ESDC Innovation Lab

Annual Report

January 2018–March 2019

LAB
INNOVATION

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January 2018–March 2019

"We learned that we will never be truly client-centric until we break down our organizational silos so that we can design policy and services from end to end; that's the only way to remove the barriers that affect the people we serve."

Lesley, Lab Client

About the Lab

Dear Deputy Minister,

The Lab is an open, welcoming space dedicated to finding new insights into long-standing challenges. We work with partners across ESDC to develop solutions with Canadians, for Canada. We help to transform and deepen internal capacities for change through experimentation and experiential learning, across the full spectrum of services, programs and policy design.

May 2019 marks four years of the Innovation Lab's work in this space. It is an opportunity to celebrate with our clients and partners on past successes. Highlights from 2018–2019 demonstrate the evolutionary maturity of the Lab since its inception, including:

• The conclusion of the 2017–2018 Full-design Project for the Canada Learning Bond
• The launch of the 2018–2019 Lab Full-design Project for Guaranteed Income Supplement
• Supporting the department's medium-term planning (MTP) process
• Beginning development of a three-year Strategic Plan for the Lab, 2019–2022
• The development and adoption of a Privacy Protocol
• The development and adoption of an Ethics Charter and related guidance documents
• Contribution to the creation of the Canada Service Corps, as announced in the 2019 Budget

Looking back over the past fifteen months, it is also a time of reflection and introspection – how might we improve upon our four business lines, in order for us to address the ever-evolving needs of our clients and partners? We are at a pivotal moment in time – projects have become more complex in their depth and scope. How should we move forward and also stay true to our founding principles, entrenched in the Beyond 2020 exercise – to be agile, inclusive, and equipped to take on these new challenges?

You will find some initial insights into these questions within this annual report, which is itself an experiment. The entire Lab team wrote the first draft of this report in a single day. It is a collection of direct feedback from clients and the Lab's own staff. Using stories shared with us through anecdote circles, this report not only recounts our recent experiences. It is also a reflection and endeavor for us to better understand our stakeholder's needs related to the challenges they face at ESDC and to identify areas of improvement for the Lab.

Finally, but not least, this report is an opportunity to stress test some baseline performance metrics that we have adopted, to demonstrate the Lab's impact on influencing an organizational culture of innovation.

In the words of one of our clients, *"the Lab is a part of the organization - rather than on the side - a catalyst to shift, to rethink, to do it better, to aim higher"* – Raf, Lab Client

Yours sincerely,

Jeannie Dempster
Lab Director

Business Lines
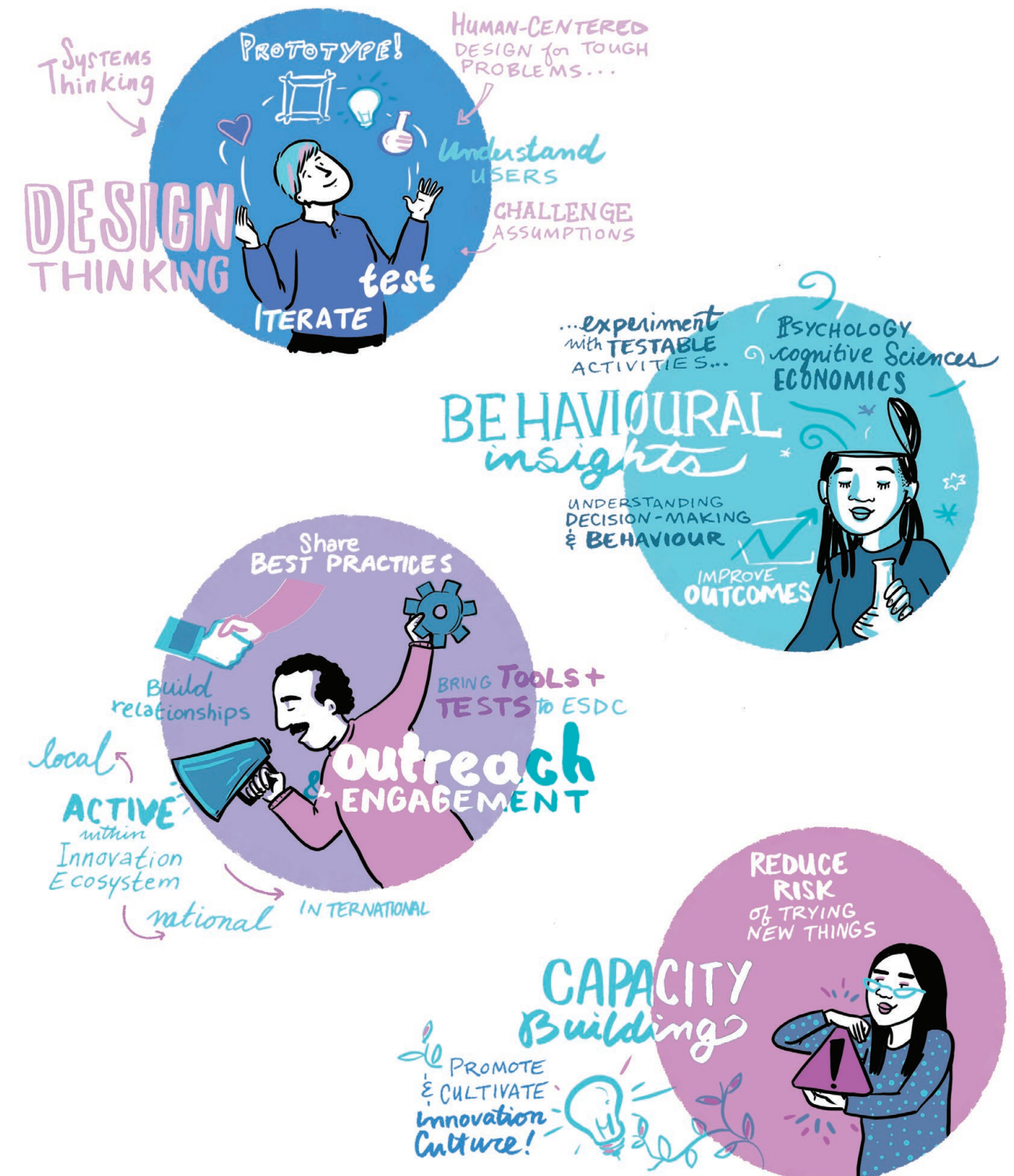
Front Row: Jordana, Denisa, Jaya, Hasti, Teresa, Louise, Jeannie, and Rebecca
Back Row: Catherine, Jespal, Emilie, Colleen, Christine, Jad, Daniel, Steven, and Mathieu... *There in spirit: Chantal and Jessica*

