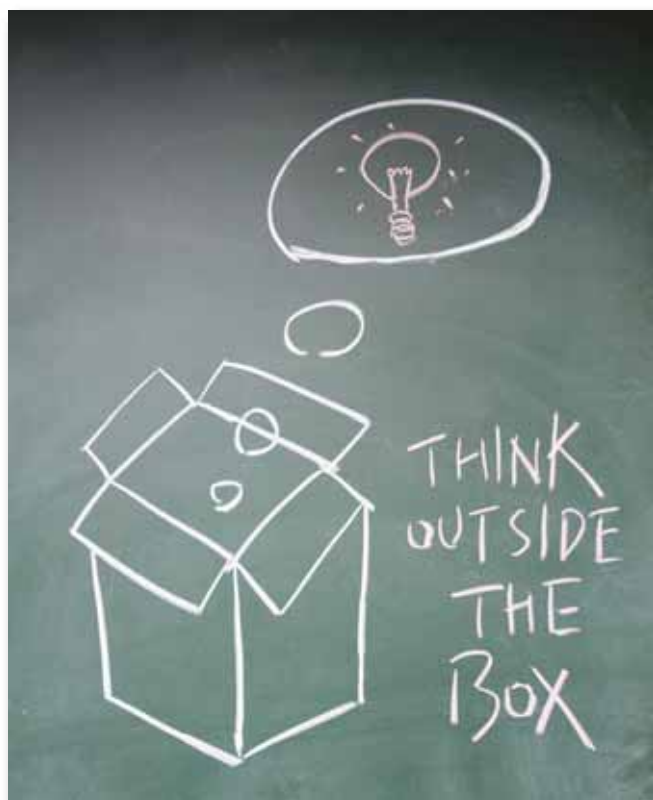


# Creating a Culture of Innovation

*Innovation is more than just creative problem solving and good ideas.*

By Robert Schoch, PRSBA



**A**fter years of grappling with the fiscal effects of the recession, we have exhausted the easy solutions. Clearly, the old ways will not meet the new challenges of doing more with less. We need to be innovative—to develop new skills in creative problem solving.

What constitutes innovation in educational institutions? Technology applications come to mind: online education, better software with electronic workflow, dashboard reporting, Internet phone systems, the flipped classroom, and cloud computing. Innovative labor-saving equipment is available, ranging from robots that clean floors and systems that remove snow from bus roofs to increasingly sophisticated software that controls building temperatures and online planning and management systems. In school finance, we are seeing electronic transactions, including online bill payments, online

bond auctions, and new performance-measuring systems. Electronic workflow allows automated review and approval. Many of these innovations improve effectiveness and reduce costs.

Schools are labor-intensive organizations, and productivity is critical as we try to maintain valuable instructional programs. Can we simplify and streamline our labor-intensive tasks by eliminating any steps that are no longer needed or that add no value to the process? Is there new equipment or software that will help? Can we renovate our schools to reduce labor requirements? Do we need to mow all that grass? Labor productivity is a hopeful area of concentration because if we can develop more productive labor, we will have money for well-deserved wage increases.

Innovation is more than just creative problem solving and good ideas. It involves converting those ideas into practice. In the private sector, the conversion must be achieved quickly and effectively to maintain an advantage in an increasingly competitive global economy. In education, rapid and successful deployment is also part of the new fiscal reality, as is the ability to sustain the cost-saving innovation.

## Promoting Innovation

Many organizations are finding ways to stimulate and manage innovation. Some organizations present a problem to cross-functional teams and ask them for problem-solving strategies. The teams use a structured approach to brainstorm solution options, seeking everyone's insight and fresh perspectives. Some organizations ask employees to submit a few ideas each month and select those from the pool that hold promise. Toyota uses the Production Preparation Process when making a radical change to a process or activity, rather than incremental improvement. For each step of the process, the team must develop seven different ways to achieve the change, with limited time to do so. Votes determine the final process.

