

JANUARY 2025

Public Sector Innovation in Action: Case Studies in Small Wins and Big Transformations

Global Insights For Public Servants

Foreword



Robyn Scott
CEO and Co-founder,
Apolitical

Governments must innovate to meet the urgent and complex challenges of the 21st century. The good news is that, around the world, examples abound of public servants and governments rising to the occasion. Best practices — such as user-centricity, intelligently harnessing digital solutions in service delivery and adoption and adaption of successful initiatives elsewhere — often underpin the most notable bright spots.

But much more still needs to be done.

To drive whole-of-government transformations, governments must understand the systems dynamics that enable and thwart innovation, from institutional silos to culture and capability. In addition to a systems lens, governments also need to innovate in practical, granular terms: building the mindsets, skills, communities of practice and relationships that spark and sustain change. This important work often happens at departmental or team level.

The case studies in this report from Mexico, Thailand, Estonia, Lithuania and the UK explore what it looks like to build a culture of innovation in government, and how individual public servants can experiment and implement effectively. It is encouraging to see many inspiring examples brought together in one place. At Apolitical, we believe that equipping public servants with the knowledge and skills they need to build smarter, more capable governments is one of the most powerful levers for supporting government to deliver for society. Central to how we support the millions of men and women working in government, is supporting them to find and share best practices — such as those set out in this report.

We are excited to elevate these examples of innovation best practices and are thankful to KPMG for making this report possible.



Mike Zealley
Partner, Managing Director
Learning Services, KPMG

Innovation has always been important within public services — and never more so than now. Faced with unprecedented challenges and rising expectations, finding new and creative ways to deliver for citizens isn't just desirable, it's essential.

The good news, as this report demonstrates, is that we're surrounded by inspiring examples of innovation from across the public sector.

Innovation requires certain conditions if it's to take hold within an organisation. It requires a culture of experimentation that encourages people to test new ideas and an environment where it's ok to fail, so long as you can learn from it.

It needs collaboration. Some of the best innovations emerge when different people and ways of thinking come together. It's at those intersections where some wonderfully creative ideas can take hold.

Innovation also demands that we engage with our stakeholders. That means really listening to the users of our public services and incorporating their feedback.

It needs us to think about data and digital technologies. As we look to innovate and deliver modern, personalised public services, we must take advantage of technology to meet citizens' expectations while making sure all our decisions are evidence-led.

And finally, we need to reflect on the role of leaders in enabling all of the above and creating a culture where innovation can safely thrive.

The following case studies provide a range of examples of how the groundwork for delivering innovation has been laid and these conditions have been met. I hope they inspire anyone looking to be similarly innovative in their part of the public sector.

At KPMG, we were delighted to partner with Apolitical on this report. As an organisation, they share our passion for public services and our commitment to doing what we can to make those services as brilliant as they can be. It really is our privilege to work in this area and to be able to tell these stories of innovation becoming reality.

At a glance

➤ Skills and capabilities are foundational to innovation

Not all innovation projects require the same skillset, but skills are fundamental to the success of every innovation project. Agility, data management, collaboration and communication are equally important.

➤ Without investment in skills, governments will not move from one-off innovation projects to sustainable, systemic change

Leaders drive this change by embedding the mindsets and skills required for innovation within all teams, departments and organisations.

➤ Flexibility, optimism and drive should not be underestimated as enablers of innovation

Innovations do not happen without a key set of attitudes and behaviours. These need to be part of the innovation culture to maintain momentum.

➤ Public servants want to see more cross-sector collaboration

When it comes to unlocking better outcomes for citizens, public servants are keen to explore solutions from outside the public sector — but this needs to be done in a way that manages risks and monitors efficacy.

Demystifying innovation

What does it mean to innovate or be an innovator when it's not part of your job description?

It all starts by honing a set of skills and supplementing them with a dose of boldness and creativity. Those skills are wide-ranging and include iteration and experimentation, digital and data literacy, user-centricity, stakeholder engagement, communication and curiosity.

