GETTING TO INNOVATION

How Cities are Rethinking Municipal Governance

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NYU Wagner innovation LABS

OVERVIEW

This report is the first in a series of policy briefs from NYU Wagner Innovation Labs on the management, policymaking and implementation approaches embodied in Bloomberg Philanthropies' Innovation Delivery Team initiative, a three-year effort to help mayors in five cities design and implement solutions to pressing challenges. This report offers insight into work in the grantee cities, as well as concrete tools for policymakers seeking to foster municipal innovation in their own cities.

The NYU Wagner Innovation Labs are a project of New York University's Robert F. Wagner Graduate School of Public Service.

CREDITS

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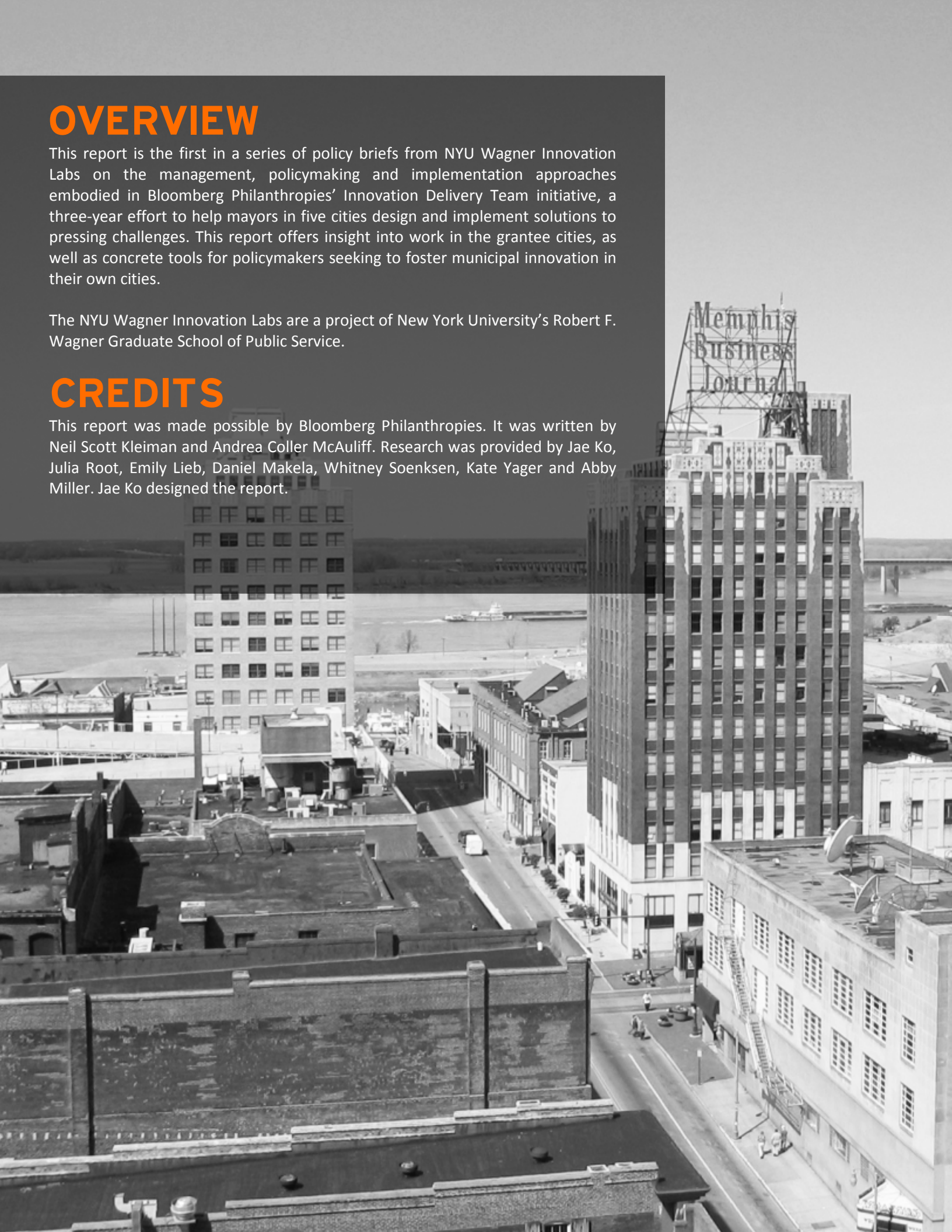

INTRODUCTION

Cities run on systems, for everything from transit to trash collection. Why shouldn't they also have systems for generating, testing and implementing smart solutions to tough problems?

