PUBLIC innovation

Public Innovation *is a* **champion** *of and* **catalyst** *for* **public sector innovation** *in the* **Sacramento region**.

## Organization Design Brief

Version 1.0
August 3, 2012

// CONTENTS

What you are about to read asks more questions than it provides answers. It sets forth a vision and asks you to help refine it in an unprecedented effort to transform Sacramento, shape the future of the public sector, and improve humanity in the process.

As a "design brief," the core purpose is to plan the architecture of an organization that does not yet exist. Drawing heavily from lean startup methodology, the document will continuously be updated as stakeholder feedback is received.

This is an open invitation to those who want to co-create Public Innovation.
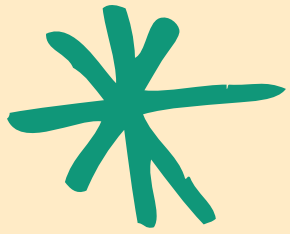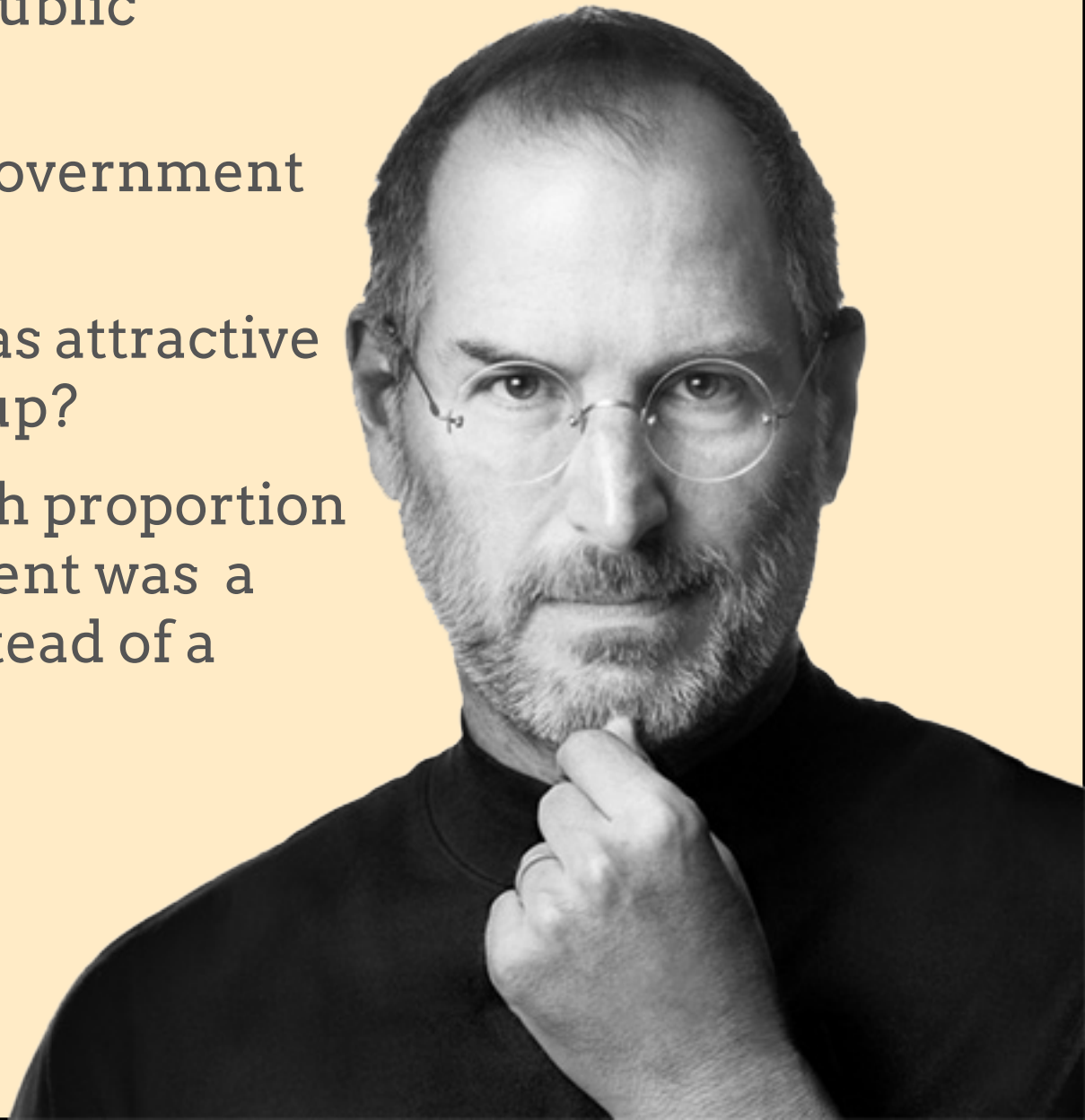
What if Steve Jobs was a public adminmistrator?

What if people believed government could solve problems?

What if government was as attractive to work for as a tech startup?