The most powerful way to promote innovation is to incorporate it into the culture of the organization, mission statements, and strategic planning activities. Collaboration and systems thinking are important

components of an innovation culture. Everyone can be creative and offer innovative ideas when encouraged to do so. Training programs help stakeholders hone their new skills of collaboration, performance measurement, and communication.

The North Penn School District in Lansdale, Pennsylvania, initiated a program to foster innovation and creative problem solving through the collaboration of employees, students, and community members. Ideas are showcased at the annual Innovation Celebration. In the last two years, this evening event, which is open to the entire community, has featured more than 150 initiatives. Similar to a science fair, individual participants and teams explain their initiatives to the general public and fellow employees using poster boards that display 12–16 PowerPoint graphics. The participants articulate the financial implications of their proposed innovations, as well as the implementation challenges. Many of the employees have received support from partner organizations and vendors. Participants and attendees have an opportunity to discuss the proposals, which leads to adjustments, refinement, and some new ideas.

School officials, including business administrators, superintendents, and school board members from other school districts—some as far away as 100 miles—attend the event; some have presented innovative ideas on projects related to our initiatives. For example, Medicaid reimbursement for health services for special education students increased by 50% in one year as 250 employees turned their attention to the complicated process. A team of consultants presented their reverse tax assessment appeals program to recover reductions that were granted during the recession when property values declined. This new program has garnered more than \$1 million of new revenue each year.

The emphasis on innovation has supported major budget-balancing strategies. For example, the strategy of not filling all vacant positions means the district is now operating with 8% fewer staff members and 12% fewer administrative and other support service functions. The human resources department developed a process to evaluate each vacancy to determine whether duties can be eliminated, reduced, or reassigned to others.

The district has implemented many labor-saving strategies and has streamlined many processes. For example, the facilities department has maintained high levels of service, despite significant vacancies, through changes in the summer cleaning program and the use of labor-saving equipment.

Additionally, an innovative, comprehensive energy management program reduced energy use by 20% in a 12-month period and 35% in four years by modifying behavior rather than by making a capital investment. In technology, power management software has reduced the cost of energy used by computers by more than \$50,000.

Some of the greatest creativity and enthusiasm for the energy program come from students. Their ideas are among the most popular during the Innovation Celebration event. At the high school, students conceived and implemented a school-wide experiment in powering down the high school section by section and watching the results on live television. They also developed a complete engineering and financial analysis of lighting upgrades, including the high school's stage lighting system.

Technology offers savings through improvements in labor productivity and reductions in the costs of supplies and instructional resources. A Lean Six Sigma analysis identified opportunities to reduce copying and printing expenses through several measures that have improved performance and reduced costs by nearly 50%. The use of more online forms has streamlined processes and cut paper costs. Expanding the use of digital and online resources will reduce the cost of printed materials in the future. Online course selection used for 10th grade has reduced clerical efforts and will expand to the rest of the high school next year.

### **District-wide Participation**

Most areas in the school system developed innovative programs. For example:

- The efforts of the school nutrition services decreased food and supply expenses by \$300,000.
- Although the extended school care program continues to receive grants, another presentation proposed adding a development office position to expand grant-writing efforts, initiate an advertising revenue program, and develop alumni support.
- Records retention offers the potential to save in storage costs, to reduce labor, and to improve responsiveness to numerous information requests.
- One presentation focused on a multiyear grant program to improve literacy, which has totaled more than \$1.2 million per year.

The innovation initiative has resulted in over \$10 million in budget-balancing measures. Without these efforts, instructional programs would have been affected dramatically. But equally important, this initiative provides a positive focus as well as opportunities for collaboration and teamwork.

Through a focus on innovation, all employees are working to protect the core mission of the organization—the instructional program—during this period of economic uncertainty. Because of their comprehensive understanding of school systems, business officials have an opportunity to become innovation leaders.

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