This report features five examples of government innovation projects in Mexico, Thailand, the United Kingdom, Estonia and Lithuania. Public servants can use these case studies to learn from their peers around the world. They cover strategies ranging from innovation in procurement and platform development to instigating a whole-scale mindset shift towards innovation within an organisation. Barriers and challenges are at the core of each case study, equipping public servants with practical lessons to apply innovation practices in their roles.

What emerges from all the case studies is that innovation projects need to be citizen-centric and laser-focused on outcomes and benefits for the public. This is key to building an environment where new ideas can thrive, and experimentation feels safe. It's also key to ensuring that such behaviours develop while protecting critical public services.

What leaders need to do to scale innovation

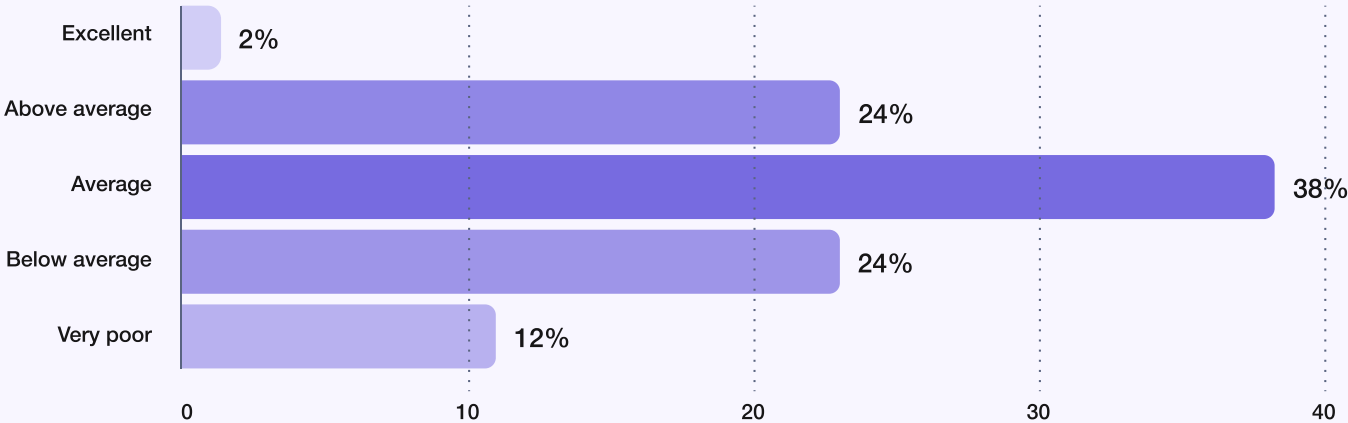
For leaders, a key question to address is: How do we move from one-off innovation projects to sustainable, systemic change?

The case studies in this report emphasise that transitioning from project-based innovation to system-wide transformation requires a strategic shift, with cross-sector collaboration emerging as the most critical factor for success. They also serve as examples of what building a safe space for public servants to experiment and innovate looks like.

Leaders must cultivate an entrepreneurial culture in the public sector, promoting behaviours that fuel creativity. Meanwhile, innovators within organisations must learn to engage and inspire those around them to enact meaningful change. Innovation isn't confined to any single area — it's the responsibility of every public servant, and this report offers practical guidance to help them move forward.

There is cause for optimism. When Apolitical asked nearly 100 public servants in the UK how they would rate their department's capacity for innovation, more than 1 in 4 said it is either above average or excellent. There is scope to innovate, as long as the skills to do so are in place.

How would you rate your department's capacity for innovation?





CASE STUDY 1

How Lithuania uses cross-sector collaboration to innovate in procurement

Key insights



Problem: Government departments and agencies often want to apply an innovative solution to a problem, but don't know how to identify one

Approach: Sharing the problem with startups and SMEs, and working with them to develop a possible solution

Skills applied: Flexibility, agility and collaboration



Who should read this

Any public servant looking for an innovative approach to government procurement or hoping to use cross-sector collaboration to boost innovation skills and capabilities.