What if Sacramento's high proportion of public sector employment was a strength to the region instead of a weakness?
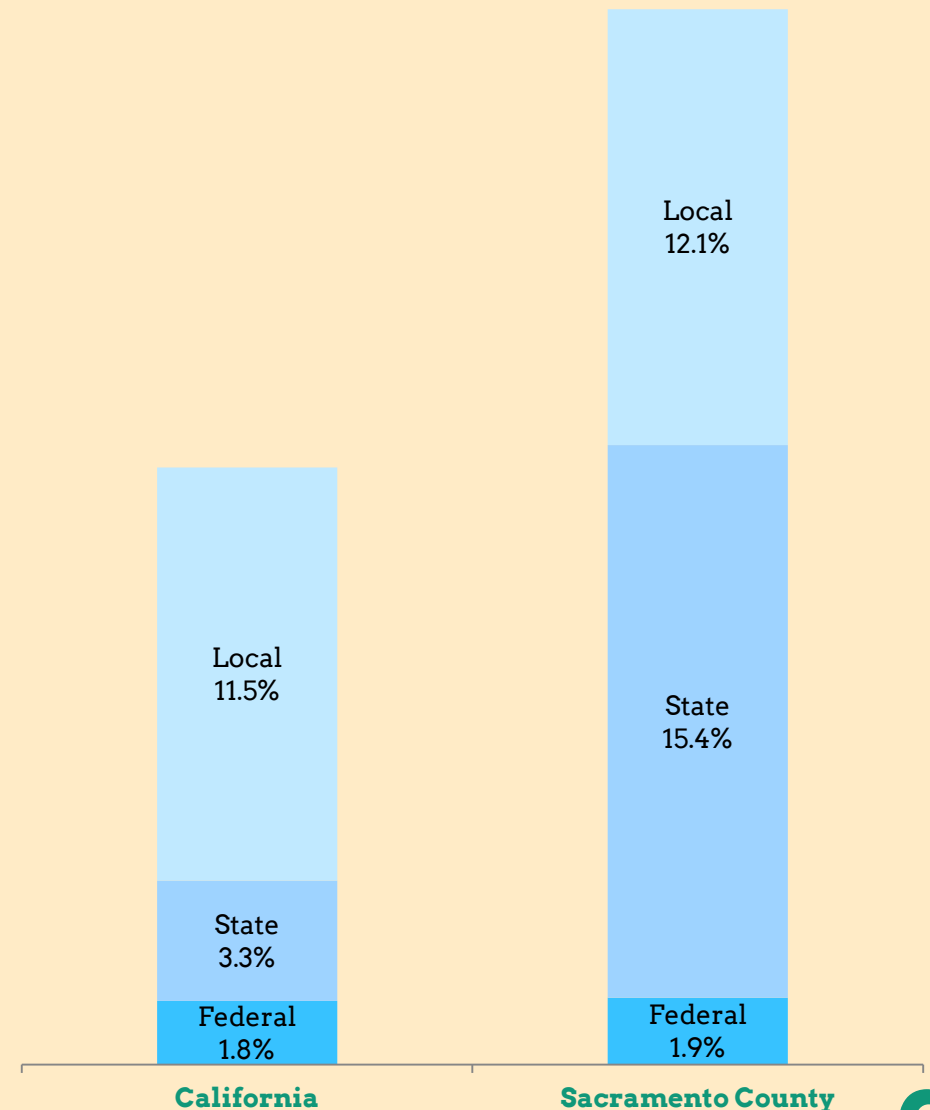
The Challenge

Nearly 30 percent of the Sacramento region's employment base comprises the public sector -- larger than any other region in the state Over the next 10 years, that share is projected to remain constant. In contrast, the statewide portion of public sector employment is 16.6 percent.

The capital region's disproportionate share of public sector employment is the result of being the hub of state government. Although only 6 percent of workers in California reside in the Sacramento region, about one-quarter of state civil servants are based here. This fact is both a challenge and an opportunity.

While trust in all institutions has eroded over the past decade, trust in government has been particularly affected by this decline. Not only do many of our fellow citizens view government as bureaucratic and inefficient, but worse, they often view it as something that stifles societal progress rather than as a potential force for good.