Multidisciplinary Lab Team

The Lab is a corporate resource providing an internal consulting service to ESDC, conceived as a means to meet the changing needs and expectations of Canadians.

The way the Lab works is not linear. There is careful attention placed on designing projects and activities that engineer different ways of thinking through the lived experience of Canadians. We offer a suite of human-centered tools to understand a full range of challenges from the individual perspective.

The Lab's mix of skill sets is not typical in government; we represent a diverse mix of temporary and longer-term staff. With academic backgrounds and experiences spanning a variety of disciplines and sectors, staff in the Lab have expertise in behavioural economics, design thinking, graphic design, systems thinking, research methodology, organizational development, foresight, policy development, and more.

The diversity of the Lab staff is a great strength. The rising complexity of economic and social challenges means that our clients and project teams benefit from a range of perspectives, enabling the melding of tools, creative thinking, and exploring new ground.

In the Lab, we hold space and time for conversation, exploration, and opportunities for collaboration so that unfiltered ideas and views emerge.

Failure is a possibility – a fact that we view as potential to learn and grow. When explored with an open mind, new learnings can generate unexpected opportunities. The key is to learn, iterate and progress.

Vision - Why we do it

- Designing solutions with Canadians, for Canada.

Mission - What we do

- We empower our partners to integrate human-centered design and experimentation practices.
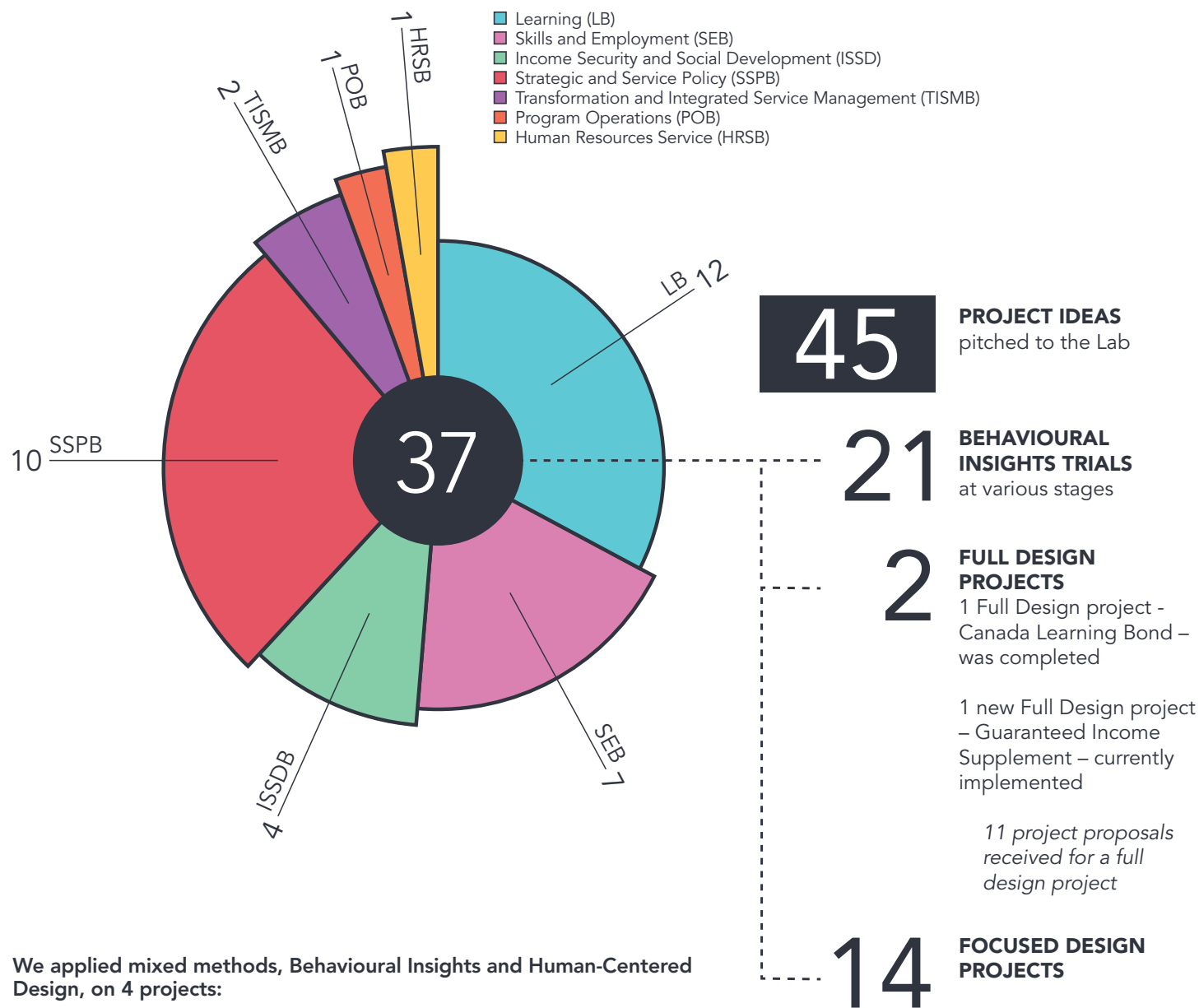