In July of 2011, Bloomberg Philanthropies bet $24 million on the theory that, by marrying data with design principles in a careful, rigorous way, cities could build such systems, and use them to set dramatically better municipal policy.

In one of the largest single investments in City Hall innovation in modern history, each of five cities—Atlanta, Chicago, Louisville, Memphis and New Orleans—has been given a grant to hire a team that reports directly to the mayor and is charged with generating and implementing bold solutions to two thorny, high-priority problems, ranging from small-business development to homicide reduction.

The initiative presents a rare opportunity to watch and assess how cities, when given enough financial and political support to free them from some of the usual constraints, engage in a process dedicated to public sector innovation. This and future reports will follow the journeys of the five cities participating in the initiative, identify what is and isn't working for them as they progress, and begin to detail how other regions can take steps to use that knowledge for themselves.

The entire effort is based on an approach to innovation that encompasses much more than a "Eureka!" moment or a single bright idea. It entails building and employing mechanisms for working through the biggest, most complex issues that city governments face. This report focuses on the beginnings of such an effort—how to produce smart, informed, big-picture solutions to significant policy problems.

The report reflects on how the Innovation Delivery Teams in the five cities did this, using a concept known as "ideation" to help guide them to their goals.

Ideation is, most broadly, a way to refer to the generation and exploration of a wide range of ideas. In the context of local government innovation, it means directly examining a problem in a systematic way, amassing many possible solutions culled from many places, and then probing and testing those ideas to see which are most likely to work.

The concept sounds so simple: Develop ideas through creative, collaborative thinking, and then check them out before setting policy. And indeed, many typical ideation tools such as brainstorming or scanning the country for best practices are employed by cities all the time. What is unique about this particular process, however, is its strategic and dedicated nature, and its demand for a commitment from leadership at the very top levels to using the tools of ideation to go wherever the process leads—which sometimes means passing over what is most obvious, or most expedient.

The ideation-driven process pursued by the Innovation Delivery Teams also distinguishes itself in another way from the kind of policy work cities typically do. The word ideation is often used in the context of product design, and it carries with it an important concept from that field—the notion of understanding and connecting to the user or customer. For cities, this means engaging stakeholders and partners throughout the process of creating an initiative or program—to gain their insights, to help avoid foreseeable problems and to ensure that the effort effectively serves those it is intended to reach.

In the following pages we will show what ideation looks like in action, using the work of the five Innovation Delivery Teams as a lens through which to continue to explore the concept and assess its value and uses.

IDEATION IN ACTION: MEMPHIS CASE PROFILE

Typically, when cities "reinvent" their economic development policies, they follow a top-down route dedicated to new business growth and relocation. When Memphis chose to make economic development one of its two priority areas, however, its mayor and his Innovation Delivery Team decided to use a process of ideation to do something completely different. They designed a program focused on nurturing existing businesses and budding entrepreneurs, encompassing both significant agency-level reform and a suite of programs designed with local input to spark market activity at the block level.

What follows is a detailed look at the path that Memphis took, and some of the tools its Innovation Delivery Team used.

When Memphis Mayor A C Wharton Jr. received a Bloomberg Innovation Delivery Team award, revitalizing communities in the heart of his city was already one of his top priorities. For too long, Memphis had been victim to the drifting of people and businesses from the core to the periphery and the suburbs. The mayor was determined to put a stop to that trend, and to do it by supporting businesses at the neighborhood level.

Wharton started by establishing his Innovation Delivery Team and its authority within city government, ensuring that all staff members understood the Team's role and mandate. He made it clear that he wanted a neighborhood-based economic development effort—one that made sense not just to City Hall but also to the communities and businesses themselves.

"We understand that a one-size-fits-all approach will not work," Wharton noted. "Our efforts are focused on building a comprehensive and deliberate strategy to meet the unique needs of each neighborhood."