The GovTech Challenge Series was initiated in July 2019 as part of Lithuania's broader GovTech Lab initiative. Its primary goal is to connect public servants with a problem they are struggling to solve with an innovative solution from a startup or SME. It is a structured programme that enables collaboration between public sector institutions and those building innovative solutions outside government.¹



We spoke with **Rūta Ūsaitė**, a project manager at the GovTech Lab in Lithuania, about this initiative, and what public servants looking to implement a similar solution might learn from it.

1. What is GovTech Lab? ([GovTechLab Lithuania](https://govtechlab.lt))

CASE STUDY 1

One of the biggest obstacles to innovation in government is the traditional procurement process. It's often slow and cumbersome, and by the time a contract is finalised, the technology can already be outdated.



Q: What are the problems that the GovTech Challenge Series set out to solve?

A: In contrast, the Challenge Series offers a more flexible procurement model, allowing for faster experimentation and piloting. If we project into the future, this is especially important for emerging technologies like AI, which evolve quickly and require procurement processes that are flexible and keep pace.

Another issue is the risk aversion associated with handling public funds. Governments tend to be cautious about experimentation, and understandably so — the use of public money demands transparency. By funding smaller pilot projects, the Challenge Series lowers the financial risk, creating space for innovation without committing to large, untested systems.

Lastly, there's the challenge of building innovation skills within the public sector. Through collaboration with startups and SMEs, public servants gain hands-on experience and new skills, learning to approach problems differently and explore solutions beyond the usual channels.

More than anything, the GovTech Challenge Series expands public servants' problem-solving toolkit, connecting them with ideas and technologies they might not have encountered otherwise.

Q: What is an example of a success story from this project?

A: Over the past five years, the Challenge Series has seen several successful projects go from small-scale pilots to fully adopted solutions in the public sector. Nearly 100 GovTech solutions have been tested.

Many now play a key role in delivering public services.

One example is a project by Oxylabs to create an AI-powered tool to detect harmful content. In the past, internet users would report harmful content to the Communications Regulatory Authority, but this was too passive.² Oxylabs came to work with the Authority through the Challenge Series.

The goal was to build a tool that automatically detects illegal content in the Lithuanian IP address space. Over the course of a few weeks, Oxylabs developed this tool, and, since then, it has been tested, trained, de-bugged and improved. It's now part of the Authority's daily operations.³

Q: What advice would you give to other governments looking to adopt a similar approach?

A: Flexibility is essential. Both the public sector and startups need to adapt to different working styles and expectations. Public sector teams, in particular, often require encouragement to embrace more agile processes, as their workflows can be more rigid than those of startups.

It's also important to recognise the cultural differences between these two worlds. Startups tend to move fast and innovate freely, while government departments may take longer to adjust. Bridging this gap takes ongoing effort and a willingness to adapt.

Finally, not every public sector team will come equipped with the skills for innovation. That's why the GovTech Challenge Series invests in training, offering initiatives like the GovTech Innovation Academy to help officials build the capabilities they need to lead these projects successfully.

