

# **Innovation and Risk Taking: An Industry Canada Perspective**



## **A Case of Innovation in a Government Setting: Strategis**

**Annex to a Background Document for a Round Table Discussion  
Public Policy Forum October 6, 1998**

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#### *Strategis - A Case Study*

Strategis (<http://strategis.ic.gc.ca>), our interactive and dynamic Web site for business and consumer information, is proving to be a market success, with more than 1.3 million visits and 12.2 million documents accessed in 1997-98. *Strategis* is:

- *Canada's largest business information Web site, with close to 2 million electronic documents*
- available 24 hours a day, seven days a week
- a client-oriented service, allowing users to contact knowledgeable help-desk staff over the telephone, fax or e-mail for the assistance they require
- an evolving collection of more than 70 information products (as of January 1998), with thousands of links to other useful sites around the world
- *saving* users time and money.

Recent additions to *Strategis* include the Canadian Business Map, a powerful pathfinder to federal, provincial and municipal information for businesses.

New product/service development strategies are often highly unpredictable - neither the flow of development nor its end points can be specified with any degree of precision. Creativity lies at the heart of such programs - the creativity of organizations, and the talents, vision, inspiration and instincts of the individuals who work there.

With *Strategis*, the Department started small and knowingly confronted the risks of rapidly changing technology to develop new relationships with business and consumer clients. Calculated risks, new team-oriented ways of working, rapid, much faster cycle times, competitive internal business case resourcing mechanisms, and a less ponderous management structure were all intentionally used, in order to be at the forefront of the new, fast-moving Internet medium.

#### ***Innovation and change are inherently risky.***

*Strategis* was initiated by Industry Canada in 1994. It was - and still is - a key element of Industry Canada's new way of doing business based on redirecting and realigning the service content and delivery mechanisms in IC. A multitude of new ideas were brought together, new

models and concepts were developed for client services, and these ideas were implemented through advanced technologies.

***It was recognized at the outset that realistic assessments of potential risks and benefits were essential.***

Twelve months of intense study of client needs, Industry Canada capabilities and technological opportunities preceded the decision to embark on the family of *Strategis* projects. The danger of *paralysis through analysis* was ever present and *fully* recognized. In the end, a multitude of project proposals were considered, some projects were undertaken, some were not. Of those undertaken, some carried a greater degree of risk than others, but no one could say at the start which ones would succeed and which would not.

***Managing innovation while minimizing risks was a key challenge.***

Since we were dealing with new concepts and new technologies, management processes needed to be adaptive rather than prescriptive. Good judgement and diligent management oversight guided the evolution of this innovative project more than the strict adherence to policies and procedures that may or may not have been appropriate. Priorities, objectives, scope and resources were adjusted, in response to evolving difficulties and emerging opportunities, through regular senior management reviews. Certain projects were terminated when it became clear that potential risks outweighed potential benefits, while others were expanded to take advantage of new opportunities.

***The perspective taken in measuring success;***

Can cultivate a healthy environment to foster innovation and judicious risk taking, or it can become a serious disincentive to change. From a program perspective, *Strategis* has been a success. It was designed to help Canadian businesses, and from the usage statistics and client feedback, it is clear that we have hit the mark. *Strategis* and a number of its individual products are the recipients of a wide range of industry awards.

From the perspective of individual projects within *Strategis*, there were some clear successes and some clear failures. This was to be expected, since at the start, client requirements could only be identified in general terms and technological complexities could only be roughly estimated. Singling out specific failures, with 20/20 hindsight, and without full appreciation of the context and circumstances of key project decisions could do great harm to staff morale, and create a disincentive for risk taking. Our management challenge have been to extract the lessons learned, without associating a stigma of failure on the individuals involved.

***Program Audits have a significant impact***

On how organizations and individual managers respond to risk management challenges. The *Strategis* Audit conducted by the Auditor General in the Fall of 1997 focused mostly on the management process, rather than on the results achieved. Our performance was measured against Treasury Board's "Enhanced Framework for the Management of Information Technology Projects" of May 1996. While this framework was developed with great care, it relates to large IT projects and is not in our view, an appropriate benchmark for Internet based information publishing projects. *Strategis* was also faulted for not following the structure in TB's guide for "Creating and Using a Business Case for IT Projects".

From the outset, *Strategis*, and all its sub-components, were managed on a business case approach. Emphasis was placed on timeliness, because speed counts, and on clarity, since efficient communications was essential for effective decision making. We feel that this less cumbersome approach to project planning and management has served the *Strategis* development effort very well. Traditional IT project management methodologies would have been impediments to the timeliness of required transformation.

Notwithstanding these shortcomings, the Audit Report did provide useful suggestions for improvements and for reducing risks. However, its approach of measuring management processes against inappropriate benchmarks reduced the credibility of the report in the eyes of project managers and diminished the beneficial impact of useful observations.

***Moving from innovation to operation***

Called on a different set of management challenges. As *Strategis* has become more structured and formal (with some 8,000 daily clients) it is now necessary to adopt a more structured approach to its operation and maintenance. However, new product and service developments will continue on an innovative track in order to support judicious risk taking.

Our challenge will be to implement steps to provide more stringent quality assurance and business planning, and to involve our clients even more closely, but in such a manner as to not bureaucratize the current innovative dynamic and responsive processes that are working well and providing "real time" feedback. We believe that in this way, *Strategis* will be best able to continue to advance and evolve to meet the changing requirements of Canadians.