Share of Public Sector Employment by Level of Government 2011

Local 12.1%

Local 11.5%

State 15.4%

State 3.3%

Federal 1.8%

Federal 1.9%

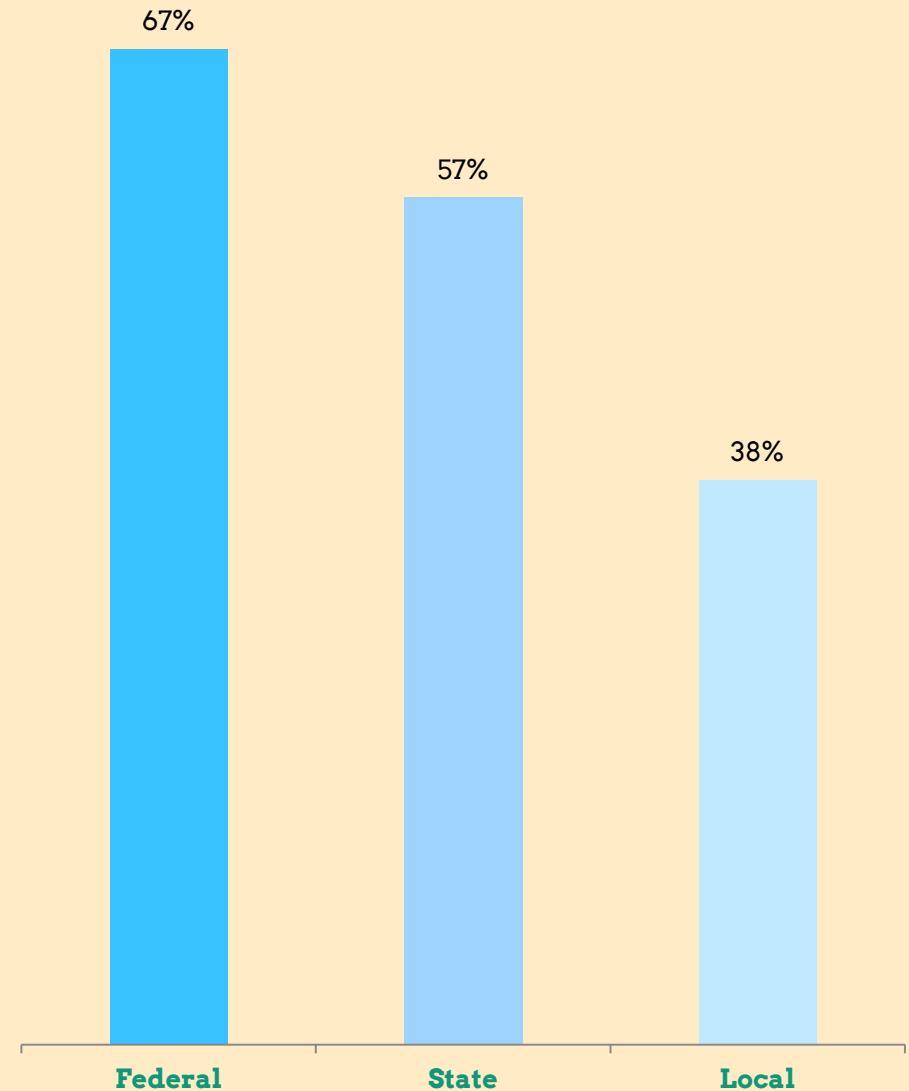**California**

Sacramento County

6

According to the Public Policy Institute of California, strong majorities of Californians believe that the federal and state governments "waste a lot of the money we pay in taxes." And while the number is slightly lower for local government, four in ten Californians perceive the closest level of government to them as wasteful.

A high concentration of public sector employment and lack of trust in government have major implications for the Sacramento region. This is an issue for both the private sector that wants a burgeoning regional economy and the human dignity of the 225,000 government employees who call Sacramento their home.

As regional leaders increasingly focus on innovation in the private sector to shape our future, we should not miss the opportunity to bring innovation to the public sector, too. In fact, no matter how innovative the Sacramento region becomes, the negative perception of Sacramento as a "government town" will continue to damper our image absent an extreme makeover of the sort this document envisions.

Percent who believe government wastes "a lot" of tax money

| Federal	State	Local
67%	57%	38%

The Opportunity

It doesn't have to be this way. California is home to the most globally competitive tech industries that are innovating everyday. If the Sacramento region wants to innovate its way into the future, the public sector must be part of that transformation.

We have an unprecedented opportunity to reimagine the public sector in the 21st Century. We can choose to allow government to be a drag on our growth or we can use it as an asset to help our region grow.

The time is now. Public Innovation -- a champion and catalyst for public sector innovation in the Sacramento region -- is an early-stage startup committed to fulfilling this vision.
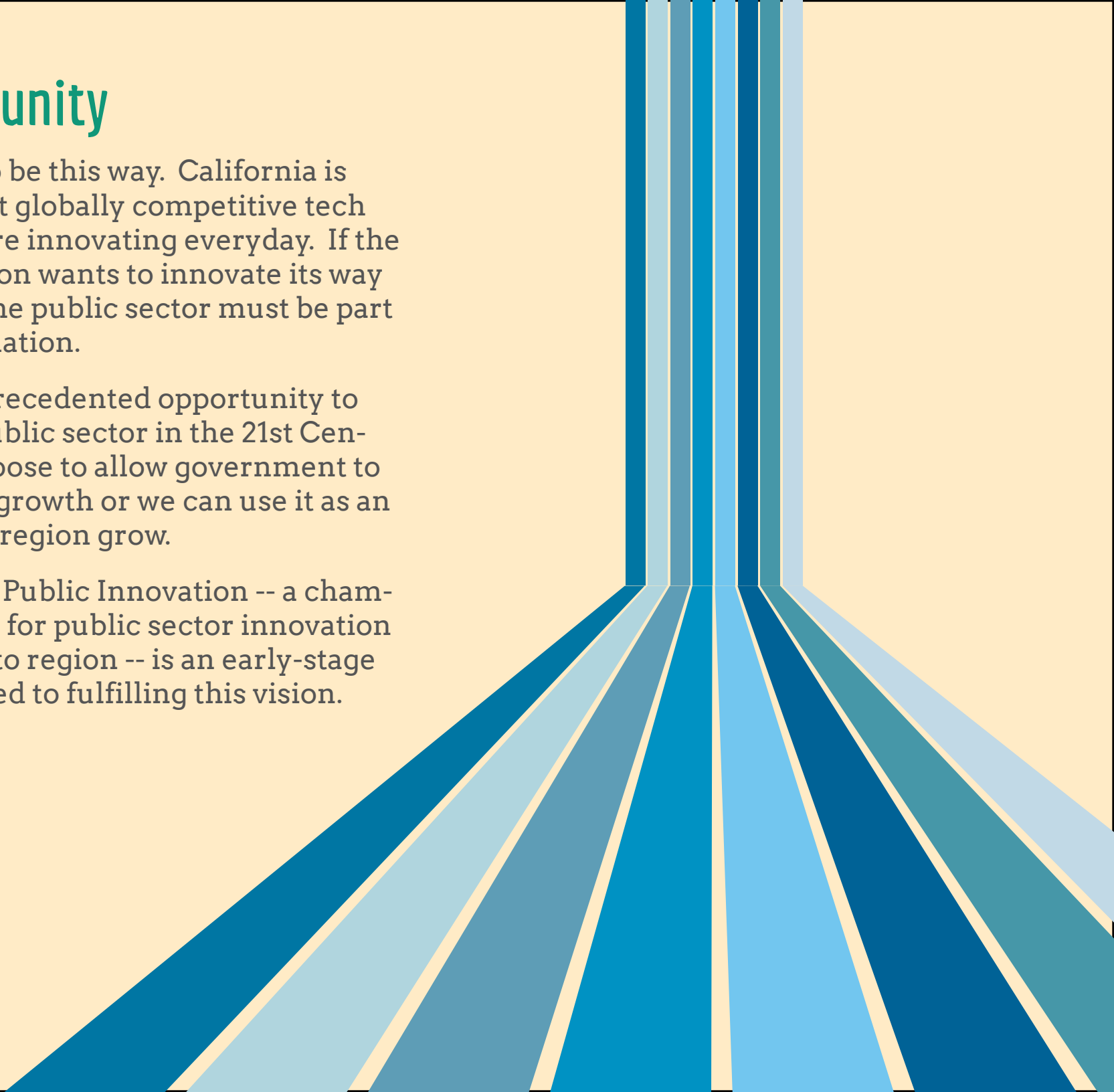
This brief proposes Public Innovation as an eight-year project with the following attributes:

