

Systems Change based on Anticipatory Innovation Governance in Finland

Project kick-off event

28 August 2020



European
Commission



Observatory of
Public Sector Innovation



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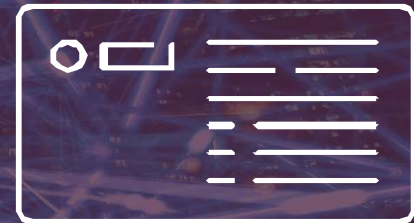
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Q&A on Teams
chat



We are
recording!



Slides shared
by email



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The Observatory of Public Sector Innovation

- Provide neutral, trusted advice to governments
- Surface global trends in public sector innovation
- Empirics-led research and innovation reviews

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INTERACTIVE QUESTIONS

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**How would you rate the Finnish
public sector capacity to deal with
transformative change?**

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IMPLEMENTING STRUCTURAL INNOVATION IN THE FINNISH PUBLIC SECTOR:

**BUILDING A MODEL TO STEWARD SYSTEMS
CHANGE BASED ON ANTICIPATORY
INNOVATION**



It is new to the context

WHAT IS PUBLIC
SECTOR
INNOVATION?

It is implemented in
the real world

It has impact on
public value

THE OECD DECLARATION ON PUBLIC SECTOR INNOVATION

<https://www.oecd-opsi.org/projects/innovationdeclaration/>



The OECD Declaration is a set of five principles and actions. Access the full text and supporting materials :
<https://oe.cd/innovationdeclaration>

 #declaretoinnovate



NEED FOR A NEW APPROACH TO GOVERNANCE (I)

We need for a different approach to policy making

- Policy problems today are characterized by **diversity, complexity and uncertainty** (outcomes are unknown and risks impossible are incalculable)
- Traditional model of policy design has plateaued: quickly evolving and uncertain policy problems need a different approach to problem solving, policy design and capacity to learn



NEED FOR A NEW APPROACH TO GOVERNANCE (II)

Existing practices are not enough to prepare for what the futures might bring

- Strategic foresight methods are designed to imagine possible futures, not to ensure that any particular future results from the process
- Resilience is good, but can be too accommodating, miss opportunities for transformation and inspire overconfidence in prepared solutions



NEED FOR A NEW APPROACH TO GOVERNANCE (III)

The way forward: governments need to develop more adaptive, anticipatory and systemic policy solutions

- to keep options open and avoid irreversible interventions (adaptive policy-making)
- to tie future possibilities to innovation happening today (anticipatory innovation governance)
- to look beyond simple linear causations and prepare and address cascading effects (systems thinking)

The diagram consists of two large, rounded hexagonal shapes with a low-poly, geometric pattern in shades of blue and purple. These shapes are connected by a thin, light purple horizontal bar. The left hexagon is titled 'REACTIVE GOVERNMENT' and the right one is titled 'PROACTIVE GOVERNMENT'. Each title is followed by a short horizontal line and then a paragraph of descriptive text.

REACTIVE GOVERNMENT

Position of 'wait and see' or called forward when 'hazards' (moral, ethical or even physical) materialize.

'End-of-pipe' interventions, and often fail to anticipate or address long-term systemic implications

PROACTIVE GOVERNMENT

Government as a 'technology maker'

Government anticipating various futures and actively exploring and shaping them in practise.



**Who initiates transformative
change in the Finnish public
sector?**

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PURPOSE OF INNOVATION

How might we achieve X?

- Achieving ambitious societal goals
- Aligning activities inside of an organisation towards a common over-arching goal
- Inspiring external interest and investment in societal goals
- It can drive systemic change beyond any incentives (e.g. subsidies or grants) involved

How might we do X better?

