



Centre for
Public Impact

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Briefing Bulletin:

Enter the public entrepreneur:

Implementing innovation in the public sector

What is public entrepreneurship?

Public entrepreneurship is an idea whose time has come. As the challenges for public services and society become more acute and complex, a concept with its roots in the 1960s is being increasingly revisited as public leaders look to inject entrepreneurial spirit and innovation into the traditional structures and processes of government.

While “social entrepreneurs” are people outside government, public entrepreneurs act within government and, at their heart, are a blend of two different roles: that of a public servant, and that of an entrepreneur. The underlying premise is that these roles are usually distinct but the skill sets they require need not be. Indeed, the future public servant will increasingly need to think and act like an entrepreneur – building new relationships, leveraging resources, working across sector lines and acting, and sometimes failing, fast.

Within organisations, this means stimulating innovation through a problem-solving spirit and a natural bent for working more closely with citizens. Across systems, it means building coalitions and cross-sector collaborations that can improve outcomes, control cost and sustain access in ways that span the traditional siloes of government.

Why are we talking about public entrepreneurship now?

Public entrepreneurship is re-emerging because the context for public services is changing rapidly:

- In many OECD countries, a cocktail of rising demand, constrained budgets and high citizen expectations is putting pressure on established welfare states, and forcing difficult decisions about how public resources are mobilised and spent.
- In parts of the Global South, questions are being asked about the efficacy and sustainability of development programmes. State capacity may be increasing but public servants require new skills and capabilities in order to adapt to the grain of society and politics.
- Digital technology and social media are helping to provide new insights about behaviour, motivation and decision-making – flipping our expectations about how change happens and what public servants are there to do.

In all these contexts, the implications for individuals working in government and public services are profound. Old hierarchical structures of performance management and accountability are being replaced by a more modern, adaptive climate in which public servants are expected to be co-designers of services and co-producers of outcomes – rather than cogs in the system.

What are the key characteristics of a public entrepreneur?

There is no rule book for the public entrepreneur, but from the literature and practice we know that five broad characteristics stand out:



- **Collaborating and networking.** Collaboration is fundamental to the public entrepreneur, who seeks to build coalitions for change across government, business and civil society, often knowing when to ‘let go’ in order for others to lead. This ethos can be seen in Singapore’s Yellow Ribbon Project, a successful cross-sector partnership developed to support the rehabilitation of ex-offenders and their families within community settings.
- **Working across systems.** Public entrepreneurs see themselves as part of a system rather than just an organisation or department. This underpins the development of leading-edge health and care systems such as the Netherlands’ Buurtzorg model and the United States’ accountable care platforms such as Geisinger and Kaiser Permanente, all of which have benefited from leaders who manage change across multiple settings.
- **Building narratives for change.** Entrepreneurs persuade, influence and “sell”. They influence behaviour, showcase social innovation and persuade colleagues (administrators, politicians and citizens) that even in our increasingly blame-driven culture, where civil servants are understandably risk averse, there remains an upside of doing something differently. A great example of this is the UK’s annual NHS Change Day. What began as a small initiative now involves thousands of people working across the health service who make an individual commitment to “make one small change” as part of a collective commitment to improve patient care. What begun as a small initiative now involves thousands of people working across the health service on an annual basis.
- **Leveraging new resources.** A critical function of the public entrepreneur is to find new ways of financing public service and development interventions. This could mean pooling budgets, looking to public-private partnerships, utilising digital technology, or experimenting with new models of social finance and impact investment. An example is the development and championing of Social Impact Bonds (SIBs) from within the UK’s Cabinet Office, as a means of financing preventative interventions – no silver bullet, but with potential to support innovation in a climate of fiscal austerity.
- **Focusing on outcomes.** Public entrepreneurship is about doing what it takes to get the right outcome, even if that means abandoning traditional career paths and confounding performance expectations. For example, Rwanda’s evolving public service reform programme has focused on improvement from the top down,

but it has been prepared to subvert traditional hierarchies through citizen-level scrutiny of public service performance and the celebration of entrepreneurial public servants who can drive better outcomes on the ground.

- **Adapting and learning.** An appetite for risk is woven deeply into the DNA of entrepreneurs, who are minded to “fail quickly, fail fast and fail cheaply” – an attitude that can feel antithetical to that of the archetypal civil servant. Public entrepreneurs must take this attitude into environments with a human as well as a financial cost, so learning and adapting quickly is vital. International and multilateral development organisations such as the United Nations Development Programme and USAID are taking the notion of “adaptive programming” increasingly seriously, though the agenda has some distance to travel to influence mainstream practice.

Future challenges – how will the public entrepreneurship agenda develop?

- **Building government capacity for public innovation.** Public entrepreneurs will need to play a particularly important role in the developing world, where the capacity of states to act has been missing, underdeveloped or undermined by corruption. In more mature welfare states, the role of the public entrepreneur will be crucial in continuing to unlock the potential of citizens in the co-design and co-delivery of public services.
- **Building readiness for collaboration.** Working across siloes and sectors is not a natural function of government or civil servants because infrastructure and incentives tend to constrain it. Public entrepreneurs can, as Helen Bevan argues, “rock the boat without tipping it over”, but if they don’t prepare their teams and organisations for collaborating at scale, they will struggle to bring innovation into the mainstream.
- **Leading across the sectors.** We have arguably only scratched the surface in terms of the potential of public-private-social sector collaboration (and certainly have many examples of where it has not worked!). Supporting sustainable change in society requires a coalition of actors, and this is where the public entrepreneur can play a convening and mobilising role.



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