Mission

To transform the culture of government with a new focus on innovation.

Vision

The Sacramento region will become a globally recognized public sector innovation hub by 2020.

Values

- Nonpartisan and not-for-profit
- Collaborative and inclusive
- Open and transparent

Goals

- Make the Sacramento region a global leader in public sector innovation by 2020
- Make working for the government as attractive as working in Silicon Valley
- Make government a problem solver instead of a perceived problem

Two Areas of Focus

1. Marketing and communications campaigns to drive awareness of emergent innovations occurring at public agencies throughout the Sacramento region.

2. A catalyst that accelerates further innovations in government through demand creation, crowdsourcing, knowledge transfer, in-house capabilities, and external partnerships.

The work of Public Innovation begins and ends with one group: the public. By leveraging the collective insights of government's customers, we will redesign the citizen experience. Similarly, as government red tape impedes private sector innovation, we will facilitate the co-creation of new solutions.

Communications Strategy

Public Innovation will leverage a 360 degree suite of earned, paid, and owned multimedia assets. With a particular focus on the low-cost of digital marketing, we will optimize user experiences and hone our messaging through layered market segmentation. That is, the right message will reach the right audiences through strategic touchpoints to drive awareness of our brand and government innovations.

Ultimately, our marketing strategy will be the necessary elixir for catalyzing further innovations in the public sector at an accelerated pace and positioning the Sacramento region as a global leader in designing the government of the future.

Catalyst Strategy

Beyond marketing and communications, Public Innovation will act as a laboratory for catalyzing, incubating, and accelerating further public sector innovations. As a promoter of do-ocracy, we will embrace a "just do it" culture. The methods employed to fulfill this vision may comprise the following tactics:

Crowdsourcing. Crowdsourcing is a cost-effective method to solicit ideas and feedback by harnessing "the wisdom of the crowd." Ideas and feedback are best gathered by going to where people already are. This could not only be accomplished online, but also at live events hosted by groups and associations.

Open Innovation. While open innovation is similar to crowdsourcing, it is a more focused process that outsources specific innovation goals and objectives to groups and individuals. In contrast to crowdsourcing, open innovation comprises an end-to-end process, i.e., from inspiration to conception to reality.

Hackathons. Hackathons are competitions that typically comprise one to two full days. Participants arrive at the hackathon and split into teams. These teams are then given a specific problem to solve. The solutions are presented to a panel of judges and prizes are awarded to the winning team(s).

Interactive Town Halls. Town Halls are a more traditional approach to public engagement, but responses can now be optimized through the use of keypad devices that create live feedback loops and enhanced levels of engagement and interaction. This approach is most appropriate for non-tech savvy market segments.

Human Centered Design. Human centered design is a form a design thinking -- an emerging trend in solving business problems. By employing creativity and empathy -- tools used by designers, innovative solutions are developed that would not otherwise emerge. One key element in the design thinking toolbox is the use of rapid prototyping which involves testing beta versions in the field and quickly iterating prior to bringing the final product to mass market.

Seminars & Panel Discussions. To foster knowledge sharing and best practices, seminars and panel discussions are an appropriate approach to engaging the expert and stakeholder segments. Similarly, this approach would support an effort to build a community of public innovators.