Mandate - How we do it

- We use a new policy, program, and service development process that integrates END-USER perspectives right from the outset and brings together HORIZONTAL teams to explore problems and develop solutions.

By the Numbers — and Much More

Projects: January 2018–March 2019

Distribution of Projects by Branch in ESDC

Legend:
- Learning (LB)
- Skills and Employment (SEB)
- Income Security and Social Development (ISSD)
- Strategic and Service Policy (SSPB)
- Transformation and Integrated Service Management (TISMB)
- Program Operations (POB)
- Human Resources Service (HRSB)

1 HRSB
1 POB
2 TISMB
LB 12
10 SSPB
4 ISSDB
SEB 7
37

45 PROJECT IDEAS
pitched to the Lab

21 BEHAVIOURAL INSIGHTS TRIALS
at various stages

2 FULL DESIGN PROJECTS
1 Full Design project - Canada Learning Bond – was completed

1 new Full Design project – Guaranteed Income Supplement – currently implemented

11 project proposals received for a full design project

14 FOCUSED DESIGN PROJECTS

We applied mixed methods, Behavioural Insights and Human-Centered Design, on 4 projects:

1) Canada Learning Bond Trials
2) Unconscious Bias in Staffing
3) Canada Disability Savings Program
4) Applying Behavioural Insights (BI) to Help Unemployed Canadians Return to Work Faster and Better

Working with Canadians, for Canada

150+
Canadians engaged via project workshops (individuals, community organizations, other stakeholders)

723,000
Canadians were reached through 21 BI Trials

"I am pleased to see that the government is willing to listen to seniors needs. However, I hope that our suggestions are taken seriously and are not a waste of time."

Workshop Participant

"… we are testing and we are learning. The idea of testing six different emails, six different nudges to see which one works better. Again, it's science."
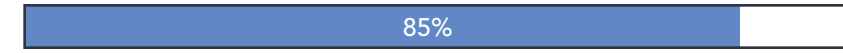
Mina, BI Project Client

Event Participation

Over 600 participants provided us with feedback at various events:

70%
of participants are able to apply Lab learning and results to their work

[I learned] ways to engage youth in innovative, meaningful & appropriate ways.

85%
of participants feel their thinking has advanced due to coming to the Lab

It's important to have these conversations - whether for informational purposes or for reminding people of the issues Canadians face - in order for us to improve outcomes for Canadians.
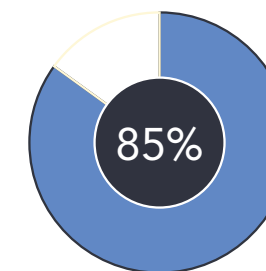
Over 35 project events

92%
Met or exceeded expectations
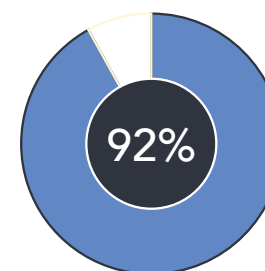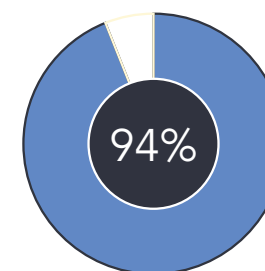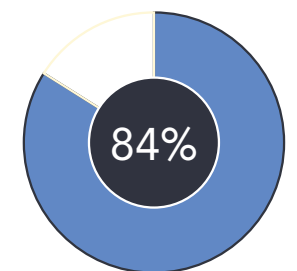
94%
Facilitation was effective or very effective