Then he charged the Team with generating big ideas and solutions, and turned them loose.

The Team focused on three neighborhoods: Madison/Cleveland, South Memphis and Binghamton. Each of the areas was distressed but in transition, on the upswing but in need of a boost.

The Memphis Team had to work fast. It was not fully staffed until January, and its goal was to establish all of its initiatives by the end of June. That left just five months for the Team to learn as much as they possibly could about local economic development in Memphis and how it might be improved.

Setting the Stage

Rethinking long-held policies and ushering in new and creative approaches is a tall order in any city, and Memphis Innovation Delivery Team Director Doug McGowen and his teammates rightly recognized that they couldn't do it alone; they needed all of the key players at City Hall behind them and in the right frame of mind.

So they got a bus and brought everyone on board.

The Team invited 45 people from virtually every agency in city government, from deputy commissioners to front-line workers, and together they visited the target neighborhoods. The Team had several aims: They wanted to set the tone for the process; to get participants to step away from preconceived ideas; to foster relationships between agency staff members with varied points of view and responsibilities; and to engage everyone in a shared experience at the onset. They wanted participants to walk away with a fresh sense of each community's very real struggles, but also with an inventory of the areas' assets and opportunities.

On the tour, participants were able to look and listen as invited experts pointed out facts about the areas and their economic conditions along the way—and the experience made its mark. The trip became a call to action, a vivid collective experience that forged a bond and fostered a sense of purpose among the participants.

"You can read tons of statistics about the dismal economy, but you need to go out and see places," McGowen said. "This got people motivated; it made the entire effort real."

After the tour, a committee of 25 staffers culled from every city agency was formed to work with the Innovation Delivery Team through the policymaking process and beyond. The participants—many of whom had been on the bus—were the administrators who had the power and the capacity to guide the implementation of the program, and whose knowledge and experience would help shape the plan.

Scanning the Horizon

At the same time, the Team was undertaking background research, seeking out existing writing on the topic, articles and best practices from other cities. They did not find anything approaching the holistic approach they were pursuing but were able to identify some bright ideas and nascent practices from across the country. But the big question was, which ones would work in Memphis?

To find out, the Team employed a number of different techniques, ranging from focus groups with stakeholders to seeking out expert advice. Their goal was to understand the situation from every salient perspective, from the national level down to the local streets. They positioned themselves as facilitators rather than leaders, and kept the process open, aiming to get brutally honest about the issues, but to do it in a constructive way. Here's some of what they did, and what they learned.

Co-Creation Studios

In order to understand what local business owners perceived to be the barriers to progress in their communities, the Team set up what they called co-creation studios: In each neighborhood, they convened the business owners, which included Mom-and-Pop retail stores, restaurants, employment-oriented nonprofits and some local manufacturers. For a solid five hours participants were encouraged to describe the challenges they faced, dream about what they would like to see happen to their businesses and to the area, and get concrete about what new policies should be developed.

Participants were led through a host of guided exercises, which included writing memoir titles for their businesses, discussing positive experiences they'd had when patronizing other businesses in the area, and

answering the question, “If you were Merlin and could do magic, what would you change about the area?”

Given the opportunity to speak their minds, the business owners didn’t hold back—and many of the challenges they identified were right in the city’s wheelhouse.

The areas had terrible signage, they said. The neighborhoods didn’t encourage foot traffic. They weren’t easily accessible from the airport, and they weren’t well marketed by the city.

In addition, some local property owners were neglectful and unresponsive. Vacant, abandoned and poorly maintained buildings were a blight on the communities. Concerns about crime coupled with a lack of visible police presence only made matters worse.

In short, the business owners said, their neighborhoods simply weren’t especially attractive places to walk or shop or eat.

In addition, the employers noted that they had very little interaction with the city’s small business agency, the Renaissance Business Center. They said they didn’t know exactly what the agency did, and found it hard to engage with it. And they were also having trouble getting access to capital when they needed it.

Yet, despite it all, the participants were uniformly positive about their communities. They recognized the richness and potential of their neighborhoods, and expressed the sense that they needed to stand together and take responsibility for their fate. They had a number of ideas about how to address some of the specific problems, but more important than that, they had a real commitment to improving their community—a strong desire to drive the change they wanted to see.