Innovation Awards. An innovation awards program would appropriately recognize the best achievements by practitioners in the region. Research suggests that such programs deliver significant results and can be an impetus for personal motivation and changing the culture of organizations.

Innovation Festival. To celebrate innovation in both the public and private sectors, a week-long annual innovation festival has the potential to bring much needed attention to breakthroughs originating in the Sacramen-

to region. The festival could consist of topical discussions each evening and culminate in a day-long summit with various panels and breakout sessions. Music and art would complement festival activities.

Fellowship Program. Critical to changing the culture of government will be instilling innovation into the minds of the next generation of public administrators. Fellows would be placed in public agencies throughout the region and share insights with each other in academic seminars. An alternative would be to partner with existing fellowship programs such as the California Executive Fellowship, Code for America, and Fuse Corps.

Tech Innovation Lab. Located in shared workspace, Public Innovation could recruit teams of developers, designers, and business analysts that are sponsored by specific organizations to develop a solution to a specific problem. These teams could produce turn-key applications that would then be donated to public agencies and open sourced for others to scale.

Capacity Building. Later into its lifecycle, Public Innovation may evolve into a consulting firm consisting of designers, policy experts, ethnographers, facilitators, and others to respond to requests for proposals (RFPs) and build public sector capacity at a competitive cost advantage (given the assumed non-profit status).

Practitioner Workshops. As new public policies are adopted at the federal, state, and local levels, Public Innovation could convene workshops to share innovative administrative approaches and facilitate intergovernmental dialogue to promote cross-jurisdictional collaboration.

User Groups. To involve non-expert members of the public, the organization might enlist citizens to join a user group that would consist of volunteers who are willing to meet for an evening and provide feedback through usability testing of new prototypes of public service designs and applications. User group members would be compensated with food and beverages, along with gift cards for donating their time.

Public Agency Ratings. Public Innovation also could build a *Yelp for Government* application that would break down information

asymmetries and highlight areas of needed improvement. Such a system also would provide an incentive for public agencies to focus on excellence. Of course, it would need to include mechanisms that protect the integrity of the application's purpose.

Social Innovation Fund. The organization might consider managing an innovation fund that would provide resources in the form of grants to other nonprofits that are interested in tackling a specific social problems through innovative approaches. One variation on this idea is the management of social impact bonds, which are a new method of bringing private sector capital into the social space and minimizing risk to the public sector.

Satisfaction Indicators & Benchmarking. Critical to bolstering the perception of the value of public services, key performance indicators (KPIs) would help link government with quality of life issues in the public psychology. Through the right design, citizens would have their own dashboard to provide them with insights about how various metrics in the Sacramento region have changed over time, along with how we compare to other regions in the country.
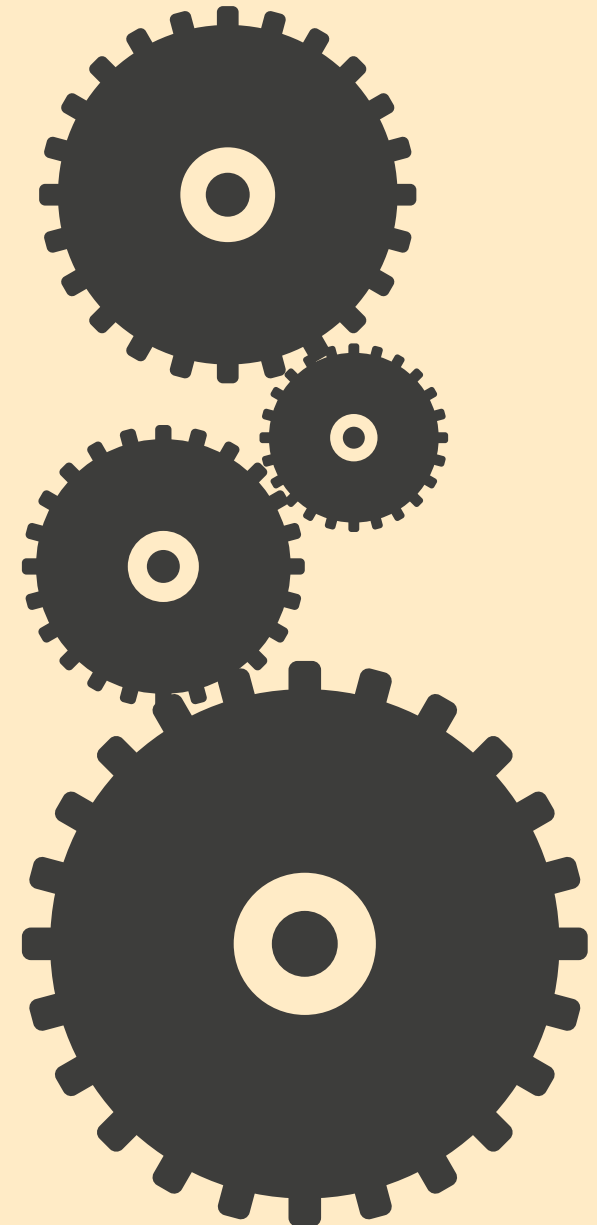
Governance

Public Innovation would operate as a tax-exempt charity under the Internal Revenue Code Section 501(c)(3). This provides funders with the ability to resource the organization with tax deductible contributions and avoid any political involvement which would inevitably harm the integrity of Public Innovation.

