
**REVISED GUIDELINES FOR
PREPARING AN ACTION PLAN FOR
INNOVATION IN GOVERNMENT DEPARTMENTS**

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सत्यमेव जयते

Performance Management Division
CABINET SECRETARIAT
Government of India

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1. BACKGROUND

The Prime Minister approved the outline of a “Performance Monitoring and Evaluation System (PMES) for Government Departments” vide PMO I.D. No. 1331721/PMO/2009-Pol dated 11.9.2009. Under PMES, each department is required to prepare a Results-Framework Document (RFD).

An RFD provides a summary of the most important results that a department / ministry expects to achieve during the financial year. This document has two main purposes: (a) move the focus of the department from process-orientation to results-orientation, and (b) provide an objective and fair basis to evaluate department’s overall performance at the end of the year.

Government of India has been implementing RFD policy since 2009-2010. Starting with 59 departments, today this policy covers 79 departments and some 800 responsibility centres under them. This year the sixth round of RFDs for the year 2014-2015 were implemented by departments in Government of India. In addition seventeen State Governments have also adopted RFD policy at the state level and are at various stages of implementation. More details about RFD policy can be found on www.performance.gov.in

Each RFD contains department’s key objectives, actions, and success indicators to measure progress in implementation and targets for the year. In addition to success indicators proposed by the department in their individual RFDs, there is a set of mandatory indicators proposed by the Government that are included in RFDs of all departments.

To make use of RFD as an instrument for promoting out-of-the-box thinking in the Government, the High Power Committee (HPC) on Government Performance chaired by the Cabinet Secretary included the following mandatory success indicator in all RFDs for 2012-2013.

Action	Success Indicator
Identify, design and implement major innovations	Timely submission of Action Plan for enabling innovation
	Timely implementation of Action Plan milestones for 2012-2013

Given that very little time was available in in FY 2012-2013 for designing and implementing an Action Plan for Innovation in Government by departments, it was decided to focus on only making an *Action Plan for Innovation* for the time being. The implementation of the approved Action Plan for Innovation will be the focus for the 2014-2015 RFDs. Hence the revised deadlines for this mandatory indicator are as follows:

Actions	Success Indicator	Unit	Weight	Target / Criteria Value				
				Excellent	Very Good	Good	Fair	Poor
				100%	90%	80%	70%	60%
Identify, design and implement major innovations	Timely submission of Action Plan for enabling innovation	Date	2.0%	May 15, 2014	May 17, 2014	May 18, 2014	May 19, 2014	May 20, 2014

While innovation is clearly a spontaneous and often unpredictable phenomenon, we believe that departmental leaders can play an important role in creating an enabling environment for innovation to thrive on a sustainable basis. We are indeed aiming to achieve innovation in Government by design rather than by chance.

2. PURPOSE OF THESE GUIDELINES

These guidelines are intended to provide guidance to departments / ministries for preparing the required Action Plan by May 15, 2014, for encouraging innovation in their respective ministries / departments. These Guidelines represent the minimum requirements and ministries / departments are free to add additional material that may be relevant to their particular context. It would be counterproductive (and indeed contradictory) for the Guidelines on Innovation to be restrictive. Perhaps, departments can innovate and come up with better guidelines in this area as well!

3. INTENDED USERS

All ministries / departments and Responsibility Centers (RCs) under them may use these guidelines to develop an Action Plan for encouraging Innovations in their organizations.

4. WHAT IS INNOVATION IN GOVERNMENT?

Innovation can be defined as the implementation of a significant change in the way the Government operates or in the products and services it provides. Innovation can cover the entire results chain depicted below.