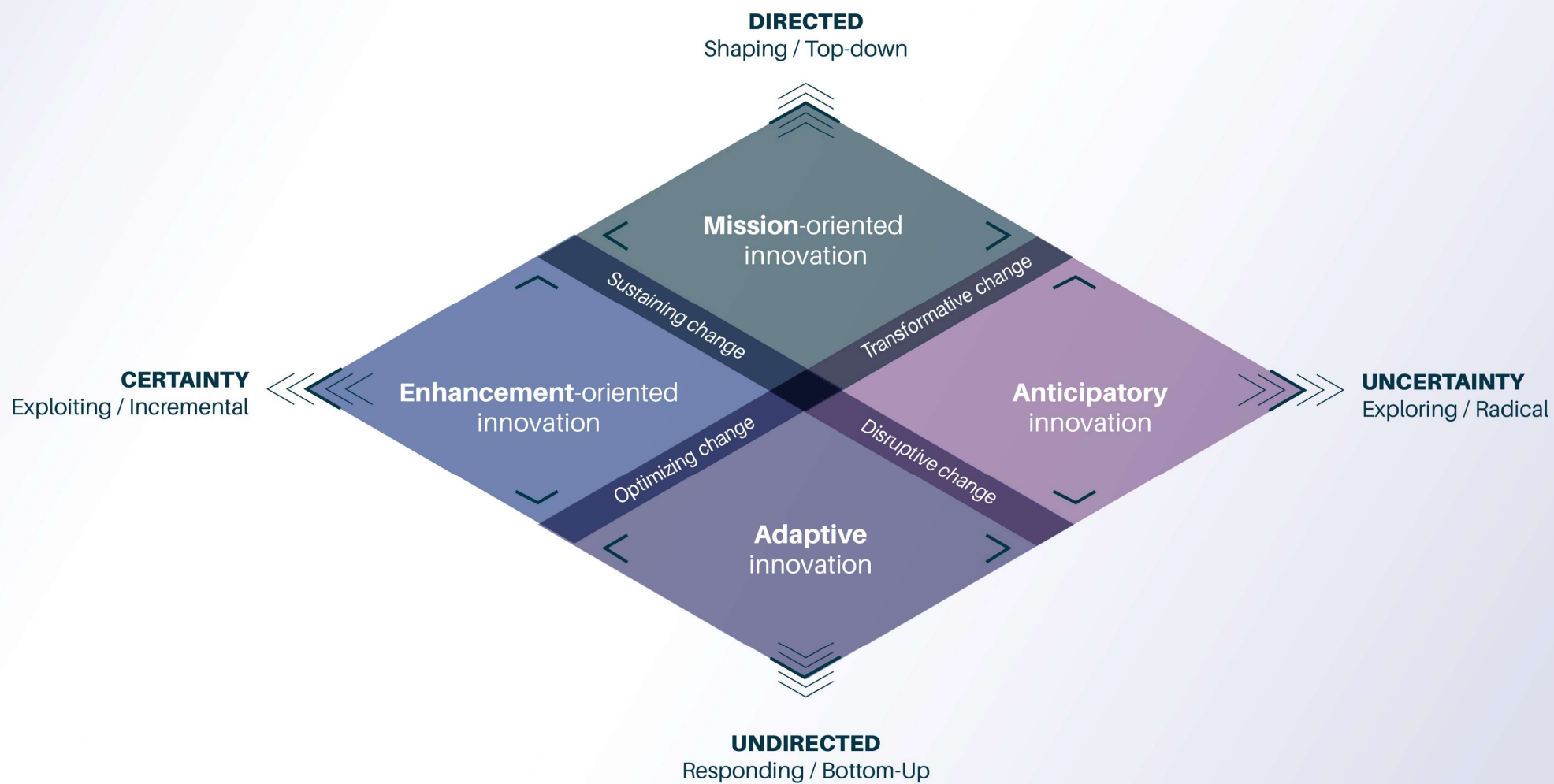
- Cost reduction and operational efficiency
- Increased reach of government programs and services
- Reliability of services

How might emerging possibilities fundamentally change what X could or should be?

- Picking up on weak signals and engaging with them before a new course or paradigm is locked-in
- Exploration with emergent issues that might shape future priorities and future commitments
- Testing assumptions and exploring radically different possibilities
- Reduction of surprise

How might our evolved situation change how we do X?

- Develop a diverse range of choices to solve emergent challenges
- Enable those close to the problems to create effective solutions that make sense for their circumstances
- Take advantage of newly available possibilities unknown to the organisation
- Match the pace of change outside the organisation to meet changing expectations
- Build and exercise a capacity for responsiveness in services and policies





**What type of innovation
does the Finnish public
sector need?**

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Anticipatory innovation governance is a broad-based capacity to actively explore options as part of broader anticipatory governance, with a particular aim of spurring on innovations connected to uncertain futures in the hopes of shaping the former through the innovative practice.