9 Minds over Meals learning sessions

85%
Met or exceeded expectations

84%
Facilitation was effective or very effective

"[Design Thinking] brings together a much broader range of perspectives than what you would get if you were to drive this through a more traditional table top exercise."
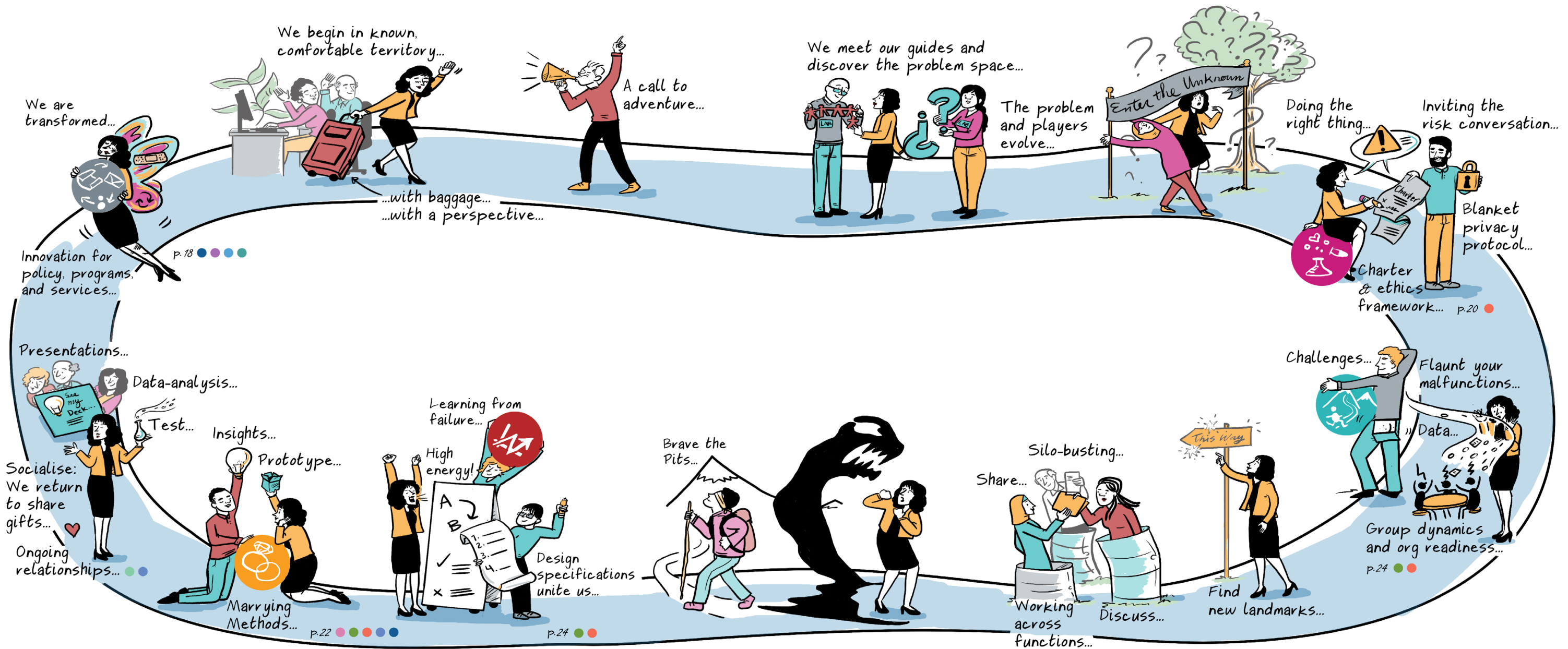
Simon, Lab Client

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Project Journeys

The Journey

We are transformed...

We begin in known, comfortable territory...

A call to adventure...

We meet our guides and discover the problem space...

The problem and players evolve...

Enter the Unknown

Doing the right thing...

Inviting the risk conversation...

...with baggage...
...with a perspective...

Innovation for policy, programs, and services...
p. 18

Blanket privacy protocol...

Charter & ethics framework... p.20

Presentations...

Data-analysis...

Test...

Insights...

Prototype...

Learning from failure...

High energy!

Brave the Pits...

Silo-busting...

This Way

Challenges...

Flaunt your malfunctions...

Socialise: We return to share gifts...

Design specifications unite us...
p.24

Share...

Data...

Ongoing relationships...

Marrying Methods... p.22

Working across functions...

Discuss...

Find new landmarks...

Group dynamics and org readiness... p.24

Innovation for Policy, Programs and Services

The Lab continues to build capacity across the department for innovation and experimentation through the policy, programs and services continuum, bringing new voices to the conversation using approaches such as design thinking and collaborative sense making.

Interdepartmental Policy Design

This year, the Lab united a cohort of 37 participants from across 11 departments and not-for-profit organizations. The cohort produced policy prototypes. These concepts were developed over a series of workshops and stress-tested against user stories curated from ethnographic fieldwork. Significantly, the project united a diversity of departmental mandates with the lived experience of Canadians.

Foresight Policy Design

In partnership with Policy Horizons and Service Policy, the Lab engaged ESDC executives, mixing foresight with user stories derived from ethnographic fieldwork. They assessed risks and disruption signals against current and future program/service designs. This two-day workshop yielded a rich plenary discussion on organizational readiness for experimentation. The group assessed emerging trends and the support requirements for responding to these through the tagging of alternative policy and program designs.

"The empathy gallery of Canadian stories, raw transcripts, pictures and quotes connected with participants so much that some had a hard time staying in the room from emotion."

