

Memo

To: Mr. Fred Miller
Chief Administrative Officer
City of Portland

From: Phil Kiesling, Director Center for Public Service Portland State University

Date: 10/20/2014

Re: **Transforming the City of Portland Innovation Capability:
Next Steps for the 2015 Innovation Fund**

Public Service

**Transforming the City of Portland By Building an Innovation Capability:
Next Steps for the 2015 Innovation Fund**

The saying of “do more with less” has become an unsatisfying motto in public service. This motto has become the norm for city governments across the nation whose personnel face growing fiscal constraints, increasingly complex public challenges, and changing citizen demands for more responsive and accountable government. As observed by one City of Portland Bureau Director, “We’ve had so many years of tight budgets and political constraints on staff that no one feels comfortable taking risks anymore in city bureaus.” These challenges cannot be resolved through the standard bureaucratic answers. Driving the government to do more will not be enough if something different is needed. A new mindset of creative thinking in the people who make up city government is an imperative.

Mayors and cities are uniquely positioned to drive bold solutions to complex challenges. Mayors across the nation are investing in innovation initiatives as a way to confront these challenges head on, from the Mayor-led Innovation Delivery Teams in Atlanta, Chicago, Louisville, Memphis, and New Orleans to the Chief Innovation Officers hired by the cities of Colorado Springs, Philadelphia, San Francisco. Government officials are increasingly thinking of innovation as an essential capability that they do not want to govern without.

Successful innovations lead to positive changes in how public services are delivered to citizens.

Under the leadership of Mayor Hales, the City of Portland has already made a significant investment of \$2 million over the last two years to start building this essential capability of creative thinking in its staff knowing that it will lead to more innovative ways of delivering public service. The City launched the first ever Innovation Fund in 2014, successfully allocating \$1 million to support innovative project ideas. The next major milestone occurred in September 2014; directors and staff from over 20 bureaus attended a citywide event where the groundwork for a creative thinking process and new mindset of innovation was laid. As revealed at this event, many talented innovators and entrepreneurs already are embedded in bureaus across the City of Portland. These strategic thinking “champions”—coupled with the network of change management practitioners already existing within the bureaus—can serve as the change agents needed to start a citywide transformation, and an explosion of strategic creativity. As the City launches into its second year of strategic action to further build an innovation capability, city can deploy tools and tactics to signal to its staff that it is ok to unleash their ‘innovation mojo’—to give people permission to do what they intuitively understand is the smart thing to do.

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The purpose of this memo is to provide the City of Portland with a high-level roadmap of immediate next steps that it can take as it launches the 2015 Innovation Fund and the second phase of its strategic innovation initiative. This roadmap includes a comprehensive strategy that deploys communication, learning and incentive strategies and tactics. Once implemented, the result will be increased capacity and capability in city employees to create, test and roll-out new, creative ways of delivering public services to Portland citizens. City employees know that the government can do things differently and better, and if given the signal that they can do things differently, they will.

The Center for Public Service and its partners can be a catalyst for the City's actions to expand its creative thinking and innovation capabilities and capacities, specifically by providing support in three areas. These three areas address immediate needs related to supporting the 2015 Innovation Fund, as well as the City's objective to develop a longer-term vision and innovation capability over the next five years.

Task 1: 2015 Innovation Fund Management Support

- RFP Release and Application Scoring Support
- Facilitation of Task Force Application Review Meetings
- Facilitation of Design Labs for Selected Projects

Task 2: Strategic Creativity Culture and Climate Change Roadmap and Support

- Leadership and Coaching Training for Executives and Mid-Level Managers
- "Design Thinking" Facilitation and/or Workshop Events
- Change Management Plan and Support Services to infuse strategic creativity into the culture, as described in the Task 2 section.
- Action Plans and Support for roll-out of innovation culture change initiatives

Task 3: Media Outreach and Communications Support

- Provide support in media and citizen outreach tasks, to be selected from the Media and Outreach Plan based on discussions between CPS and the City of Portland

Each of these three tasks and their anticipated benefits for the City is described in greater detail in the following sections.

TASK ONE: 2015 INNOVATION FUND MANAGEMENT SUPPORT

The Center for Public Service can assist City staff and the Innovation Fund Task Force with evaluating and selecting proposals, and in ensuring project success, by providing the following services throughout the different periods of the RFP process. CPS understands the challenges and lessons learned gained from the 2013-2014 Innovation Fund process, and will apply these to improve the 2015 process.

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Lessons learned include the need to better define the innovation criteria in the RFP and set expectations for bureaus to infuse the creative thinking process and new ideas into the application.