2. About us (Svarus Internetas)

3. Empowering the Lithuanian Public Sector in the Mission for a Cleaner Internet (Oxylabs 2022)

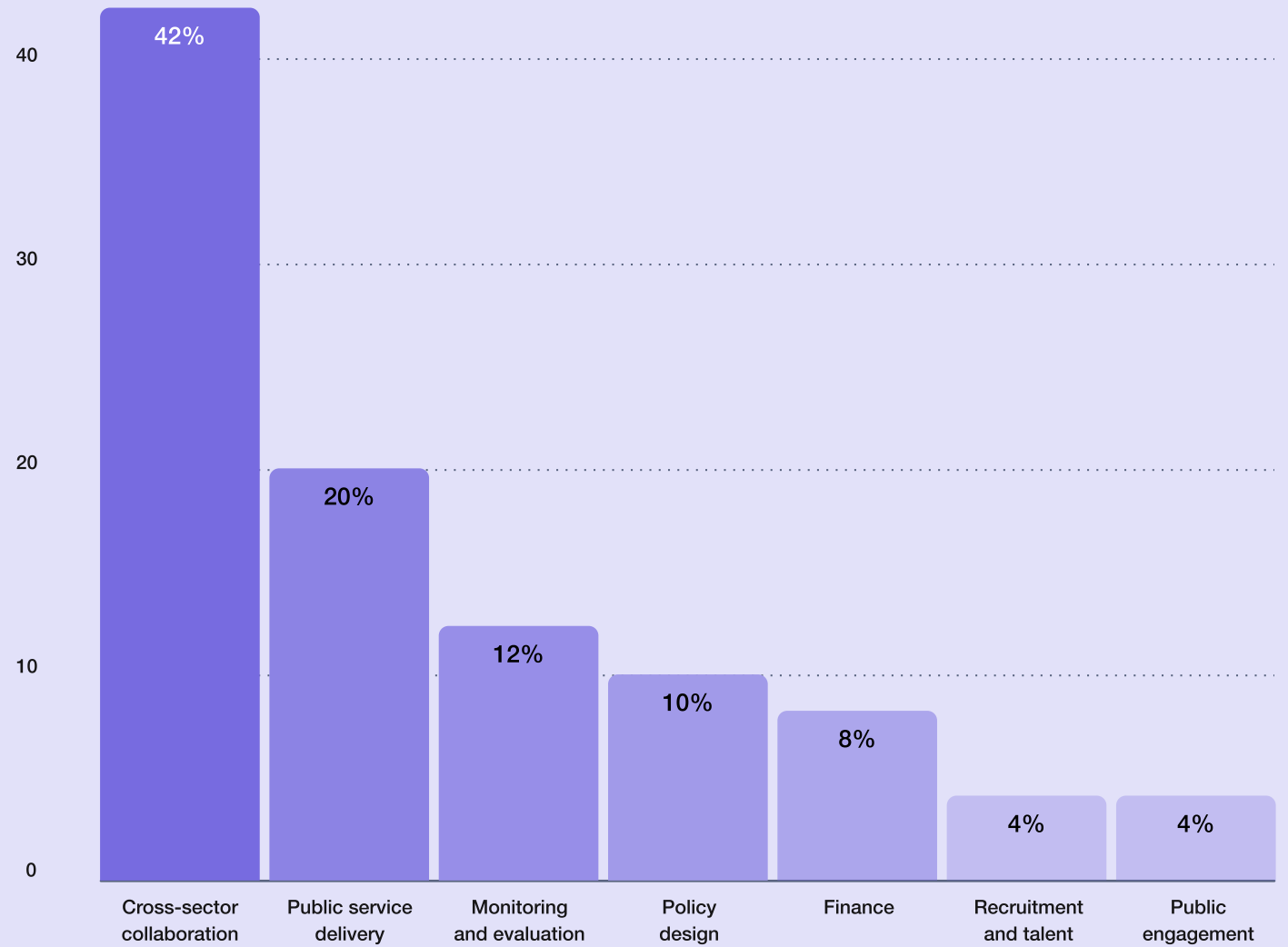
SNAP POLL

Where should government prioritise innovation?

When polled by Apolitical, 42% of UK public servants said that cross-sector collaboration was the most important area for government to start being more innovative.

When it comes to unlocking better outcomes for citizens, public servants are keen to explore solutions from outside the public sector — but this needs to be done in a way that manages risks and monitors efficacy. Lithuania’s GovTech Challenge Series is an example of precisely the kind of environment which enables cross-sector solutions in a way that tests whether or not they will have a positive outcome for citizens.

What is the most important area for governments to start being more innovative to unlock better outcomes?