Anticipatory Innovation Governance


The structures and mechanisms in place that allows and promotes anticipatory innovation to occur alongside other types of innovation

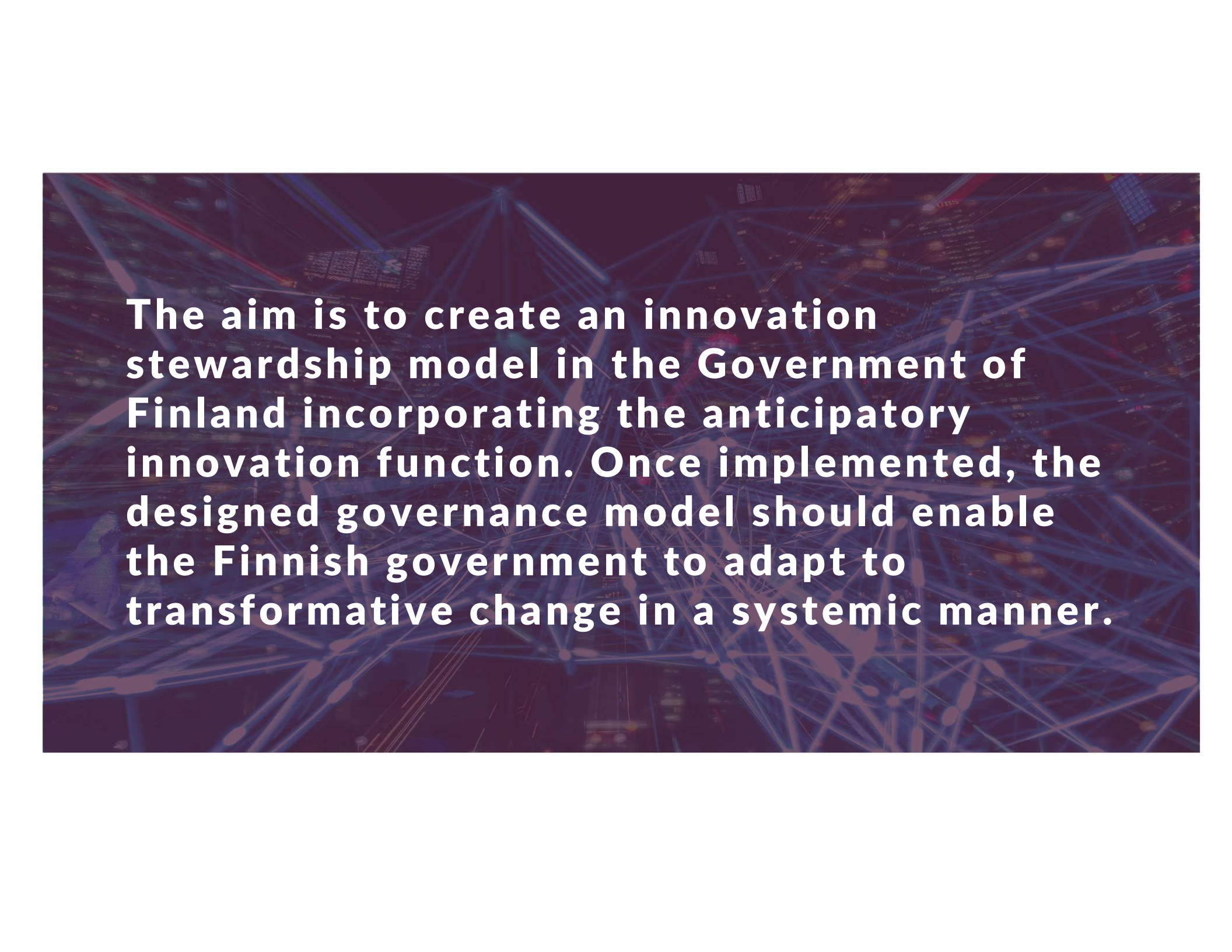
Anticipatory Innovation

Acting upon knowledge about the future by creating something new that has the potential to impact public values

Anticipation

The creation of knowledge about the future, drawn from existing contextual factors, underlying values and worldviews, assumptions, and range of possible future scenarios





The aim is to create an innovation stewardship model in the Government of Finland incorporating the anticipatory innovation function. Once implemented, the designed governance model should enable the Finnish government to adapt to transformative change in a systemic manner.

THE CHALLENGE OF AMBIDEXTERITY

Can you do exploitation and exploration at the same time?



Strategic intent

Current activities invariably have bigger financial portfolios, thus, in organisational terms they outweigh new, smaller radical projects..




User focus

Feedback from current users and customers can steer organisations away from radically new products and services as they usually (at least initially) under perform established products and services.



Resistance to change

Especially to radically new innovations inside organisations if they are directly in conflict with established practises. Usually innovations that create totally new areas of engagement are more easily adopted.



