



Innovation Center Iceland

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**How can INNOVATION
become an intrinsic part of
skills and practice in public
sector management?**



- INNOVATION - what does it mean?

Value-oriented view of innovation

- A holistic view
 - Innovation can arise from any dimension of the business model / organisation
 - Firms / organisations need to manage innovation holistically
 - Technology alone does not create value
 - An innovative technology needs an innovative business model



Petri Rouvinen

ETLA – The Research Institute of the Finish Economy

Innovation \approx Seeking opportunities

1% spark – 99% sweat

Needs (some) money

Mostly **not** technical

Mostly incremental

Increasingly digital



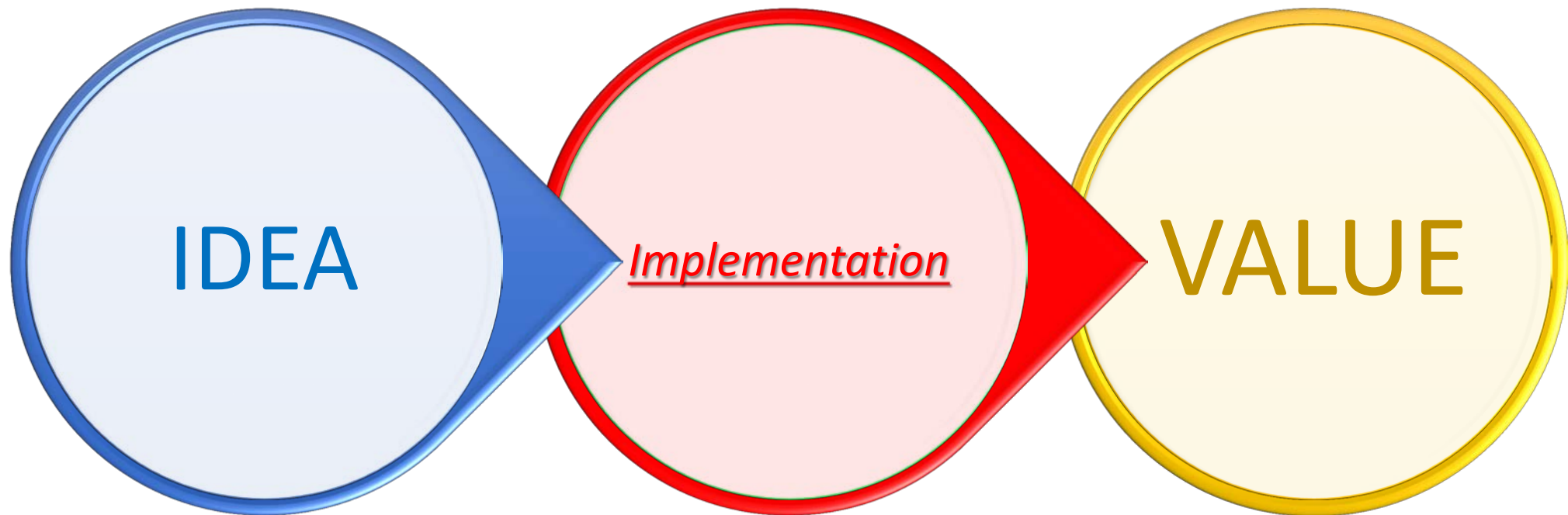
Public Sector Innovation

...the process of creating new ideas and turning them into value for society. It concerns how politicians, public leaders and employees make their visions of a desired new state of the world into reality...

Christian Bason 2010

Leading Public Sector Innovation

Public Sector Innovation





Wicked societal problems...

...“which are complex and open for interpretation, characterised by competing or conflicting options for solutions and which will most likely never be fully solved...

(Rittel and Webber 1973)



Wicked problems.. 21st Century Challenges....

- The productivity imperative
- Growing citizen expectations
- Globalisation
- Media
- Technology
- Demographic change
- Lifestyle
- Shocks and sudden crises
- Climate change

THE OPPORTUNITY

Strengths

- Values and visions
- A history of promoting innovation
- Empowering users and customers
- Trust, flat hierarchies and the power of employees
- Networks that succeed at innovation

Weaknesses

- Innovation only flourishes locally
- Fragmentation - Lack of coordination
- “Not-Invented-Here” syndrome
- “No-failure” culture impedes innovation
- Public institutions are rewarded for stable operations – not innovation
- Scale is lacking

Opportunities

- Enabling Technology
- Innovative public procurement and tendering
- Rewarding copycats
- Branding Nordic strengths to boost export

Threats

- High costs in Nordic countries
- A crowded market
- Small Nordic markets – global growth lies in Asia
- Actual austerity predominates instead of innovation



THE VISION

...is for the Nordic Region to be a
leading innovation region in
green growth and welfare



Great ideas do not come from nothing...