Catherine, Lab Manager

Grass-roots Policy Development

The arrival of our new Deputy Minister Graham Flack initiated a grass-roots approach to policy development, led by analysts from across the department. Four task teams united to present their unvarnished visions for ESDC's mandate to Assistant Deputy Ministers and Deputy Ministers. The Lab provided advice to task teams, encouraging diversity of thought and non-traditional mindsets for policy development with a bottom-up approach.

Program Development through Co-Creation

The Canada Service Corps came to be in Budget 2019, born of an intensive co-creation process with young people across Canada in the prior two years. The seed that bore the Canada Service Corps was an exploratory Lab project conducted in 2016. This project used design thinking to challenge the fundamental assumptions of services working closely with young Canadians, the outcome of which was a new approach to contracting to ensure the program would continue to be shaped by young Canadians.

Prototype from Real Time Performance Challenge

Reaching more Canadians through Letter Trials

The Lab and the Canada Disability Savings Program teamed up with Canada Revenue Agency's Accelerated Business Solutions Lab to create a Randomized Control Trial testing for a number of newly designed letters sent to 110k eligible Canadians. The letters included links to videos that described the program and how to sign up. This trial provided a new window to explore how Canadians make use of online resources to complement standard information.

Service Delivery Innovation

The Real-Time Performance Design Challenge pushed departmental thinking to develop service solutions. The 3-day workshop brought together a cross-functional mix of ESDC employees to develop solutions to communicate real-time performance information to clients online. The diverse teams – made-up of call centre and front line agents, policy specialists, web developers, data analysts and program operations staff – explored existing applications and potential barriers from the perspective of Canadians, and prototyped solutions presenting them to a judging panel for feedback.

"The prototypes didn't make it directly, they weren't implemented exactly as they were, but they had this unlocking effect causing different parts of the department to think about what real-time information means in a different way."

Alanna, Lab Client

Minds Over Meals on Research Ethics

Doing it Right

The Lab interacts with Canadians through design thinking and behavioural insights projects to help refine and reframe problems and to develop and test solutions to these problems. We take this privilege seriously by integrating risk early in our project implementation and using an Ethics Charter to govern our research and fieldwork responsibly.

Ethics Charter
As ESDC continues to expand its use of experimentation with behavioural insights and more broadly, we are mindful that our experiments and engagements with human subjects must be ethically sound. To help support the Lab and the department in this space, we developed an Ethics Charter, with principles and guidelines based on the Tri-Council Policy Statement: Ethical Conduct for Research Involving Humans.

Comprehensive Privacy Approval
The Lab has developed a comprehensive privacy protocol process to expedite our ability to engage Canadians on new projects. The protocol ensures privacy compliance and serves as the standard for collection, use, and safeguarding of personal information for any Lab projects. To remain responsible stewards of personal information, we connect with the department's Privacy Management Division regularly for privacy advice on individual projects.

Inviting Risk Conversations
Engaging the perspective of Canadians throughout the design process is fundamentally a non-traditional way of working for the Government of Canada. We often encounter resistance when trying to engage directly with diverse groups, including other departments, sectors, and Canadians because of the risk, or perceived risk it entails. In fact, risk is an inherent part of Lab projects. We have encountered significant delays in our project timelines because of this risk aversion, which can stifle our process and dampen collaborations with partners and clients.

We have learned through experience that it is important to be present in briefings with senior management to respond clearly and early to risk concerns with a design project. We also make an effort to mitigate risk by testing our designs before we implement them, discussing risk openly with clients, and establishing trusting relationships with external participants.

All Lab projects go through an incubation phase that is typically longer than the client expects. This negotiation stage occurs over several meetings that allow all parties involved to express concerns, test boundaries, articulate roles and responsibilities, timelines and intended objectives in the form of a Project Charter.

Workshop on New Horizons for Seniors Program

Marrying Methods

The Lab uses human-centered methods and approaches, from a variety of disciplines, to meet the needs of the client and project design. Complex or ill-defined problems require novel approaches. We have been experimenting beyond design thinking, behavioural insights, and systems thinking, by mixing these methodologies with each other. The Lab has also brought new methods into the mix, such as coaching, Balanced Scorecard and Rapid Impact Assessment.

Design Meets Behavioural Insights

Over the years, the Lab has been conducting behavioural insights trials aimed at increasing the take up of the Canada Learning Bond (CLB) using promotional mailing to eligible families. Results from the first trials were underwhelming and they failed to outperform the standard letter used by the program. To understand the educational and financial decision-making of families living with low income, we launched a full design CLB project using tools from systemic design and conducting extensive ethnographic fieldwork. We used the findings and insights from the qualitative field research to inform letter design.

Foresight Policy Design Workshop

Standard Letter
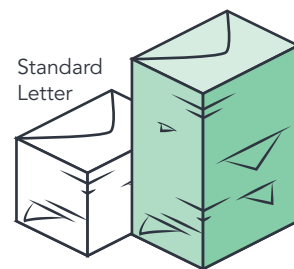
55% Increased take-up of the CLB from ethnographic lab fieldwork

Given the success of combining behavioural insights and design thinking, we are now using this approach for a number of new challenges, including those facing the Guaranteed Income Supplement and the Employment Insurance programs.

Coaching, Balanced Scorecard, and Rapid Impact Assessment

Our mixed methods approach has pushed organizational boundaries and opened new opportunities for user-centric design.