Engaging Experts

To gain a richer understanding of community dynamics and conditions, the Team sifted through a wide range of neighborhood-level data. They began with detailed maps, produced by the University of Memphis that assessed economic “leakage”—that is, the quantity of goods neighborhood residents were buying outside of the community versus what they were buying locally.

Next, the Team called in a leading national urban-retail-planning specialist to canvass the neighborhoods and look at business patterns and customer experiences up close. After touring the target areas, the consultant presented key findings and recommendations at a large public meeting. The message was blunt: The neighborhoods were dirty and poorly maintained. People showed little pride in or concern for the built environment. The city lacked strong planning standards or construction codes, and this was promoting the development of cheap, shoddy buildings. Developers and property owners, in turn, were failing to care for their properties and the surroundings. The result was an unsightly and uninviting landscape.

Nonetheless, as was the case with the business-owners in the co-creation studios, the larger story was a hopeful one. A lot of the problems were fairly straightforward, and the solutions were within the city’s reach.

The employers' concerns about blight and the physical environment being a barrier to business were not only legitimate—they actually appeared to be the main issues hindering retail development in these neighborhoods. That was good news: If those could be addressed with better code enforcement, planning and local retail strategies, the business environment would immediately improve.

The knowledge was a huge motivator. Indeed, as participants learned more about what was wrong, who was responsible and how other cities had handled similar challenges, instead of getting defensive, they got energized.

The ideation process was similarly revelatory for the Innovation Delivery Team and the city: On the bus tour, everyone had seen how things looked and assumed that the poor economy was largely to blame. But what they learned as they probed more deeply strongly suggested that wasn't the case. The demand, they found, was out there; residents had money and wanted to spend it locally, but instead they were spending close to 90 percent of it outside of their communities because blight and poor property upkeep were driving them away—and discouraging entrepreneurship as well.

In other words, if the city addressed blight and the other non-market forces at play, local businesses would have a real chance to thrive.

Building a Strategy

The data and the process itself quickly led to a series of highly targeted initiatives to tackle blight and spark business development in the chosen neighborhoods. Memphis' plan is anchored in a three-part formula that grew straight out of the Team's work:

Clean it (first and foremost, eliminate blight)
Activate it (spark local ideas and action)
Sustain it (align City Hall and local resources, approaches and actions)

To clean it, the city is rolling out the 25 Square Initiative, an intensive debris-removal and rehabilitation plan that aligns six separate agencies to revive 25 neighborhood blocks at a time.

To activate it, the city is developing a series of creative strategies to spur new ventures, including ""pop-up retail," which will allow start-ups to test the waters in vacant and underused locations.

To sustain it, relevant agencies will be better aligned with local activity, beginning with a major overhaul of the business development agency.

Mayor Wharton and his Team are rolling out still more initiatives that are part of this model, an approach that is notable for its departure from traditional economic development. Rather than simply reacting to the problems in the target communities or creating programs aimed at "importing" new businesses, Memphis. took the time to understand what was happening on the ground and to respond. The result is a plan tailor-made for the communities that it is meant to help.

IDEATION: A HOW-TO GUIDE

Memphis had great success with its approach to gathering and evaluating ideas, but there are many routes a city can take and tools it can use to achieve the desired result. There are, however, some general principles that should guide any ideation process. An effective process should:

Create an **authorizing environment**, in which a mayor or chief advocates strongly for a robust process and for those charged with spearheading it.

Balance **openness** with **discipline**. The process should be free enough to produce a wealth of new ideas and honest feedback, yet clearly bounded by real deadlines.

Design with people, not for them, involving those who are making and executing policy as well as those who are affected by it.

A Four-Perspective Approach

Beyond these basic principles, a good policymaking process requires a city to look in four directions: Outward at the national (or even international) landscape, scanning the horizon for ideas; inward, at the issue or problem as it is manifested within the city, and at what the city is doing, or can do, about it; backward, by speaking with stakeholders and insiders about how things have been; and then forward, by collaborating with stakeholders, agency staff and those who will use or benefit from the services to generate and examine ideas, and hone them into a plan of action.