A board of directors would guide overall strategy and hold executive staff accountable for the implementation of strategy. An advisory board would provide knowledge and expertise to ensure Public Innovation is using its resources wisely.

Location & Staffing

During the beta phase, Public Innovation would operate with a single staff member and retain consultants on an hourly basis as necessary. The organization would be based out of a shared workspace environment, such as The Urban Hive or Hacker Lab, in Midtown Sacramento to cultivate a user community.

Evaluation

From rapid prototyping to user experience design, Public Innovation is committed to constantly learning and adapting. In a world where disruptive innovations are constantly forcing organizations to stay ahead of the curve, we will embrace that reality, show humility where we fall short, and be transparent about our progress.

As envisioned, the eight-year lifecycle is intended to be a non-permanent effort. We hope that independent evaluation will validate our ability to execute upon our theory of change. If, however, we fail due to systemic causes or fundamentally incorrect assumptions and are unable to adapt, we will shut down operations prior to the intended saturation and decline phase.

This organization design brief is itself a prototype and will be iterated upon. With the goal of elevating the Sacramento region's reputation as the global leader in public sector innovation by 2020, we propose the following lifecycle:

Market Introduction

- FY2013: Launch Public Innovation Beta. Measure results. Learn insights. Recalibrate strategy. Develop 7-year business plan. Solicit ongoing funding commitments. Assess long-term viability.

Saturation & Decline

- FY2020: Celebrate success. Shut down operations

2012	2013	2014 to 2019	2020

Growth & Maturity

- FY2014 to FY2019: Implement 7-year business plan. Measure, learn, and iterate. Continuously adapt and improve.

Prototyping & Feedback

- Aug. 2012 to Sept. 2012: Solicit feedback on this design brief and iterate as necessary. Gauge interest among prospective partners and funders.

- Oct. 2012 to Dec. 2012: Solicit seed funding, recruit board members, and define partner organizations and roles. Apply for tax-exempt status.

15

This brief proposes an initial two-year operating budget of $600,000 for Fiscal Years 2013 and 2014. This, of course, is just an estimate and the actual budget would be contingent upon input and direction from early-stage funders who would presumably be represented on the board of directors.

Although Public Innovation is assumed to operate as an independent entity, it is entirely possible that a larger organization could implement the initiative at the program level and act as a fiscal agent to reduce project overhead.

Much of the work in 2013-14 will involve protyping Public Innovation to determine optimum market positioning and maximize impact. Therefore, many assumptions in this brief are likely to change and we are prepared to quickly pivot this project in the best possible manner to ensure success.

Proposed Two-Year Budget
FY 2013-14

PEOPLE

Salary, Benefits & Payroll Taxes (2 x FTE)	400,000
Administrative & Legal Services	20,000
Intern & Limited-Term Stipends	40,000
Total	**$460,000**

OPERATIONS

|	
Workspace	7,500
Technology Devices	10,000
Software & Applications	2,500
Web & Social Media Services	10,000
Travel	10,000
Events	50,000
Printing	10,000
Miscellaneous	40,000
Total	**$140,000**
GRAND TOTAL	**$600,000**

Outputs

- Multimedia Content
- Live Events
- Knowledge Sharing
- Organizational Partnerships
- Individual Relationships
- Civic Engagement
- Collaborative Problem Solving
- Technical and Marketing Assistance
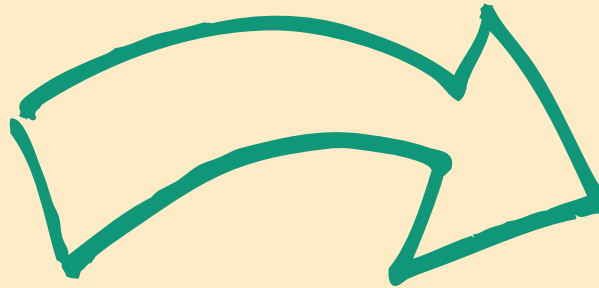
Outcomes

- More Effective Public Administration
- New Solutions to Old Problems
- Increased Public Sector Capacity
- Greater Public Trust in Government
- Global Recognition as a Public Sector Innovation Hub
- Happier People
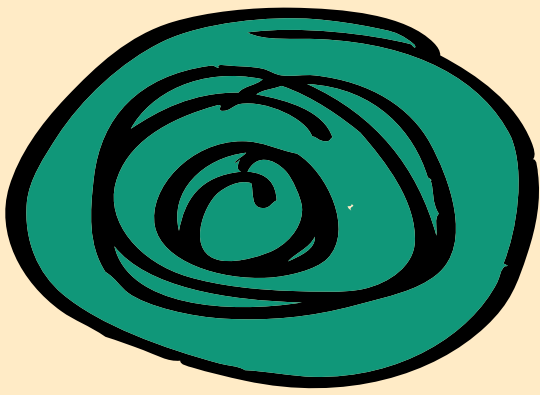
The public sector largely exists for the purposes of providing services that are too vital or impractical to be left to private markets. Insofar as we would not need government to exist if we all agreed on the basic assumptions of how best to coexist, political processes are the means by which we resolve disagreements about these fundamental assumptions. For example:

- *Should the criminal justice system be designed for the primary purpose of punishing or rehabilitating offenders?*

- *Should we have high taxes and many services or low taxes and less services?*

- *Should collective bargaining be a right for public sector workers?*

These examples are mentioned to highlight that issues in the public sphere can quickly become political. Such thorny issues should be left to the political process for resolution.