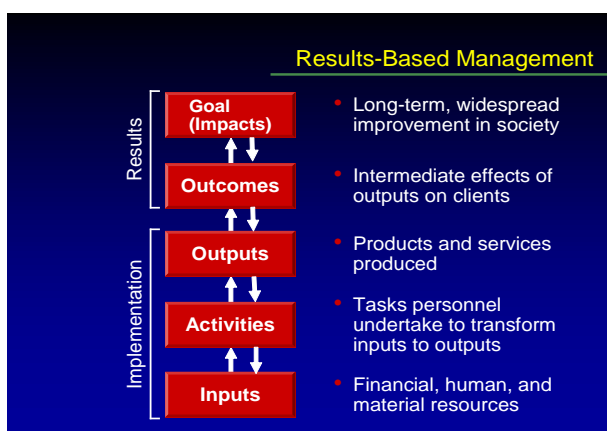


Figure 1: Typical Results Chain

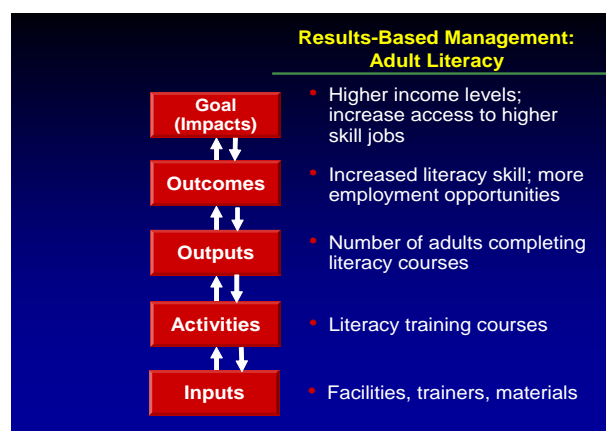


Figure 2: An Example of Results Chain

While there can be innovation at all levels of the results chain, as far as citizens and clients of government are concerned they care about the final benefits from innovation. In other words, we need to make a distinction between means and ends.

The focus of these Guidelines is on managerial and administrative innovations in Government departments. Ultimately, innovation in Government that matters is defined as a significant and sustainable improvement in the following:

a. Delivery of same goods and services

- i. at less cost
- ii. in less time
- iii. with more transparency
- iv. with least disruption
- v. with organizational restructuring / change

Points a (i - iv) are often referred to as '**Process Innovation.**' A process innovation is the implementation of a method for the production and provision of products, that is new or significantly improved compared to existing processes in your entity. This may involve significant improvements in, for example, equipment and/or skills. This also includes significant improvements in support functions such as IT, accounting and purchasing.

Point a (v) is referred to as an '**Organisational Innovation**' and represents implementation of a new method for organising or managing work that differs significantly from existing methods in your entity. This includes new or significant improvements to management systems or workplace organisation.

b. Delivery of more goods / services

- i. More quantity
- ii. better quality

Point b (ii) mentioned above is referred to as '**Product Innovation.**' A product innovation is the introduction of a product that is new or significantly improved compared to existing products in your entity. This includes significant improvements in the products' characteristics, in user access or in how it is used.

c. Identification of new needs (hence new goods and services)
(both articulated and non-articulated)

Sometimes this involves what is referred to as '**Communication Innovation.**' It involves implementation of a new method of promoting the entity or its products, or new methods to influence the behaviour of individuals or others. These must differ significantly from existing communication methods in your entity".

To qualify as innovation, the improvement in categories 'a' and 'b' mentioned above should be 20 % or more. Further, it should not be a one-time improvement but a permanent change.

For category 'c' mentioned above, the identification of a new need should affect 20 % of the target audience.

The choice of the threshold level of 20 % is a policy determined variable. To start with this level appears to be a reasonable threshold. Later it could be increased.

5. OBJECTIVE OF AN INNOVATION ACTION PLAN (IAP)

The main objective of the proposed departmental Innovation Action Plan (IAP) should be to create a culture of innovation in the Government department to promote administrative and managerial innovation. However, it is not meant to achieve isolated and random innovations. Rather, the IAP should set in motion institutional changes that will create a culture within the department to encourage, identify, celebrate and reward managerial and administrative innovations. This explains why we do not intend to start by rewarding innovations but start by rewarding creation of a system that generates sustainable innovations on a continuous and consistent basis in the future.