We saw this four-perspective approach in the case study from Memphis. The Team looked inward through a partnership with the University of Memphis in which they examined detailed neighborhood-level data. They looked outward when they scanned the horizon for national best practices and engaged retail experts. And the Team was able to look backward and forward through its co-creation studios by asking participating business owners both to describe the challenges they had faced in the past, and to talk about what they would like to see happen to their businesses and to the area in the future.

The work done by the other grantee cities, which is described in more detail in the following section, also helps to illustrate the four-direction concept. One way in which Louisville looked forward, for example, was by holding an all-agency competition for big ideas on how to make city government better. New Orleans looked outward when it brought a group of peer-experts from other cities to the Big Easy for an interactive seminar and discussion. Atlanta's Team looked outward by doing the traveling themselves, making visits to view some of the nation's best practices up close. Chicago looked inward by examining the existing policies, processes and tools for starting a restaurant in the city—and in doing so discovered that a guide that should have been indispensable was in fact impenetrable.

The following section offers briefs on some of the work that has been done so far in these cities. Each snapshot is just that—one piece of a much larger process. But in all cases the Teams are using the same playbook to work toward the same overarching goal: smarter, more efficient and more effective policy.

IDEATION BRIEFS

There are many tools that can be useful in the ideation process, but it is up to each city to find the right blend for its specific needs and circumstances. The following section looks at some of the tools the five Innovation Delivery Team cities chose, and how those techniques fit into their larger efforts.

Louisville: Competition

In Louisville, Mayor Greg Fischer and his Innovation Delivery Team turned improving city operations into a competitive sport. The mayor's overall goal was to improve customer service, so team Director Margaret Handmaker decided to hold an all-agency contest seeking grand-yet-feasible ideas from every corner of municipal government. The goal was not only to build a stockpile of suggestions, but also to set the stage for a process that would be driven by bold thinking and creative energy.

The winning agencies would get to participate in the city's reform efforts and work directly with the mayor's newly formed Innovation Team. A memo was sent out asking agency directors to come to a half-day idea session and to bring at least three proposals apiece—either original thoughts or best practices from other cities.

The effect was electrifying. When they came to the meeting in December, the directors brought a slew of ideas and fought hard for them, propelled by the prospect of a rare opportunity to do really groundbreaking work.

Their excitement was understandable, said Mayor Greg Fischer. "Imagine if you're a chief or a director in the city and you have an opportunity for a group of experts to come and study what your challenge is—a challenge that you've identified and you've been trying to make progress on for the last several years—and they're going to help you take care of business," Fischer said.

Louisville's process had many other facets, and its Team employed many other techniques, but the five goals the city chose to pursue—ranging from improving animal services to revamping the rezoning process—grew directly out of the initial challenge and brainstorming session, as did many of the relationships necessary to put those ideas into action.

Chicago: Prototyping

One of Chicago's chosen goals stemmed from a campaign promise that then-candidate Rahm Emanuel had made: to cut the red tape for small businesses, for the little guy.

To that end, Mayor Emanuel charged his Innovation Delivery Team with generating a set of initiatives to ease the cost and burdens of doing business in Chicago. The Team then conducted interviews and surveys, went on ride-alongs with city agency staff and business owners, and developed a list of priorities.

One of the first things they decided to do was to create a restaurant start-up program. For a new administration looking to make immediate improvements for local employers, restaurants seemed like the perfect place to start. Local eateries are responsible for 10 percent of the jobs in Chicago and are the most prevalent type of small business in the city. And government's relationship with the restaurant sector is

is quite complex, as each business must interact with numerous city and state agencies in order to obtain the requisite licenses, permits and inspections.

With restaurants as their focus, the Team moved on to the R&D component of their task, using a prototyping and testing model. Paras Desai, a former McKinsey consultant and the Team Director, led the process using a simple, consumer-oriented model.

The Team's first step was to generate a diverse range of prototypes, quickly roughing out models of different approaches they might pursue. These included a mock-up of a new web site and a highly condensed version of the city's 100-page guide to starting a restaurant. The Team also brought in laminated versions of guides and tools used in Boston and New York for comparison.

