INNOVATION: HARNESSING THE POWER OF CREATIVE MINDS

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ABSTRACT

In 2015, Queensland Urban Utilities was ranked in the top 10 of the BRW Most Innovative Companies List. It is the first time a water and sewerage service provider has received this prestigious ranking.

The driver of this result is two-fold. Firstly, we recognise that culture is vital to a successful innovation model. Secondly, we ensure that the pre-conditions to foster innovation are in place.

This paper explores Queensland Urban Utilities’ approach to embedding a formal innovation program that gives employees permission to create, collaborate, adapt and respond to change. A program which is truly harnessing the power of creative minds.

INTRODUCTION

About Queensland Urban Utilities

Queensland Urban Utilities, formed on 1 July 2010, is the largest water and sewerage distributor-retailer in South East Queensland. The organisation is jointly owned by the councils of Brisbane, Ipswich, Lockyer Valley, Scenic Rim and Somerset. It is governed by an independent Board.

Queensland Urban Utilities delivers drinking water, recycled water and sewerage services to more than 1.4 million customers in its service area. Our purpose is to "enrich quality of life", supported by our vision:

“To be recognised for our excellence in water and sewerage services that meet the evolving needs of our customers and enhance our communities.”

Queensland Urban Utilities sees itself as a leader in innovation in the South East Queensland region. The organisation actively seeks to challenge itself, and industry thinking, to come up with lasting solutions to the economic, environmental and social issues that come with supporting our fast growing communities.

DELIVERING INNOVATION

The challenge

Like other longer fuse organisations, Queensland Urban Utilities faces a common challenge: the need to improve performance, respond to and benefit from rapid change, and remain relevant within our own industry - all while delivering an essential service that is sustainable, affordable, reliable and resilient for the generations of tomorrow.

We also recognise that our capacity to create new knowledge, find new ways of doing business, and transform bright ideas into tangible results is vital to maintaining a modern and sustainable business.

We are meeting these challenges head-on through a dedicated innovation program.

The approach

Launched in late 2013, Queensland Urban Utilities’ Innovation Program (the Program) is underpinned by the premise that innovation can happen anywhere, and be cultivated by anyone. It is about doing things better, working smarter, and making our lives – and our jobs – easier.

The Program provides a supportive environment for our people to generate ideas, follow them through, and inspire others to be creative and inventive. It also makes it economically feasible to ask ‘what-if’ questions and generate preliminary answers.

Through the formal program, we enable innovation by giving our employees permission to create, collaborate, adapt and respond to change, and most of all permission to fail safely, and share the lessons learned.

The Program is firmly cemented in the precept that culture is vital to a successful innovation model, in particular:

- leadership,
- an appropriate corporate strategy, and
- a capable and motivated workforce.
Linking to the corporate strategy

Our strategic direction articulates where we want to be and how we plan to get there, that is, how we will achieve our purpose and our vision.

While innovation underpins our overall strategic direction, it is explicitly called out in our strategic goals linked with operational excellence, these goals being to:

- continue building our innovative culture to encourage identification and implementation of innovative opportunities,
- use research and development as a catalyst to adapt to changes in our environment, and
- continue developing new products and services that support the current and future needs of our customers, communities and shareholders.

Our strategic direction is influenced by our organisational values (refer Figure 1) that act as guidelines for employees on what behaviour is expected and how decisions should be made.

![Figure 1: Our organisational values](image)

Specifically, the values of ‘creativity’ and ‘accountability’ help us to embed innovation in our workplace culture.

The value of creativity inspires staff to look for better ways to do things, have the courage to be creative, demonstrate initiative and embrace change, and be committed to excellence.

The value of accountability encourages staff to use initiative to find solutions when they encounter problems and consistently deliver on promises and commitments.

The Program

Our multi-faceted Innovation Program is made up of five equally-important elements:

- idea generators,
- innovation catalysts,
- the CEO Innovation Hour,
- mentors, and
- the Innovation Precinct.

**Idea generators.** We recognise that great ideas come from anyone, anywhere in the business, which is why we encourage staff to embrace innovation and submit their ideas for consideration, regardless of their complexity. These passionate and creative employees are known as ‘Idea Generators’ and are the crux of our Innovation Program. To date, 136 staff have assumed this title.