CASE STUDY 2

Cross-government collaboration: RoadLab in the United Kingdom

Key insights



Problem: Big challenges require testing lots of potential solutions, which can be time-consuming and expensive

Approach: Running multiple experiments at once

Skills applied: Problem-solving, evaluation and creativity



Who should read this

Any public servant or government official looking for an innovative approach to public service delivery that aims to solve a problem with a particularly negative impact on citizens. It is also for anyone who wants to explore an innovative approach to managing the supply side of a public sector project, and the potential benefits of bringing a wider range of possible suppliers into a contract.

The RoadLab was an innovative accelerator programme launched by Transport for London in 2019.⁴ Its primary goal was to tackle the disruption caused by extensive roadworks across London.⁵



We spoke with **Rikesh Shah**, the Head of the Innovation Procurement Empowerment Centre in the UK, about this TfL project he worked on in a previous role, and what he learned while working on it.

4. London Roadlab (Plexal 2024)

5. RoadLab 2.0 (TfL)

CASE STUDY 2

Measurement is key, not just to making sure you pick the right solution, but to communicating with citizens. And, finally, make sure to engage stakeholders early! One of the key reasons this project was successful was because it had the buy-in of public sector leaders from the start.



Q: What did the RoadLab set out to solve, and why was it so important?

A: Road safety, congestion and poor air quality resulting from roadworks are problems every major city knows too well. We asked ourselves: What can be done to prevent them from having such a detrimental impact on citizens? Also, how can roadworks be more efficient?

One of the reasons roadworks are so frustrating is their complexity: multiple municipalities and utility companies are always involved, and coordinating the works between them leads to a lot of backlogs and blockers. No one wants to do roadwork, but it is critical.

Q: How did you initiate looking for a solution?

A: We knew we could be doing this better, cheaper and quicker. This meant that it was easy to define the value proposition of an innovative solution to stakeholders. Simultaneously, we knew we were stuck and that, without new ideas, nothing would change. That's why we decided to apply the innovation partnership procedure, as it "allows for the combination of research, innovation and procurement."⁶

Essentially, it allows you to do research and scale your project through one process.

Q: What did this look like in practice?

A: First, we set out to devise a quick procurement process. We asked companies to submit a two-page proposal, which made it much easier for companies to apply. The sheer volume of submissions we received resulted in a more diverse pool of potentially innovative ideas. Once we went through those, we

invited 10 companies to pitch their solutions and test their ideas on some busy and challenging roads in London over a six-week period. We partnered with utility companies from the start to make sure that the testing was realistic, and we involved subject matter experts and public sector buyers to help evaluate the process.

Q: What was the outcome?

A: The trials provided us with a lot of data, which made it possible to select which companies we wanted to keep working with. In the end, two companies received a multi-year contract, and their solutions were scaled to benefit the wider public sector.

Q: What advice would you give to other governments looking to adopt a similar approach?

A: First of all, consistency in the procurement process is key. When you decide to adopt an innovative partnership procurement procedure approach, you need to maintain consistency throughout the process, and the evaluation criteria need to remain stable. Determining the success of a project should focus on quality, not just cost. We evaluated the social value of the solution, looking into whether or not it made an impact on journey time. Measurement is key, not just to making sure you pick the right solution, but to communicating with citizens. And, finally, make sure to engage stakeholders early! One of the key reasons this project was successful was because it had the buy-in of public sector leaders from the start.



CASE STUDY 3

System-wide innovation in Estonia's digital transformation journey

Key insights



Problem: Citizen's needs are often more complex than the siloed structure of government

Approach: Maximising data sharing across government

Skills applied: Data management and cross-government collaboration



Who should read this

Any public servant interested in what a whole-of-government approach to innovation looks like.

Estonia has entered a new phase of its digital transformation journey. The Personal Government initiative is intended to “elevate the relationship between citizens and the administration to a new level.”⁷ Estonia's lauded approach to digital transformation began in the 1990s with early digitisation projects intended to improve internal government interactions.

In the 2000s, Estonia started expanding its use of digital platforms to deliver public services. Now, it's time to make those same services much more proactive and capable of anticipating citizens' needs.