Next, they brought in groups of business owners who were asked to evaluate the prototypes in various ways, and to suggest improvements. Some participants were asked to rate each prototype by assigning scores. Some were asked to walk around the room in pairs and make comments on the materials that were displayed on the walls. The Team also asked participants direct questions, such as, 'If you could only have one of these new services, which would it be?' This process helped the Team identify which elements mattered most, and to produce a set of editorial and web-based products that were both informative and user-friendly.

Prototyping and testing was just one piece of the puzzle in Chicago, but the technique not only cut down on guesswork and misunderstandings, it also helped build a tremendous amount of goodwill and support for the project by creating an opportunity for business owners to be heard. The result was better, more responsive policy and an improved relationship with the business community.

New Orleans & Atlanta: Peer Learning

In the summer of 2012, New Orleans' Innovation Delivery Team was issued a life-or-death challenge by Mayor Mitch Landrieu—help him in his effort to lower the city's murder rate, which had been at 10 times the national average for the previous 10 years.

Building on two years of aggressive improvements that Mayor Landrieu had already begun, the Team took a rigorous, data-driven approach to the task. They used a range of techniques to compile and compare information from New Orleans with statistics from other cities. They combed the country to learn what reforms had worked in places with similar profiles and they dissected promising strategies. And then they did something inspired: They decided to go beyond scanning the horizon and to bring the best brains on the subject home to New Orleans.

They identified a group of peer-experts with records of success in places with similar demographics and crime rates, and brought them all to the Big Easy. The elite panel included two police chiefs, one mayoral adviser and two policy experts.

Landrieu then invited his top three criminal justice aides and a half-dozen other city hall staffers for an intensive seminar and discussion on the topic. The experience helped the team hone in on a strategy known as Group Violence Reduction, which focuses not only on law enforcement, but also on changing the culture of neighborhoods that have come to accept violence as a way of life. As Charles West, the New Orleans Team Director put it, “The panel really drove it home.”

The discussion also led the Team to adopt an additional approach, known as “Procedural Justice,” aimed at building trust between the community and authorities, and ultimately led to the launch of “NOLA FOR LIFE: A Comprehensive Murder Reduction Strategy,” with the Group Violence Reduction and Procedural Justice strategies at its core.

Atlanta’s Team also used peer learning to inform their efforts to reduce homelessness, but they took a different approach. Rather than bringing peers from other cities to them, the Team booked flights and traveled themselves in order to view some of the nation’s best practices up close.

Before they hit the road, the Team surveyed experts in the field to help determine which cities were worth a visit, and they repeatedly heard two names—Columbus and New York. Both cities were nationally recognized for their efforts on the issue, and the Team put them on their must-see list, but they added another destination to their itinerary as well: Denver. Policy experts rarely mentioned the Mile High City, but its demographics were similar to Atlanta’s, and it had achieved a major drop in street homelessness, so the Team put it on the agenda.

The Team then launched an intensive on-the-ground review in all three places. They had formal sit-down meetings with deputy commissioners in each city, but they didn’t stop there—they also toured facilities, met with nonprofit administrators, and in New York even stayed up until the wee hours to join in one of the city’s well-known all-night homeless counts. They learned a lot from New York and Columbus, but in the end, Denver turned out to be the key. Atlanta’s services for the homeless, funded primarily by federal dollars and administered by a network of government, nonprofit and faith-based organizations, were highly splintered; Denver had also struggled with siloed efforts in the past. The Team was interested in rapid re-housing and supportive housing; Denver had good examples of both—plus specific strategies for implementing them in a similar environment.

In the end, the Atlanta Team’s experience drove home the point that in order to get the most out of best practices from other places, it is helpful to look at a range of examples, to truly get to know the cities from which they spring, and to be committed to adopting only those that are really right for a specific city’s needs and circumstances.

IDEATION BENEFITS

The five cities taking part in the Bloomberg Philanthropies Innovation Delivery Team initiative challenged themselves to abandon the comforts of policymaking-as-usual and try something different in the hope of making significant progress on some highly complex problems. They embraced an approach to generating and testing ideas that was systematic and rigorous, yet at the same time deeply creative.