The work of Public Innovation will take existing political choices and policies as a given. Our theory of change is premised on the idea that by stimulating demand for greater innovation in the public sector, any necessary policy changes will occur on the natural. Similarly, it is vitally important that Public Innovation facilitate a conversation among diverse stakeholders who might otherwise be political rivals.

In the end, Public Innovation is about finding a sweet spot where innovation can be accelerated without the need for major shifts in policy.

The primary goal of Public Innovation is to change the culture of government. In an era when public coffers are increasingly constrained, creative problem solving has never had greater potential to make a difference in the lives of citizens.

Changing the culture won't be easy. But it also won't take rocket science. It starts with changing hearts and minds and spreads with infectious ideas that empower people to create good.

The way we view government needs to change, but so does the way government views us.
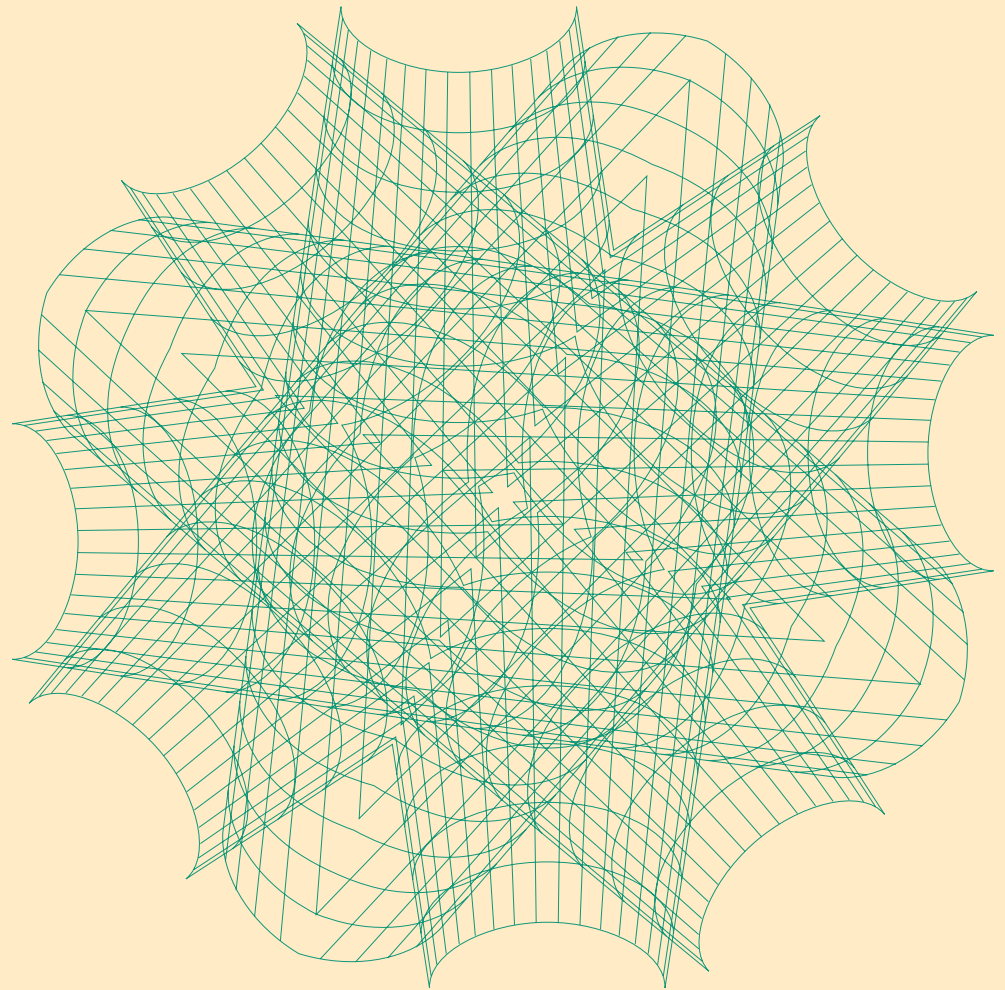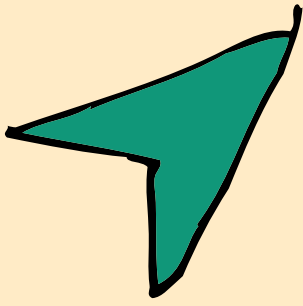
Who is behind Public Innovation?

Ash Roughani is Chief Evangelist of Public Innovation. Ash is a creative change agent and systems thinker with a capacity to solve complex problems. He works as a freelance content and experience designer, specializing in videography and digital marketing. He most recently tried to launch the California Moderate Party to address political gridlock, but was ultimately unsuccessful. Prior to that effort, he spent 3.5 years at California Forward as Senior Associate and was an Executive Fellow at the Business, Transportation and Housing Agency. Ash is an MBA candidate at the UC Davis Graduate School of Management and holds an MPPA from CSU Sacramento.

That's right Sacramento, he's the perfect person for this job. Hire him.

Why is Public Innovation ignoring policy?