**What is the main challenge the
Finnish government is facing today
in dealing with transformative
change?**

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1

Realistic assessment and common understanding of the current system and its strengths, weaknesses and gaps in managing transformative systems change

2

Anticipatory innovation governance model for Finland

3

Support successful implementation of structural reforms in Finland through the anticipatory innovation governance model

TIMELINE

2020

Systems map and initial
assessment report

2021

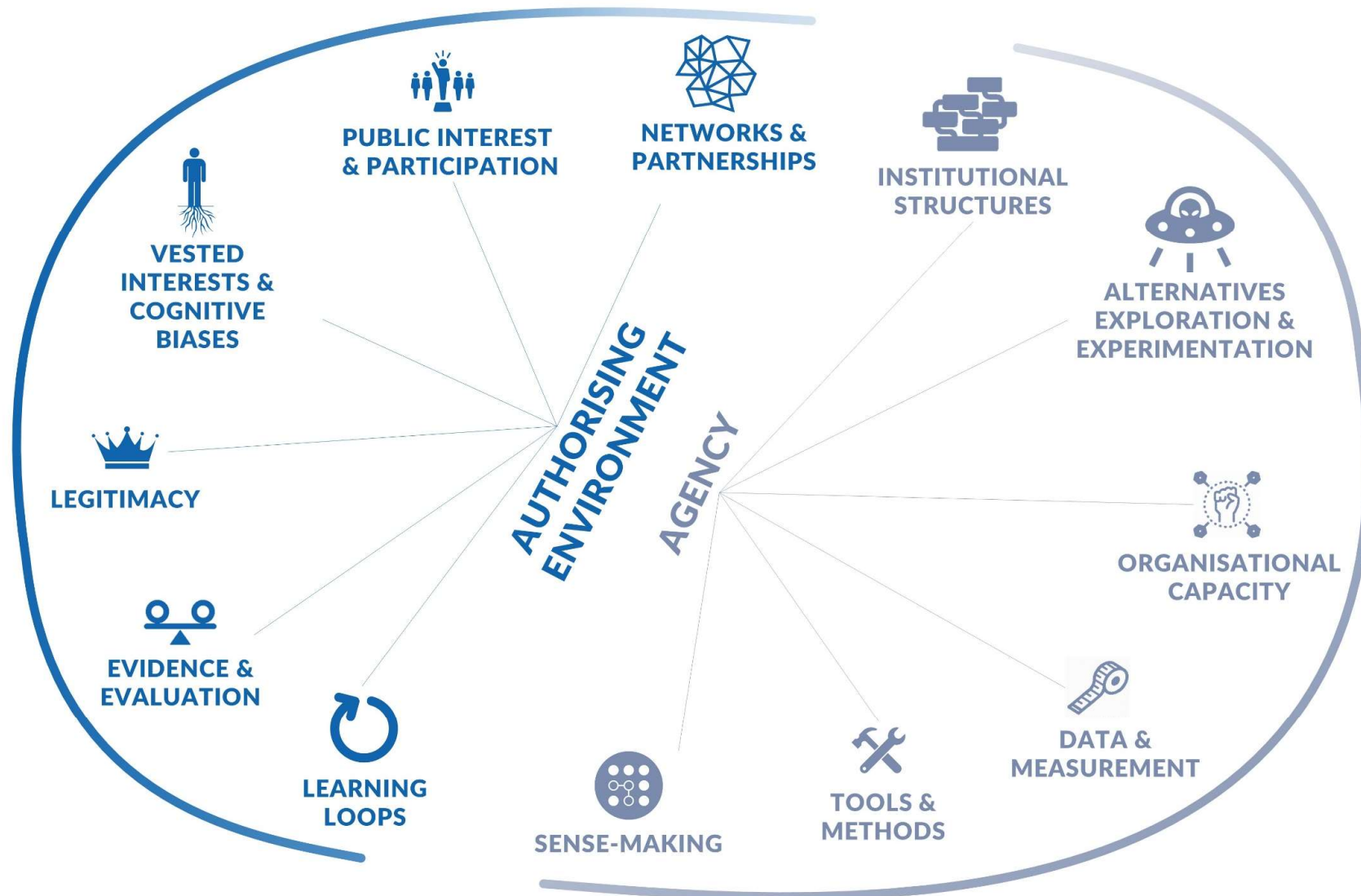
International case
studies

Testing anticipatory innovation
mechanisms and sectoral case
studies

2022

Model testing

Final report



INNOVATION PORTFOLIO MANAGEMENT



SENSEMAKING



STEWARDSHIP



**SUPPORTIVE
STRUCTURES**



**DIFFERENT
PURPOSES**



SYNERGIES



RESOURCING



MONITORING



EVALUATION



LEARNING



COMMUNICATION



**Which 3 areas in Finland need
anticipatory innovation the most?**

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SIRPA KEKKONEN

Senior Expert on
Governance, National Audit
Office of Finland



COMMENTS AND DISCUSSION

PLEASE GET IN TOUCH



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CLOSING



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