**Innovation catalysts.** Our iQ Group comprises ‘Innovation Catalysts’ from across the business who are responsible for encouraging staff to become ‘Idea Generators’; sharing and promoting ideas with relevant areas of the business; and tracking and monitoring the innovation process from inception through to delivery. Innovation catalysts undergo intensive training, which gives them the skills to foster innovation and creative thinking within the organisation.

**CEO Innovation Hour.** Every two months, we host a CEO Innovation Hour, a forum where employees are given the freedom and support to pitch their ideas directly to our CEO. If approved for development, the Idea Generator is assigned a Mentor from a relevant area of the business. To date, over 100 innovations have been approved by the CEO, with 63 projects active in the delivery phase.

**Mentors.** The role of a Mentor – chosen from a pool of 25 senior managers and executives – is to provide their assigned Idea Generator with support, leadership and resources (time, budget and staff) to ensure an idea is progressed to completion without obstruction.

**Innovation Precinct.** The Innovation Precinct, at Luggage Point Sewage Treatment Plant, is the first of its kind in Australia and is integral in supporting and developing an innovative, collaborative culture.

The precinct houses:

- scientific research projects with universities,
- pilots and trials with industry partners to bridge operational capacity and capability gaps, and
- innovations targeting optimisation of operational processes and efficiencies.

The Precinct enables our employees and partnering organisations to look for smarter, more efficient ways to operate. The dedicated facility brings together employees with an alternative set of ideas and problem-solving approaches and easily generates an innovative, collaborative environment.
The Precinct enables Queensland Urban Utilities to:

- focus on innovative approaches, which reduce cost and increase business development opportunities.
- collaborate with over 30 utilities, technology providers and leading university research organisations undertaking innovative research to improve our water treatment knowledge.

The precinct also provides an unparalleled opportunity for tertiary students to work on an industrial site with real-world conditions, preparing them for future work in the water industry.

Ultimately, the facility is an established cultural symbol for the generation of innovative solutions, and brings our award-winning Innovation Program to life.

The framework of IDEAS

To ensure new ideas are given ample opportunity to flourish, Queensland Urban Utilities has a formal process for capturing, vetting and resourcing projects to see them through to completion. Aptly, this five-stage process translates to the acronym: IDEAS – Idea generation and capture, Determine strategic alignment, Evaluate, assess and analyse, Action and implement, and Solution monitored.

I – Idea generation and capture. Through various communication channels, we encourage staff to identify innovative ways to work smarter, and empower them to share their ideas via a purpose-built ‘new ideas’ form (online or hard copy) or by liaising with one of the business’ Innovation Catalysts. All ideas are collated into a dedicated database managed by our Innovation, Research and Development team.

D – Determine strategic alignment. The iQ Group assesses each idea based on its alignment with our strategic direction, and its potential contribution to the business and our stakeholders (for example, reduced cost, increased revenue, community and economic benefit).

E – Evaluate, assess and analyse. The iQ Group further evaluates the idea based on the potential risk involved and the organisation’s capability to deliver. If the idea is deemed to be moderate-high risk in terms of probability of success, project complexity and time to deliver, the idea is pitched directly to the CEO and senior management at the CEO Innovation Hour for further evaluation.

A – Action and implement. Depending on its level of complexity, an idea that is approved is assigned to either:

- a local area team for immediate implementation. These ideas often involve streamlining current work practices as opposed to creating new practices, and can be executed using existing resources. These ideas are referred to as ‘incremental ideas’; or
- a dedicated project team for further development and testing. These ideas exhibit a high level of uncertainty and complexity, and are referred to as ‘strategic ideas’. They generally involve developing a new product/service, or improvements to the way products or services are delivered.

S – Solution monitored. Based on outcomes from the trial/implementation, a decision is made in relation to implementation on a broader scale (if applicable), i.e. business cases, feasibility studies. All projects undergo a benefit realisation process, which delivers detailed performance analyses.

Fuelling the innovation fire

Driving the delivery of our Innovation Program is our Innovation, Research and Development (IRD) team - three full-time staff members who are responsible for the program’s ongoing governance and management.