Towards that end, the goal is to proceed step-by-step as follows:

- **Step 1:** Develop an Action Plan for generating innovations
- **Step 2:** Implement the Action Plan
- **Step 3:** Measure the quantity and quality of innovations as defined in Section 4 above

6. FORMAT OF A DEPARTMENTAL INNOVATION ACTION PLAN (IAP)

All departments are required to prepare an Innovation Action Plan by May 15, 2014 in the format on the next page.

The Guidance on completing the format follows after that. This Guidance is based on the book entitled, “Eight Steps to Innovation: Going from Jugaad to Excellence” by Prof. Rishiksha T. Krishnan (Director, IIM Indore) and Dr. Vinay Dhabolkar.

FORMAT FOR INNOVATION ACTION PLAN

Section		Issues to be addressed	
1	IDEA MANAGEMENT PROCESS	1.1	Source: From where the ideas will come?
		1.2	Scope: What are department's innovation priorities?
		1.3	Stages: How many stages will an idea move through?
		1.4	Technology: What technology department will use to gather ideas?
		1.5	Selection: How will ideas be selected for further development?
		1.6	Sponsorship: What kind of resources will be allocated to selected ideas?
2.	BUZZ CREATION PROCESS		What actions will be taken for creating buzz around innovation?
3.	TRAINING AND DEVELOPMENT		What training and development techniques will be used?
4	CREATE A CHALLENGE BOOK	4.1	What are the following pained about: <ul style="list-style-type: none"> a. Citizens' b. Clients c. Other Stakeholders
		4.2	How do the following trends affect the department: <ul style="list-style-type: none"> a. Technology trends b. Regulatory trends c. Social trends
		4.3	Identify areas of waste: <ul style="list-style-type: none"> a. Human effort wasted b. Other Resources wasted
5.	BUILD PARTICIPATION		What strategies will be used for building stakeholder participation
6	BUILD A METRIC FOR MEASURING PROGRESS IN INNOVATION JOURNEY		Devise Success Indicators for seven items mentioned on page 17 below

7. GUIDANCE ON THE REQUIRED FORMAT FOR INNOVATION ACTION PLAN (IAP)

An innovation in a Government context may be about a new / improved program, policy or its implementation or improvement in an internal process. Every organisation is innovative – only the degree, scope and the way an innovation is managed vary. The purpose of having Innovation Program is to manage innovation in a systematic manner as a disciplined activity with cross functional coordination. Innovation Programmes are launched to improve the effectiveness of how innovation is managed. Every innovation Program needs to decide the scope of ideas .Who selects the ideas and how. Who funds the ideas?

No matter what the scope of innovation is, there are three core problems any innovation program needs to address.

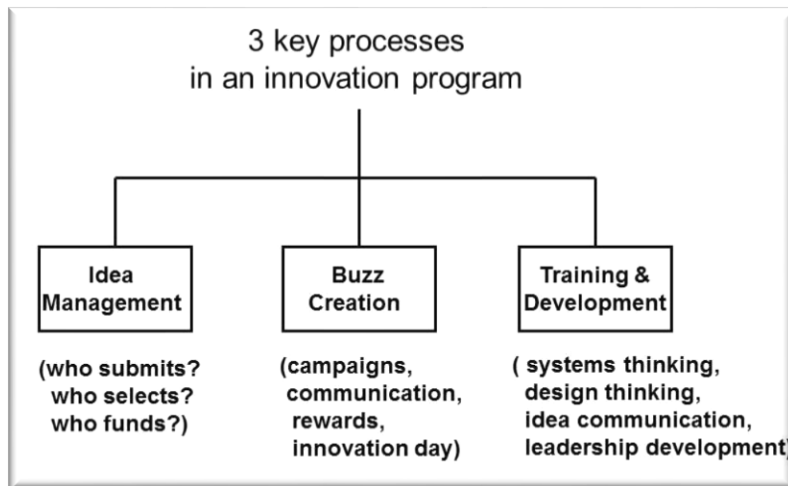
- (1) **Idea pipeline:** Is the department generating a continuous flow of ideas for improving things associated with the department?
- (2) **Idea velocity:** Do the ideas move forward from concept to proof-of-concept to implementation at a good speed?
- (3) **Batting average:** Do the ideas that get implemented create the desired impact?