Task 1A: Pre-Award and Application Period Support

- *Facilitate meetings with Task Force members* as they select proposals
- *Review and provide feedback to the Task Force* on proposals
- *Create and provide a proposal evaluation criteria*, incorporating lessons learned from the 2014 application process based upon specific needs and conditions of the City of Portland's innovation needs. Improved criteria could evaluate the uniqueness of the proposed solution, impact in addressing citizen-inspired problems, or feasibility to implement
- *Develop guidance for the proposal selection process, or for implementation post-award.* Such guidance might include workshops that would assist proposers in designing robust proposals, interview processes that the Task Force may wish to use, and other activities that the Task Force may deem important for improving the quality and efficiency of its work

Task 1B: Award and Post-Award Period Support

- *Facilitate interviews* between Task Force and bureau proposers
- *Conduct "Strategic Design Thinking" labs* or workshops with top applicants or winning bureaus to further develop their ideas and select the best approaches for creating and testing their ideas.

An additional benefit of CPS's support to the City is that it increases the overall capacity of the City by augmenting its workforce during critical periods (e.g., Innovation Fund application review period).

TASK TWO: STRATEGIC CREATIVITY CULTURE CHANGE ROADMAP AND SUPPORT

Innovation is first and foremost about people. The most sophisticated innovation strategy or technology will never succeed unless the people understand the business imperative for change and possess the mindset to both create and deliver. Innovation is a skill and a creative thinking process that can be learned. To become innovative, city employees must develop skills in creative thinking. Creative thinking may be genetically endowed, but it is also a learned skill. Additionally, innovation requires an organizational structure and climate that enables it. It requires a climate where leaders support responsible risk-taking and where incentives and training are provided to build the new, sustained strategic creativity or innovation capability in staff over time.

The Center for Public Service can support the City in building off of the groundwork laid during the 2014 Innovation Fund workshops through development of various change management tools and tactics. These tools and tactics, selected from the list below, can enable the city to continue its work to

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increase its capability and capacity to innovate, whether through internal operational improvements or improved public service delivery mechanisms for Portland's citizens.

Task 2A: Leadership and “Design Thinking” Facilitation Training.

- *"Design thinking" facilitated session* for the select Innovation Fund project teams
- *Leadership workshops* for senior and mid-level managers, which applies CPS's proven leadership model-- Emerging Management curriculum--tested for over 20 years in the U.S., Japan, Vietnam, and Korea

Task 2B: Change Management Plan and Support.

- *Development of the business case for culture change and baseline interviews or staff survey to determine “what's in it for me.”* The business case and staff interviews or survey will be used to guide the development of internal stakeholder communications and to identify the best types of incentives and learning tools to implement.
- *Design of citywide Innovation Ecosystem and Idea Management System.* The ecosystem is a physical and online network of tools and events designed to help staff propel best ideas to bureau leaders and develop entrepreneurship excellence, such as a web-based idea exchange or idea “pitch” events to a panel of citizens or city employees.
- *Creation of an Innovation Community of Practice* to provide an internal learning environment where employees can share best practices and lessons learned in innovation and creative thinking
- *Sponsor roadmap and internal change and/or communications plan* to identify change agents through city bureaus who can propel the key messages that will increase employee awareness, acceptance and ultimate adoption of a new, more innovative work climate
- *Employee incentive structures*, such as employee- or citizen-led innovation competitions where employees can submit challenges and ideas and win awards for proposing the best solutions.
- *Quarterly or monthly citywide creative thinking newsletter or blog* to disperse key leadership messages on the case for operating more innovatively and events and tools available to support employees in doing so
- *Strategic creativity usage and adoption metrics* to assess increased use of strategic thinking and innovative solutions
- *Design of a dedicated, creativity-inspired, physical workspace* to serve as the City's design lab and to provide a meeting location for the Community of Practice or any city employees seeking to collaborate with other bureaus or staff on ideas

Task 2C: Implementation Action Plans and Support.

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- *Implementation support* of selected items from Task 2A or B, to be determined through discussions between CPS and the City of Portland
- *Stand-up and/or management of a governance structure* to oversee development and sustainment of the innovation initiatives, with staff pulled from multiple bureaus
- *Development of a long-term vision* for sustaining the City's new innovation capability. CPS can design a Concept of Operations and implementation roadmap for how the city can foster innovation long term. This would include the organizational structure, functions and responsibilities of the new FTE and related office support (e.g., coming from the embedded Change Management folks already in the city). This would also include how the FTE interacts with other bureaus and the role of the governance structure in enabling action.

TASK THREE: MEDIA OUTREACH AND COMMUNICATIONS SUPPORT

As the City of Portland fosters programmatic and cultural change through innovation initiatives, communications can be a key tool for sharing information and successes with key stakeholder groups, such as the media and other bureaus. In summer 2014, CPS delivered a Media Outreach and Communications Support plan. This plan included a menu of actions and products that the City could consider implementing. CPS can support the City in selecting and implementing priority actions, such as:

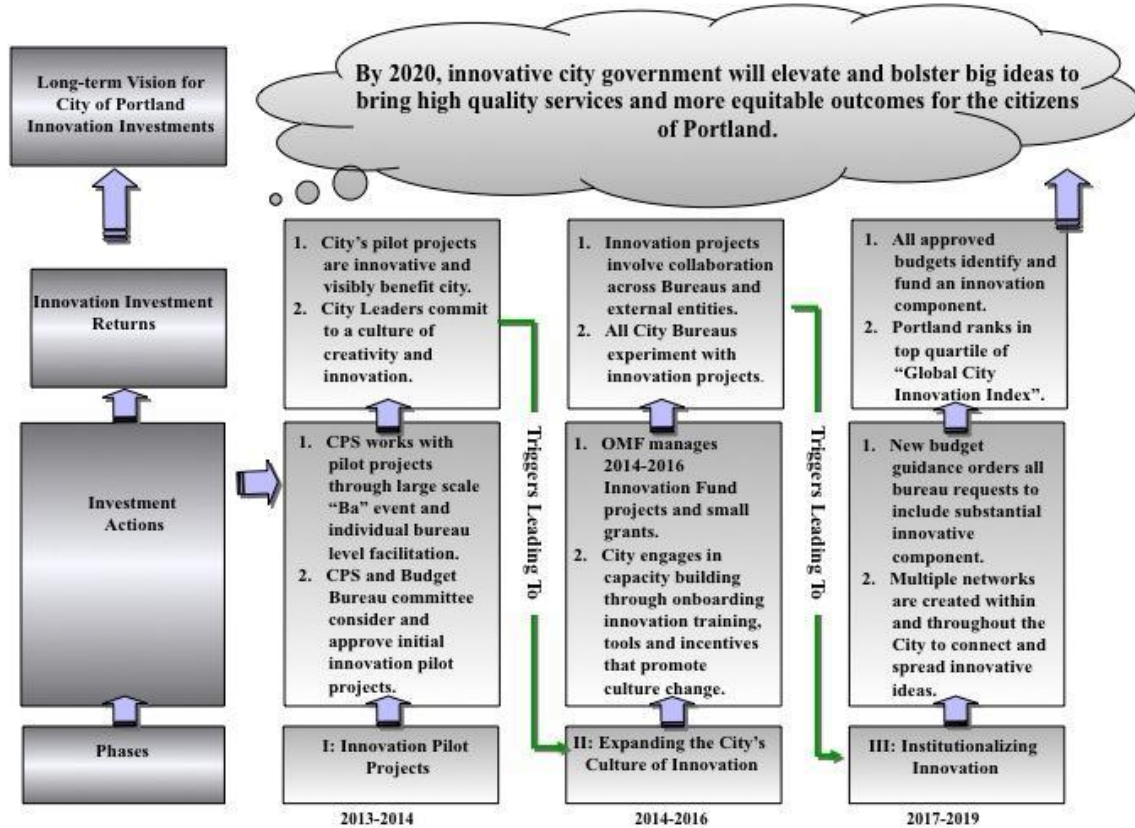
- *Development of an “innovation in the city” vision and values statement* through facilitated sessions with city bureaus
- *Development of an “innovation communication toolkit”* that includes a style guide, key messages for use with the media
- *Content support for an “innovation campaign and fund” website and/or blog*
- *Crafting of public relations materials*, such as success stories and editorial articles
- *Administration of public opinion surveys* on innovation topics
- Other actions, as identified in the Media Outreach and Communications Support Plan through joint discussions between CPS and the City of Portland

As the City looks beyond 2015, it will be important to also put in place a longer-term vision for how to build its innovation capabilities and staff. As shown by the other cities across the nation who have invested in innovation, infusing strategic and creative thinking in city employees will lead to new ways of operating that can reduce costs, raise productivity, and improve the public's opinion of government. In order for the city to realize its return on its investment in innovation, a longer-term vision is necessary.

The City of Portland's seeks to create and sustain a culture of innovation where staff are empowered through incentives, learning opportunities, a supportive environment, and leadership support to take risks to test different approaches and then scale the most effective ones.



Five-Year Vision for Transforming the City of Portland into “The City That Innovates”



ADDITIONAL SUPPORT FROM THE CENTER FOR PUBLIC SERVICE

In addition to specific tasks described above, Center for Public Service will serve as an advisory resource to the Innovation Fund Task Force over the next year. As an advisory resource, the Center for Public Service team will attend and participate in Task Force meetings, respond to research requests, provide recommendations at the direction of the Task Force and Chief Administrative Officer, and update the City on the progress of various deliverables.

The Center for Public Service has the proven ability to leverage assistance from current and former practitioners and students who will see genuine value in better understanding the City’s efforts here. Another source of significant resources that could be leveraged by this partnership could come from

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graduate students who could be assigned work by their professors that would align with the City's initiatives. For example, MPA graduate students often spend 200-250 hours working on "capstone projects" to secure their degree (in lieu of a formal thesis). For these projects, students seek sponsor entities in the community. With enough lead-time, key faculty here could help recruit 4-6 students whose capstone projects during 2015 could align with this initiative.

The proposed partnership can begin immediately and continue over the next twelve months, beginning with the launch of the 2015 Innovation Fund. A proposed timeline, budget and staff can be provided to the City of Portland, upon request.