The Lab facilitated an executive strategic meeting between our Chief Data Office and Statistics Canada. We leveraged coaching principles, design thinking tools and change management to guide a dialogue towards shared aspirations and short-term actions.

The Lab worked together with the Transformation and Integrated Service Management Branch and an external consultant to design and deliver a series of five-day workshops to develop a Balanced Scorecard for Service Delivery. A collective endeavour, the project brought together a cohort of experts from across the department and used human-centered techniques, including design thinking, a Delphi approach and organizational development principles.

A first iteration of a Strategy Map was developed and included success factors and key performance measures to support decision-making.

The Rapid Impact Assessment for the New Horizons for Seniors Program pilot was a collaboration with the Evaluation Directorate and two external consultants. Highlights of the project include anecdote circles conducted with program beneficiaries, and a workshop series hosted both in the Lab and in the field, which brought together internal evaluation experts and external participants.

The Lab hosted an external workshop with over 70 participants from private businesses serving seniors, seniors' organizations, and individual seniors. The workshop gathered feedback, identified gaps in the current program model, and informed the development of alternative program designs (e.g. counterfactual scenarios).

* A Balanced Scorecard is a performance metric used in strategic management to identify and improve various internal functions of a business and their resulting external outcomes.

** Rapid Impact Assessment integrates empirical data with qualitative insights, and uses a scenario-based counterfactual, or hypothetical possibilities to assess the current impact of a program and consider alternative program design.

Chief Data Office and Statistics Canada Strategic Meeting

Challenges and Learning from Failure

Despite the Lab's successes, our projects often come with challenges. Differences in expectations can result in imbalances between client readiness and what the Lab is prepared to offer. Our use of non-traditional research methods, including ethnographic research, can reveal findings that challenge our own understandings of existing program and policy design, and the individuals and/or populations that use government services.
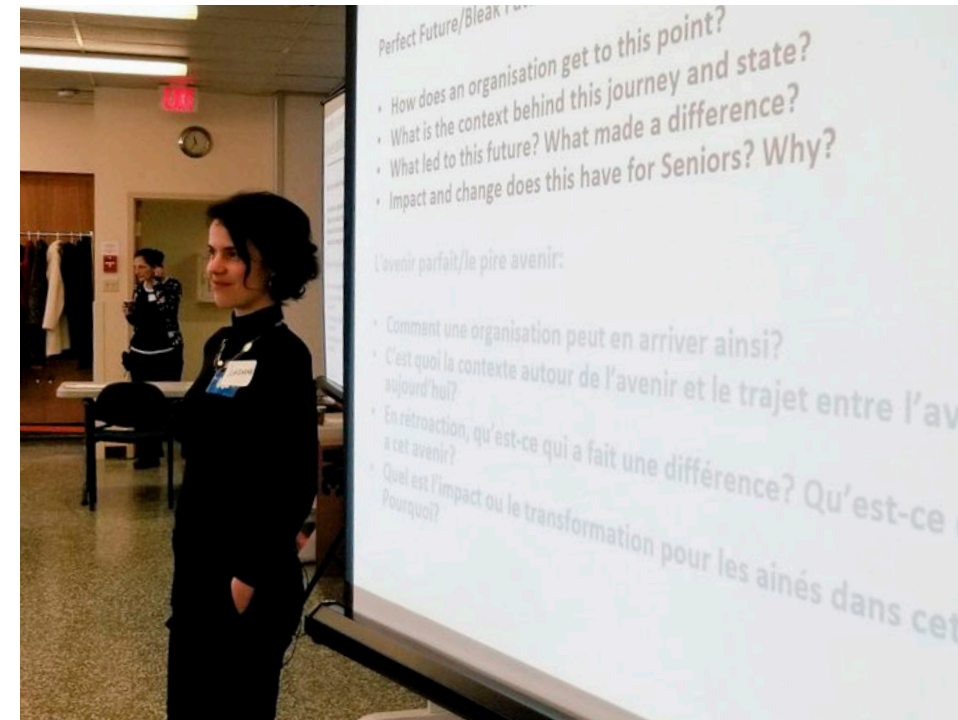
For Behavioural Insights Research and Design (BIRD), experimentation in government is rife with challenges given the demands it places on having the right skills, time and infrastructure, and data and procedures. BIRD helps teams from across the department use behavioural insights and experimentation to improve their programs and services to continue to expand the use of experimentation in ESDC.

A service delivery project sought to identify opportunities to support front-line ESDC staff in offering inclusive and respectful experiences to all clients taking a gender-diverse lens. The workshop series did not take place, but in this case the client was able to take the exploration and workshop development work completed in partnership with the Lab and continue with the project on its own.

We all love to share our successes. Sharing our failures is equally important so that we can learn from our mistakes. There are no guaranteed successes when trying something new, and we embrace failure as an opportunity to learn.

New Horizons for Seniors Program Workshop with External Participants

We learned valuable lessons when designing for the New Horizons for Seniors Program. We failed to explain fully our approach and the importance of engaging with diverse service providers. We delegated the responsibility of assembling and briefing participants to a third party and took for granted that they would have the same approach. An imbalance between external and internal perspectives resulted and several external participants left the first workshop disappointed.