Based on the assessment of the 61 Innovation Action Plans received from Ministries/Departments, it is recommended that each department / ministry should first build an idea pipeline i.e., generate a continuous flow of ideas. The following three steps help in building the idea pipeline:

Steps for building idea pipeline	Name of the step	Sub steps
Step 1	Lay the foundation	1. Idea management process 2. Buzz creation process 3. Training & development process
Step 2	Create a challenge book	
Step 3	Build participation	

One of the key components of the innovation Program is the idea Management process. There are several kinds of decisions that are involved in designing the idea Management process. The organisation can make the process relevant for the given context and culture. However what is common is the following. The first step, “Lay the foundation” is further broken into three sub-processes:

1. Idea management process
2. Buzz creation process
3. Training & development process



For a few departments like DRDO, these three processes may already be present and may involve only minor tweaks. Moreover, these guidelines present various options through which these steps can be implemented. **Depending upon the context, a department may choose one or more ways of implementing a step.**

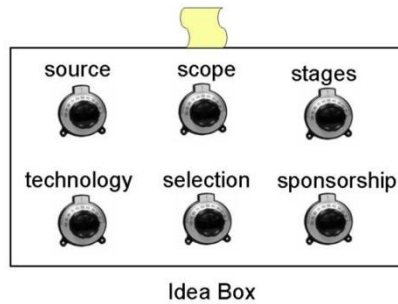
Rest of this section of the IAP Guidelines provides specific guidance on the following six sections required for the IAP:

1. Idea management Process
2. Buzz Creation Process
3. Training and Development
4. Create a Challenge Book
5. Build Participation
6. Build a Metric for measuring progress in innovation journey


SECTION 1:

Idea management process

Idea management process needs to address following six levers of an idea box as depicted below:



Sl. No	Lever	Questions that need to be answered by a Ministry / Department in IAP
1	Source	<p>Ideas can come from all sources. Whom will ideas come from?</p> <p>Will they come from all employees? Specific set of employees? Customers/beneficiaries?</p> <p>For example, Railways runs 2 separate idea management processes – one for employees (suggestion scheme) and the other one for its customers (through web-site).</p>
2	Scope	<p>What is the scope of ideas or the Department's innovation priority? What kind of ideas does it want? Would it invite small ideas also? Should the emphasis be on quantity of ideas or quality of ideas? Benefit of small ideas is in building culture of innovation; however it increases the effort required to filter ideas.</p> <p>Some of innovation priorities for a department could be :</p> <p>Better planning, Internal process improvement, Improvements in Policies, New service the Department can offer, Productivity improvement, Employee satisfaction, Technology improvement, Customer/beneficiary experience improvement, Better outreach, More impact etc.</p>
3	Stages	<p>How many stages will an idea move forward through before it is implemented or parked?</p>

Sl. No	Lever	Questions that need to be answered by a Ministry / Department in IAP
		<p>For example, a 5-stage option is:</p> <ol style="list-style-type: none"> 1. New: Idea has been logged 2. Feasibility-study: Checking the feasibility of the idea 3. Formal-proposal: Feasibility successful, formal cost-impact analysis and presentation to committee 4. Pilot: Pilot in the field 5. Implementation: Pilot successful, project approved for implementation.
4	Technology	<p>What technology will the Department use to gather ideas?</p> <p>Some of the options are:</p> <p>Web intranet: e.g. Drupal used in DRDO</p> <p>Idea box: Physical box placed at various locations</p> <p>Idea wall: A wall where people post notes</p> <p>For example, see the image below:</p> 
5	Selection	<p>How will ideas be selected for further development? Will it be through a committee or through open voting? What criteria will be used for selection of ideas?</p> <p>Some of the options departments could use as a methodology and criteria for selection are:</p>

Sl. No	Lever	Questions that need to be answered by a Ministry / Department in IAP
		<p>Voting from a committee, peer voting,</p> <p>PFI rule: Passion, Feasibility and Impact (potential)</p> <p>2-1-0: 2-minutes per presentation, 1 slide and 0 questions (a fast review)</p> <p>Real-Win-Worth-it: Is the idea real / feasible? Is the need real?</p> <p>Win: Can we successfully implement it?</p> <p>Worth-it: Is the investment worth it at this point? Does it align with our strategic objectives?</p>
6	Sponsorship	<p>How and what kind of resources will be allocated to the selected ideas?</p> <p>Some options are:</p> <ol style="list-style-type: none"> 1. Time will be allocated for implementation (1 week off for working on the idea) 2. During the feasibility study – the idea author needs to work on his own time. Time & budget will be allocated after formal proposal is presented.

