In the IBM Center report, *The Persistence of Innovation in Government,* Sandford Borins researches winners and applicants to the Harvard University Kennedy School's Innovations in American Government Awards Program. He compares applications received by the program in from 1990 to 1994 with those received in 2010 to understand what makes innovation successful over a prolonged period. One of the author's most significant findings is the increasing use of collaboration in innovation initiatives. In 2010, 65 percent of innovation applicants reported external collaboration as a project component, compared with 28 percent reported
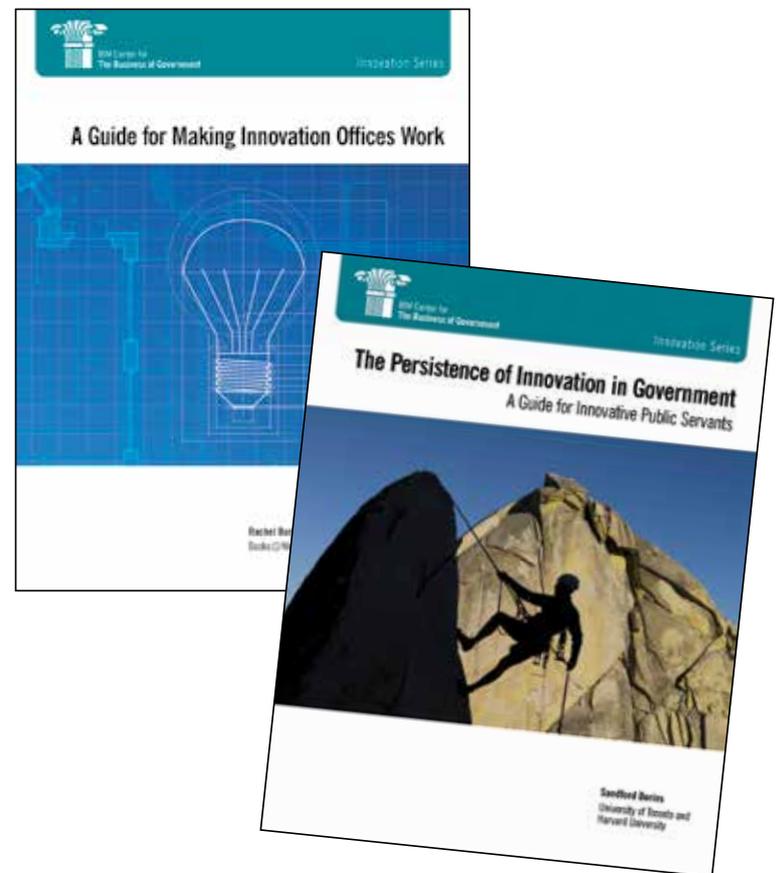
in the early 1990s. Nearly 60 percent of applicants also reported collaboration within government. Significantly, award semifinalists in 2010 reported an even higher incidence of collaboration, with over 80 percent of them reporting external and within-government collaboration.

Professor Borins concludes his report—which is a companion to his book, *The Persistence of Innovation in Government,* published concurrently by the Brookings Institution—by calling for additional research to better understand trends in innovation. He also advocates identification of jurisdictions or organizations that support multiple innovations over time—a call that we strongly support.

Scaling These Innovations

Current and future presidential administrations can continue to build programs like these, which increase agencies' capacity and improve their performance. Many federal activities that involve the acquisition and use of IT to benefit the public and industry, intergovernmental, and nonprofit stakeholders who support those federal activities, would also benefit from incorporating effective approaches to innovation.

The federal government is also taking practical steps to expand innovation across acquisition, IT, and other areas. For example, OMB Administrator for Federal Procurement Policy Anne Rung recently released a memorandum that calls for the development of digital acquisition expertise among personnel in agencies, which would, among other things, build on the Buyers' Club model discussed above. OMB is consulting with agencies and industry on how best to implement this objective, which should increase the number of agency buyers who are skilled in how to acquire modern technology quickly and effectively.

Parallel efforts across the acquisition community can help to spread the impact of agencies' implementation of the OMB policy, including work from the American Council for Technology and Industry Advisory Council's Acquisition Shared Interest group (www.actiac.org), the Professional Services Council (www.pscouncil.org), and Acquisition of the Future (www.acquisitionofthefuture.org) (a new and growing group of government and industry leaders who seek to

shape a future acquisition state that meets the needs of a 21st century government).

Research and collective action can help government capitalize on recent efforts to leverage innovation to improve performance. Such action will also help agencies to move toward a scalable and long-range set of innovation programs that will benefit citizens, businesses, nonprofits, and governments at other levels who interact with and depend on federal agencies' services and information. ◘