Public Innovation is not necessarily ignoring policy, but rather working around it. The success of Public Innovation will be measured, in part, by its ability to create a culture in government where necessary policy changes are more obvious to public officials and voters increasingly demand those necessary changes. By focusing like a laser on the culture of government itself, Public Innovation will not become mired in petty political issues that might otherwise impede our progress.

Why is Public Innovation ignoring politics?

Because we have free elections in which a majority of voters are able to choose who represents them. Our goal is make the job of elected officials easier -- regardless of their party affiliation or how they got there.

20

Isn't public administration just as political as policymaking?

Public administration can certainly be political. However, it's not nearly as political as the debates about policy choices that precede it. Public administration is simply the implementation of public policy and the criteria for measuring "good" implementation is much clearer than that which might be used to measure "good" policy, i.e., the latter is difficult to assess without assuming a particular political philosophy.

Is this just a rehash of the California Moderate Party?

Nope. This effort has nothing to do with electing people to public office nor directly influencing public policy.

Why should I get involved?

If you don't believe there's a crisis of confidence in government, along with a need to change the culture, you probably shouldn't get involved. Having said that, it is in everyone's interest that the Sacramento region be viewed as a global leader in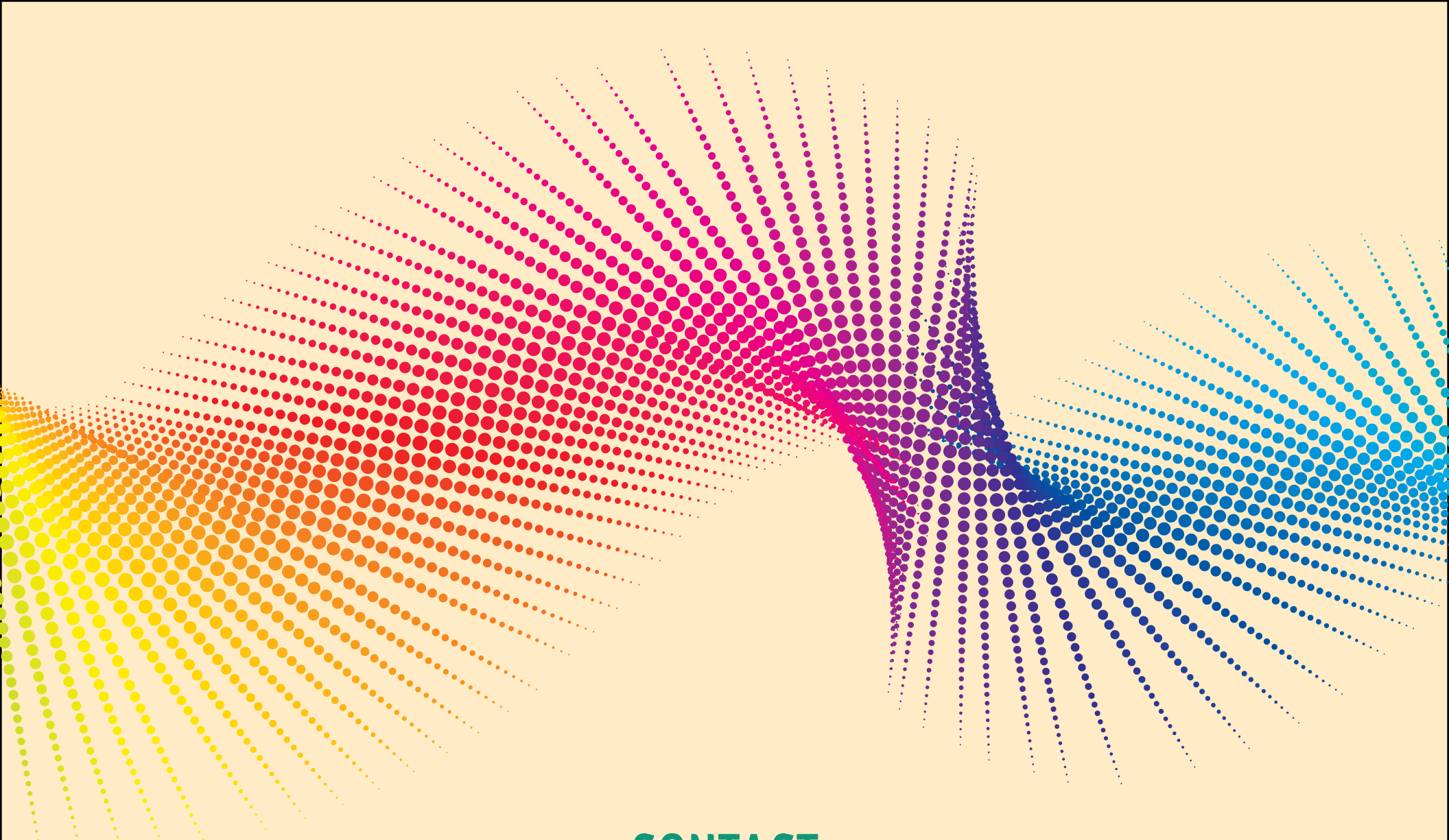 public sector innovation. Without major changes in how government is perceived, we will never achieve our full potential as an innovative region.

How can I get involved?

Send an email to:
ash@publicinnovation.org

Please include a brief background about yourself and how you would like to help.

CONTACT

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