We wanted to address the failure of this early session with external participants who had been let down by the process. We called each participant for feedback. Our next workshop, the largest group of external participants yet for the Lab, was born from failure. By following up with Sarah (external participant) we were able to host a second workshop with close to 70 external participants.

" Experimentation means failure – be comfortable with failure because failure is what teaches you."

Chris, Lab Client

" It goes to show how important follow up with external participants is – Sarah had a somewhat negative first experience with the Lab, but I followed up with a call to learn more. Over our conversation, she volunteered to put together the participant list for [the next] workshop. This follow up and listening made all the difference to the project."

Jordana, Lab Facilitator

Keys to a Successful Lab Project:
1. Impact Canadians directly
2. Reframe problems, explore and test solutions with an open mind
3. Engage diverse perspectives including frontline staff and end users
4. Quickly respond to new findings
5. Support from privacy management
6. Endorsement from executive management
7. Co-present results and lessons learned
8. Negotiate project charters
9. Combine human-centered approaches
10. Repurpose findings and lessons learned from one project to others

Top Challenges:
1. Taking it personally. Many see any proposed changes to the status quo as a rejection of their past efforts
2. Mismatch between how we intend our programs and services to operate, and Canadians' lived experiences
3. Fitting new ideas to fixed timelines
4. Readiness of key partners to test and implement new ideas
5. Inflexible departmental policies and procedures inhibit innovative approaches
6. Bringing clients up to speed following turnover in their team or management
7. Changing perspectives from command and control to experimentation and iteration

"Demonstrate to people that it's not about having a cool space or post it notes and whiteboards. Demonstrate to them that this is their toolkit and start empowering analysts to learn about these tools and do it themselves"
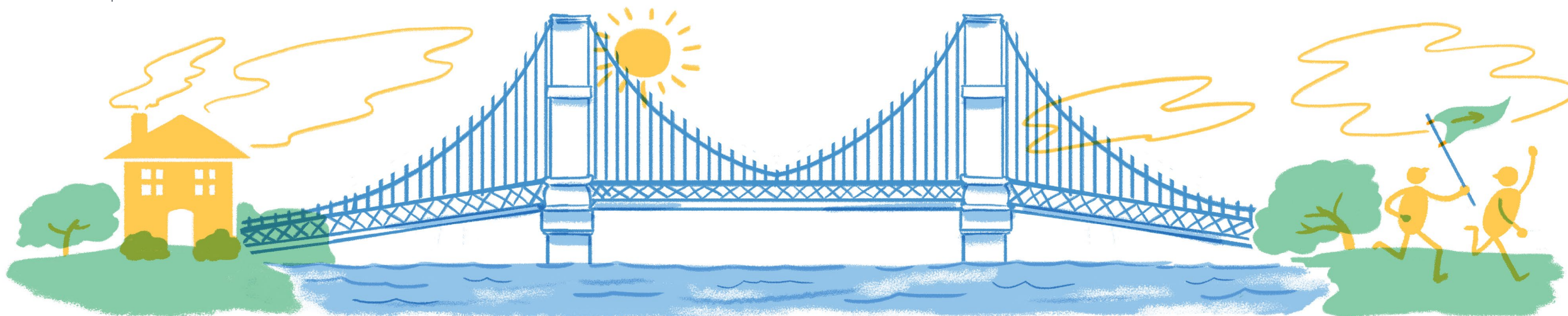
Farnaz, Lab Client

3

Communications and Outreach

Building Bridges & Developing An Innovation Culture

Continuing efforts to promote the Lab and build capacity for innovation and experimentation within ESDC

At Home

- Built frameworks to guide research ethics and privacy

- Hosted 9 Minds over Meals - lunch and learn sessions - covering a diverse range of topics

- Taught workshops on the practice of experimentation

- Spearheaded ESDC Innovation Community of Practice to tackle barriers collectively

- Created weekly open office hours to provide tailored advisory services

- Raised awareness of Lab through a variety of activities, presentations, dry-run sessions

- Bi-weekly Lab newsletter shared with over 900 recipients

In Our Community

- Involved in Government of Canada networks and communities of practice including BI, Hubs and Labs, GCentrepreneurs, Free Agents, OneTeamGovCan, GC-experimentation and Experimentation Works

- Co-designed and delivered a How Might We Co-Create Policy for the 2018 Policy Community Conference in partnership with TBS and policy community

- Through our work with clients we regularly collaborate with other departments such as Canada Revenue Agency, Immigration, Refugee and Citizenship Canada, Privy Council Office, and others

In Our Country

- Shared the impact of the Lab's work through presentations at conferences in Canada including:

  – Behavioural In-sights in Canada
  – Behavioural In-sights Practice in Public Policy
  – ABLE Financial Empowerment
  – Southern Ontario Behavioural
  – Decision Research Conference
  – Canadian Statistical Association
  – Canadian Research Data Centre Network
  – GovConnect Canada
  – TechGov Leadership Summit
  – Institute of Public Administration of Canada
  – Design Thinkers

- Collaborated cross-jurisdictionally with the Government of New Brunswick, Ontario, British Columbia, and Alberta on behavioural insights projects

- Connected with industry and academia through learning and collaboration opportunities including academic partnerships with the University of Toronto on behavioural insights