Supporting the IRD team are the Innovation Catalysts who, outside of their regular roles and responsibilities, are given permission to invest up to 10 hours per month to:

- work with Idea Generators to assist them in fine-tuning their ideas,
- attend weekly iQ Group meetings to assist the IRD team with the evaluation of new ideas,
- attend CEO Innovation Hours to champion the ideas being presented, and
- assist in the development of actions plans to enable a successful partnership between the innovator and mentor.

Our Innovation Program is funded from our overarching Research and Development (R&D) budget, which also allocates funds for collaborative research and pilots and trials. In recent years, we increased the Program’s budget by 335%, which highlights the importance Queensland Urban Utilities is
placing on embedding innovation into our organisation’s culture, and implementing change that adds value. Innovations are also funded from decentralised group budgets. These investments are generally offset by the operational efficiencies realised following implementation of an idea.

To help build our constructive and creative culture, we also provide recognition and rewards for our innovative employees in the form of monetary gift cards, training and development opportunities, and public acknowledgment through our internal colleague recognition program, external media coverage, inspirational internal storytelling, and an annual award program. These initiatives encourage others to follow suit and become Idea Generators.

**Innovation isn’t a buzzword**

Queensland Urban Utilities is reaping the benefits of developing, implementing and managing a formal innovation program. Table 2 shows the organisational profile.

<table>
<thead>
<tr>
<th>Focus</th>
<th>Result</th>
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<tbody>
<tr>
<td>Commitment</td>
<td>• Board &amp; executive support</td>
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<td></td>
<td>• Allocated IRD budget</td>
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<td>• Dedicated IRD team</td>
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<td>People</td>
<td>• Two out of three employees feel encouraged to come up with new and better ways of working.</td>
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<td></td>
<td>• 20% of employees are directly engaged in the innovation program</td>
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<td></td>
<td>• 48 innovation catalysts</td>
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<td></td>
<td>• 42 active project managers &amp; 25 project mentors/sponsors</td>
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<tr>
<td>Ideas</td>
<td>• 220+ new ideas generated by employees</td>
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<td></td>
<td>• 100+ innovations approved by the CEO</td>
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<td>• 63 projects in delivery phase</td>
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<td>Benefit</td>
<td>• Significant offset of capital investment</td>
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<td></td>
<td>• Reduce operational expenditure</td>
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<td>• $6m in efficiencies</td>
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*Table 2: Innovation profile at Queensland Urban Utilities*

In response to the enormous innovation uptake, it became clear that the centre-led iQ group would need considerable support and our employees needed new engagement channels. As a result we established small local groups focused on: initiatives to drive excellence in customer service, trialling and prototyping IT solutions, exploring new infrastructure delivery solutions, and safety innovations for our field crews.

**Taking innovation to the world stage**

Our award-winning Innovation Program continues to evolve and gain recognition both nationally and internationally.

In 2015, we were invited to join 39 water utilities from around the world as a participant in the Water Research Foundation (WRF) Project – Fostering Innovation within Water Utilities. The objectives of the project are to characterise innovation activities within water utilities, define the value proposition for innovation, and develop an organisational framework for fostering innovation.

At the inaugural WRF project workshop, held in Los Angeles in December 2015, our IRD Manager was invited to share insights on the cultural aspects and collaborative outcomes of the Program. The feedback received from peers was overwhelmingly positive, with a number of utilities indicating their desire to replicate our structured approach.

As a result of this engagement, we have developed mutually beneficial relationships with a number of international water utilities and industry representatives.

The Program continues to generate significant interest world-wide, demonstrating that our approach to innovation is transferring across the water industry.

**CONCLUSION**

As an essential service provider, we understand the basic role quality and reliable water and sewerage services play in fostering healthy and liveable communities.

It is the expectation of our customers, and the community that these essential services are sustainable, affordable, reliable and resilient – now and for the generations of tomorrow.

In rising to the challenge, we recognise that great ideas come from anyone, anywhere in the business, which is why we have embraced innovation, and provide a supportive environment for our people to generate ideas, follow them through, and inspire others to be creative and inventive.