Ministry / Department needs to answer the above questions in the Section 1 of Innovation Action Plan.

SECTION 2:

Buzz creation process

Creating buzz around innovation is extremely important aspect of sustaining the innovation program. One of the simplest and yet powerful way to create buzz is to start publishing monthly innovation dashboard. A sample metric that can be tracked and published is presented in section 9. The metric could also be published function-wise just to create some healthy competition.

Here are various ways buzz is created:

Sl.No	Activity / Event	Questions that need to be answered by a Ministry/ Department
1	Monthly Innovation dashboard	<p>What will the dashboard contain?</p> <p>Here are a few options that the ministry/department might like to choose: Number of new ideas received, total ideas in the pipeline, group-wise distribution, number of ideas in each category (process, product/service etc.), how many ideas in what stage, impact of implemented ideas</p>
2	Innovation campaign	<p>Can an idea contest / campaign be run in the Department?</p> <p>This can be a calendarized event of 10 to 12 weeks duration. There is a need to invite ideas typically against one challenge, recognize authors of good ideas and ideally sponsor some of them for pilot. Design of a campaign could be decided by an individual Ministry/ Department.</p> <p>An example of a campaign is “Heavier, faster and longer” run by Indian Railways to generate ideas that enable railways to carry more freight per train and turnaround faster. A good campaign motivates the potential innovators.</p>
3	Newsletter	<p>Department could start a newsletter and publicize innovations coming out from within the organisation. This could also be done through an intranet page on the Department’s portal where success stories / events / training announcements / blogs etc. could be published/shared.</p>

Ministries/Departments should write the proposed Buzz creation process giving the details of proposed activities, frequencies of proposed activities and the proposed date of starting these activities in Section 2 of the Innovation Action Plan.

SECTION 3

Training & Development process

Trainings related to tools and techniques of framing and solving problems will help employees generate more and richer ideas, define experiments, design better pitch, conduct better reviews etc. The first thing innovation training sessions or workshop do is to create awareness about what innovation means in the context of organisation. Innovation in fact means different things to different people. Innovation workshops use examples from within and outside the organisation to define the scope of innovation.

Sl. No	Activity / Event	Questions that need to be answered by a Ministry /Department in IAP
1	Brainstorming sessions	Can the Department create space / time for people to get-together and brainstorm? There is a need to create a cadre of facilitators who can do that on a regular basis
2	Trainings related to specific techniques	Can the Department conduct trainings on innovation tools / methods like Design Thinking, Lateral Thinking or TRIZ (a problem solving analysis and forecasting tool derived from study of patterns of inventions) for its officials.

Ministry /Department should write the proposed Training and Development in Section 3 of IAP.

SECTION 4:

Create a challenge book

Identifying the right problem to solve is an extremely important step in innovation. A place where Department lists its challenges, is called a “challenge book”. Identifying key challenges focuses innovation efforts in the department. An organisation should see that not only the problems are getting reflected but also the desires of its employees and its stakeholders are getting reflected in the challenge book. Here are three ways in which challenge book can be created:

Sl.	Source	Questions that need to be answered by a Ministry
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No		/Department
1	Pain	<p>What are its current / future customers/beneficiaries/ clients pained about?</p> <p>What are the employees pained about?</p> <p>What are its vendors / partners pained about?</p>
2	Wave	<p>What are the technology trends that might benefit the Department?</p> <p>What are the regulatory trends that might affect the Department?</p> <p>What are the social trends that might affect the Department?</p>
3	Waste	<p>What are areas where human effort is wasted?</p> <p>What are the areas where resources are wasted (electricity, water, oil, petrol)?</p>

Ministry/ Department should write the Key challenges in the Section 4 of Innovation Action Plans (IAP).