In The World

- Profiled as one of 10 behavioural insights teams by the World Bank in Behavioral Science Around the World

- Featured case study in Observatory of Public Sector Innovation (OECD) Integrating Design and Behavioural Insights to increase the take-up of an education savings program for Canadians living in low income

- Learning from international colleagues such as NESTA, Government of Denmark, Chile and Mexico

- Presented the Canada Learning Bond Project at Relating Systems Thinking and Design 7 Symposium (RSD7) in Turin, Italy, as well as OECD Innovation Conference in Paris, France

Our Journey Continues

- The Lab continues its capacity building and outreach and engagement efforts to build connections, share learning, and collaborate across boundaries within ESDC, the Government of Canada, nationally, and internationally to better address the dynamic and complex needs of Canadians, our end users

"Your report is so detailed and it captures all of the input we received without filters or interpretation. This raw qualitative data is valuable and timely too ..."

Bruce, Lab Client

4

Annex

Chief Data Office (multiple projects)

Participants at the senior management level from Statistics Canada and ESDC came to the Lab to identify mutually beneficial pilots or prototype initiatives that would serve both departmental priorities and enable better alignment between Statistics Canada's Modernization Initiative and ESDC's Data Strategy. The Lab also facilitated the Chief Data Officer All-Staff centered on recognition, team building, and strategic planning.

Real-Time Performance Challenge

In partnership with Policy Horizons, the Lab hosted the Real-Time Performance Challenge, a series of hands-on prototyping workshops with the objective to develop a web application prototype within the Canada.ca web framework that would enable clients to obtain real-time performance information for ESDC priority services.

Performance Measurement for Service Delivery

In collaboration with an external consultant, the Lab completed a series of workshops on Performance Measurement for Service Delivery to help the Transformation and Integrated Service Management Branch (TISMB) develop a Balanced Scorecard or performance metric for service delivery in ESDC, including a strategy map.

Behavioural Insight Research & Design Team (BIRD)

The BIRD has helped thousands of Canadians gain easier access to ESDC's programs and services by conducting several trials testing new BI solutions. We worked with a diverse range of clients including Canada Education Savings Programs, Canada Student Loans, Canada Pension Plan, Canada Summer Jobs, Job Bank, Service Canada, and the Employment Insurance program, with results that demonstrated the versatility and usefulness of BI for enhancing ESDC's programs and services.

Canada Service Corps Design Jam

For the Canada Service Corps Design Jam, the Lab hosted participants from ESDC and other Government of Canada departments to expose the interdepartmental network of officials involved in youth programming to the techniques of design and co-creation, and to share findings and lessons from the co-creation sessions undertaken by the Canada Service Corps delivery team.

GBA+ Workshop at ESDC

GBA+ Workshop included participants across ESDC with the objective to surface assumptions about GBA+, to discuss its value-added in the department, and understand previous difficulties and potential barriers for future implementation.

Unconscious Bias in Staffing

The Unconscious Bias workshop aimed to identify areas where unconscious bias may lie in the staffing process and find ways to address it and how to integrate behavioural insights to unconscious bias work in the department.

Increasing the Uptake of the Canada Learning Bond

Increasing the Uptake of the Canada Learning Bond is the most ambitious full-design project to date. Born out of a series of behavioral insight trials to increase take-up, the design project was completed with the communication of insights and prototypes with the Learning Branch.

Rapid Impact Assessment for New Horizons for Seniors Program

Working in partnership with two external consultants and the Evaluation Directorate, the Lab held a series of workshops to garner feedback on New Horizons for Seniors Program and identify gaps in the current model, part of the Rapid Impact Assessment, a novel undertaking in ESDC as a new line of evidence for evaluation.

Policy Innovation

The Lab expanded its focus from predominantly program and service delivery design to more policy innovation projects, and stronger, more systematic linkages to departmental priorities. Starting in January 2018 to March 2019, we worked with departmental partners on three distinct iterations of Medium-Term Planning exercises.

- We delivered four interdepartmental workshops to integrate design and systems thinking into policy development with the objective to develop innovative policy ideas.

- In a second project, through a partnership with Strategy and Intergovernmental Relations, Policy Horizons and Service Policy, the Lab brought ESDC executives together in two workshops to identify potential topics for a 10-year policy planning timeframe.

- The Lab played an advisory role during a grass-roots initiative to support task teams in examining and challenging the evidence surrounding policy issues by introducing elements of design thinking and collaborative sense-making techniques.

Gender Diversity

The Lab explored a Gender Diversity project that we ultimately did not implement as originally designed. The original intent was to support front-line departmental staff in offering inclusive and respectful experiences to all clients through a gender diverse lens. The client continued with the project based on planning inputs from the earlier work with the Lab.

Projects Moving Forward in 2019:

- Worker Protection Protocol with Integrity Services
- Canada Pension Plan Trials
- Vulnerable Learners
- Canada Pension Plan Disability return-to-work
- Canada Student Loan Program, Repayment Assistance Program Trials
- Change Management Design for Indigenous Skills Training Program
- Applying Behavioural Insights to Help Unemployed Canadians Return to Work Faster and Better
- Guaranteed Income Supplement
- Focused Design Project Case Studies

THANK YOU

Thanks to all our 2018-2019 clients and partners.
We couldn't do it without you!