- Everyone has had an idea...
- How can the capacity to generate **GOOD** ideas be generated?
- How are good ideas implemented and realized?

 Relationship Innovation

Relationship
Rational excellence
Value amplification

Channel

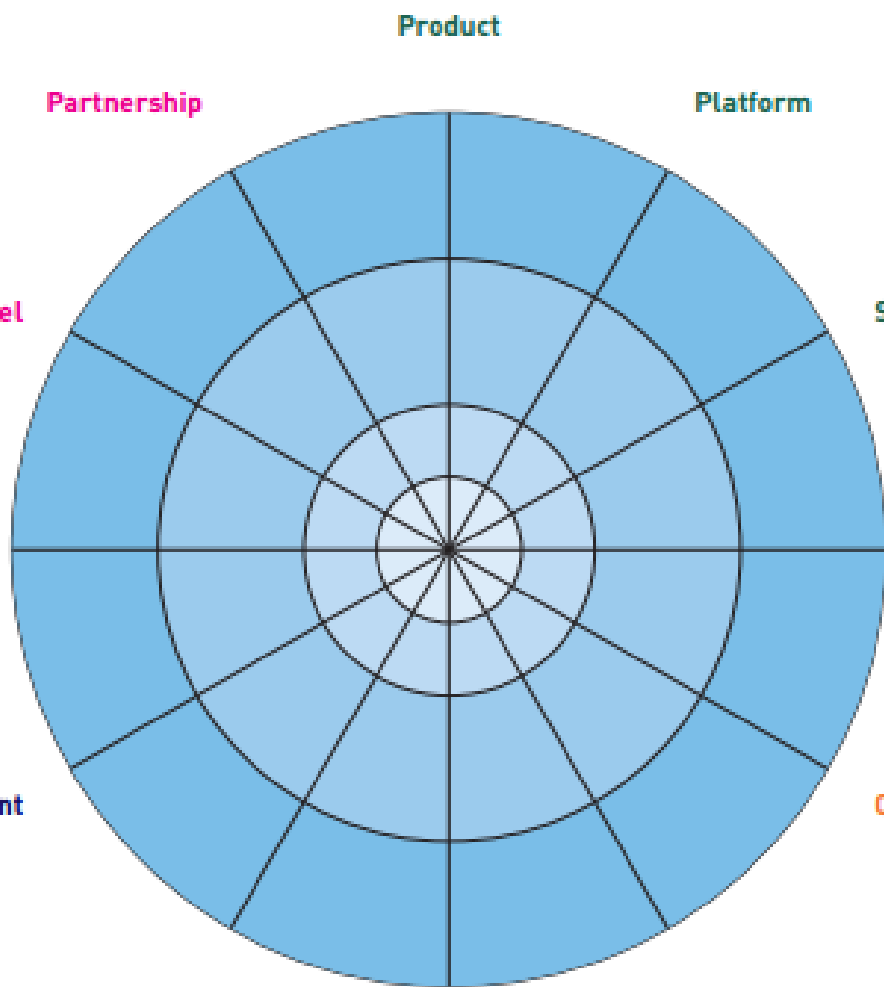
Supply chain

Management

Operations Innovation

How
Operational excellence
Economic value

Explor
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Offering Innovation

What
Product leadership
Functional value

Customer need

Customer experience

Customer Innovation

Who
Customer intimacy
Emotional value



Customers
and end users

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Professionals
and wider
workforce

Form with 4 horizontal lines and a pencil icon.



makers

and experts

Form with 4 horizontal lines and a pencil icon.

Form with 2 horizontal lines and a pencil icon.



Working with Innovation

- Across imagined and existing borders
- Across disciplines and professions
- With clients and users
- Between organisations
- With public and private organisations
- Between departments and governmental hierarchy
- Across and with local and national governments
- Technology and non-technological solutions



Managing Public Sector Innovation

- The visionary
 - Political leader; formulates the vision and sets the level of ambition
- The enabler
 - Top manager; protector and number one champion of the organisations's innovation ability
- The 360-degree innovator
 - Mid level manager; potentially the greatest barrier to fresh thinking; at best a 360-degree facilitator of innovation

Framework conditions

- Political support and will to create conditions for innovation
- Vision
- Regulation and legislation
- Money and space to innovate
- Management will and competence
- Participatory process for change
- Connecting end-users and other stakeholders to the entire ceation process



Imitation is Innovation!

...or learn from others!

- UK National Health Service's Institute for Innovation and Improvement
- Social Innovation Lab Kent (SILK)
 - <http://socialinnovation.typepad.com/silk/>
- London Design Council
- White House Office of Social Innovation
- MindLab Denmark
 - <http://www.innovationsguiden.dk/>
- Nesta UK
- IDEO – global design consultancy