SECTION 5

Build participation

The more people (employees, customers/beneficiaries etc.) participate in the innovation program, the more sustainable it will be. Here are a few guidelines to build participation in an innovation Program.

Sl. No	Activity / Event	Questions that need to be answered by a Ministry /Department
1	Publish success stories	<p>Has the Department identified and published one or more innovation success stories? Has it been ensured that the names of all the employees who contributed in making the innovation a success, been duly mentioned?</p> <p>This can create internal role models which helps in engaging more people</p>

Sl. No	Activity / Event	Questions that need to be answered by a Ministry /Department
2	Rewards & recognition	<p>How will the Department reward / recognize people contributing towards innovation?</p> <p>Here are a few options:</p> <p>Recognizing them in Quarterly / Annual events,</p> <p>Cash awards,</p> <p>Giving them time off to work on their ideas,</p> <p>Sponsoring them for attending trainings / conferences.</p>
3	Forums	<p>Can the Department form forums like DRDO's Young Scientist Forum where people can meet and start initiatives?</p> <p>This will help in creating communities of practice</p>
4	Innovation Day	<p>Can the Department announce a day as "Innovation day" where various innovation- related activities can happen? The innovations generated from the Department could be showcased on this day. Recognize top innovators.</p>
5	External speakers	<p>Can the Department invite experts in related and unrelated domains?</p> <p>Sometimes a talk on innovation from an unrelated field can ignite sparks, create new analogies.</p>

Ministry/ Department should write the ways in which it will build participation in the Section 5 of Innovation Action Plans (IAP).

SECTION 6

Metrics

Following metrics can be used by a Ministry/Department to measure the progress made in the innovation journey:

Sl.No	Metric	Benchmark values
1	Idea pipeline: No of new ideas generated last month / quarter / year	Does the Department generate 1 idea per person per year? E.g. if the Department has 100 employees, does it generate 100 ideas in one year? Ministries/ Departments need to give targets for this indicator.
2	Participation: How many employees give at least one idea in a year?	Is it greater than 10% (i.e. Does one in ten employees give at least one idea in a year?) Ministries/ Departments need to give targets for this indicator.
3	Innovation review (Idea Management Process): How frequently are ideas reviewed?	It should be at least once a quarter. Ideally ideas should be reviewed within a month of submission. Ministries/ Departments need to give targets for this indicator.
4	Innovation dashboard (Buzz creation): How frequently the Department publishes innovation dashboard internally?	Dashboard should be published at least once a quarter. Ideal is to publish it every month. Ministries/ Departments need to give targets for this indicator.
5	Training coverage (Training & Development): What percentage of employees have undergone trainings related to innovation?	Target at least 30% in the first year. Ministries/ Departments need to give targets for this indicator.

Sl.No	Metric	Benchmark values
6	<p>Innovation events (Buzz, Participation):</p> <p>How many innovation- related events are conducted in a year?</p>	At least one event per quarter (An event could be a talk by invited speaker, rewards / recognition event, Innovation day where key innovations are displayed). Ministries/ Departments need to give targets for this indicator.
7	<p>No. of idea campaigns (Buzz, Challenge book, Participation):</p> <p>How many idea campaigns does the Department run per year?</p>	Run at least 1 idea campaign at the Ministry/Department level every year. It would be ideal to run smaller campaigns at site level.

8. MODE OF SUBMISSION

- a. 'Innovation Action Plan (IAP)' of the Ministry / Department must be submitted to the Performance Management Division (PMD), Cabinet Secretariat, by 5:30 PM on Monday, May 15, 2014.
- b. Electronic copies of the IAP in PDF format should be sent to the following email :
 - Performance-cabsec@nic.in
 - Prajapati.trivedi@nic.in;
- c. Printed version (15 copies) should be hand delivered to Performance Management Division, Cabinet Secretariat, at the following address:

Performance Management Division (PMD)

Cabinet Secretariat
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Janpath
New Delhi- 110 001

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