Memphis gained invaluable guidance in designing its program and built buy-in and support from local business owners along the way; Chicago road-tested new policies and achieved a concrete understanding of exactly which reforms to implement and how best to communicate with their target audience; Louisville created a safe space for cross-agency brainstorming, eliciting a raft of fresh ideas that evolved into a full-blown government-efficiency agenda; and the thorough assessments of the policy literature and best practices from other regions undertaken by New Orleans and Atlanta provided those cities with critical data and a clear sense of what had worked, what had failed, and what might work in their respective cities.

This process—referred to here as ideation—is not about birthing the next "big idea" as much as it is about pausing and being strategic in advance of major reform efforts. In some cases, this led cities to abandon or refine ideas that they determined would not have been effective or would present problems down the road, thereby saving untold hours, dollars and headaches. In many cases, however, the work the Teams did validated rather than contradicted policymakers' instincts about what needed to be done, but it gave them a deep, nuanced understanding of how to do it in the most effective way.

Replicating the kind of innovative work these cities did demands some serious thought, hard work, and extra time, but some version of it is within the reach of most cities, and the potential benefits are manifold. These include:

Promoting buy-in

Ideation opens up the problem-solving process and helps smooth out potential conflicts, providing a sense of ownership and building a coalition of supporters along the way.

Helping to transcend governmental silos

Solutions to big problems rarely lie within a single government agency. Ideation keeps the focus on the issue, and seeks answers wherever they may lie.

Building empirical support for your chosen strategy

Whether the process points you in a direction you hadn't considered or simply validates the instincts you already had, you'll have real evidence behind your plan.

Testing ideas before they hit market

Ideation is about doing what innovative, effective companies do all the time—asking questions and testing ideas. No one in business goes right to market with a product—they prototype, test and refine first.

Creating a place for government to take risks and be creative

Bureaucracies are experts at "expelling foreign bodies"—that is, rejecting unfamiliar ideas. Ideation creates a safe environment within city government for trying bold new approaches.

Eliminating potential albatrosses and making implementation easier

Big investments of time, money and political capital can make it hard to pull the plug on a program, so bad ones can linger for decades unless they're nipped in the bud. When ideas are tested in advance, the implementation stage has a much higher chance of success and should be much closer to a follow-the-dots process than a trial-and-error one.

If they commit to doing ideation right, cities everywhere can accrue many of the aforementioned benefits, as the five Innovation Delivery Team cities have. But to be clear, the hard work of implementation has only just begun. In future reports and commentary we will continue to follow the cities' progress, looking at what works, what doesn't and how that knowledge can help improve the way municipal policy is made.

RESOURCES

While producing this report we found few other illustrative examples of ideation at work in city government. There is, however, a growing movement toward the use and assessment of ideation in other countries. Below are brief descriptions of two government-supported organizations that are focused on civic innovation and many of the aspects of the ideation process we have described.

NESTA This UK-based philanthropy mobilizes resources, networks, grants and research to "bring great ideas to life." The organization targets social entrepreneurs across sectors and provides a platform for information-sharing. NESTA is at the forefront of what's happening in the civic innovation field and has several blogs focused on public services that provide downloadable tools, videos of workshops and links to great ideas. Prototyping the Public Services of Tomorrow and Public Services Lab are good reference points.

Website: http://www.nesta.org.uk
Blogs: Public Services Lab Blog (http://bit.ly/no4wYn) and Prototyping Public Services of Tomorrow (http://bit.ly/RA19wA)
Free tools: Prototyping Framework (http://bit.ly/wF9p8y)

MindLab is perhaps the best example of how ideation is powering innovation in the public sector. Now in its tenth year, the Danish cross-ministerial innovation unit has built an international reputation for its "co-creation" model of design-centered thinking that directly involves citizens and businesses in generating ideas and creating solutions for public problems. Relatable case studies showcase how their ethnographic methods are charting a new vision for how public services are understood and delivered to citizens. Although a great model of success, MindLab ideas have yet to be replicated at the municipal level.

Website: http://www.mind-lab.dk/en
Books: Leading Public Sector Innovation: Co Creating for a Better Society (http://amzn.to/QoAfp8) by Christian Bason
Report: How Public Design?