We spoke with **Anni Lehari**, the Chief Digital Strategy Officer at the Government CIO Office of Estonia, about embedding innovation and the mindset shift required to make it work.

7. Estonia: The concept of a personal state ([Institute of Central Europe 2024](#))

CASE STUDY 3

Q: What does a proactive approach to government services look like in practice?

A: Basically, it means designing public services so that they offer what citizens need when an expected event in their life takes place. Take childbirth, for example. When a baby is born in Estonia, the hospital automatically registers the birth, generating a unique ID. The National Insurance Board is notified immediately, and they retrieve information from the Tax Board about the parents' income and employment status. Using this data, the government automatically informs parents about child benefits. Parents then confirm bank details in a portal, and the payments begin. Behind the scenes, multiple systems work together seamlessly, but, for the parents, the process is simple and requires little to no action.

Q: What needs to happen for a project such as this to be successful?

A: For such services to work, several key elements are required. The first is a secure method for different departments to exchange data. The second is data

quality: the unique ID system allows all individuals to be correctly identified. Finally, you need to have a future-ready mindset and be willing to make assumptions about what people will need, and when.

Q: What are some challenges a government might run into?

A: Collaboration between stakeholders is a key challenge. Leadership is crucial, as innovation is rarely straightforward — it's often messy and difficult. Successful innovation requires optimistic people who believe things can be done differently.

The legal landscape of a project such as this is also complicated, as there is a lot of citizen data being moved around. This has to be done safely.

Successful innovation requires optimistic people who believe things can be done differently.





CASE STUDY 4

Using open-source innovation to tackle corruption in Mexico

Key insights



Problem: Obscure planning processes fuelling corruption by public officials

Approach: An open-source digital platform that makes it much easier to apply for a permit or licence

Skills applied: User-centred design, evaluation and agility



Who should read this

Any public servant or government official looking for accessible and adaptable tools for innovation, or who wants to explore low-cost innovative solutions to bureaucracy.

Visor Urbano is a digital platform created in 2016 to drive transparent and efficient territorial management.⁸ It is free software intended to help local governments digitise urban development processes, particularly business and construction licences. The platform is a collaboration between the Government of Jalisco and Bloomberg Philanthropies.



We spoke with **David Bates**, the outreach and communication Manager at Visor Urbano, about what the project looks like, and what he thinks public servants working in low-resource environments can do to trial innovative solutions.

CASE STUDY 4

When adopting new technology, it's crucial to focus on real issues that residents face and improving their quality of life. You can't just introduce technology for the sake of it.



Q: What was happening that required a new approach like Visor Urbano?

A: In Guadalajara, a wave of unauthorised buildings was popping up, public services were lagging, and the situation was taking a toll on public spaces, nature reserves, and protected areas. The theory was that if they could cut off the corruption fuelling these illegal developments, they could tackle many of the city's underlying problems.

Q: What was the solution?

A: Guadalajara turned to open-source software to get things under control. They developed Visor Urbano, a digital platform that made the entire process of issuing business and construction licenses happen online. This simplified things massively. Not only could people submit all the necessary documents electronically, but the system also allowed residents to easily check whether a license had been issued — bringing transparency to the forefront.

Q: How did you expand on this solution?

A: The success in Guadalajara led to the platform being rolled out across 125 municipalities. What's great about Visor Urbano is that cities can replicate the software easily and then customise it to meet their specific needs. It became a blueprint for others to follow.

Q: What has been the outcome?

A: The results speak for themselves. In Guadalajara, with a population of 5 million, there's been a 74% reduction in bribery requests and corruption. Moving the process online has cut government-citizen interactions by 84% and slashed processing times by 80%. In Cocula, a much smaller city with 30,000 people, they've digitized 100% of business licenses and introduced new tools for construction permits. The shift has transformed Cocula into an innovation hub.

Q: What advice would you give to other governments looking to adopt a similar approach?

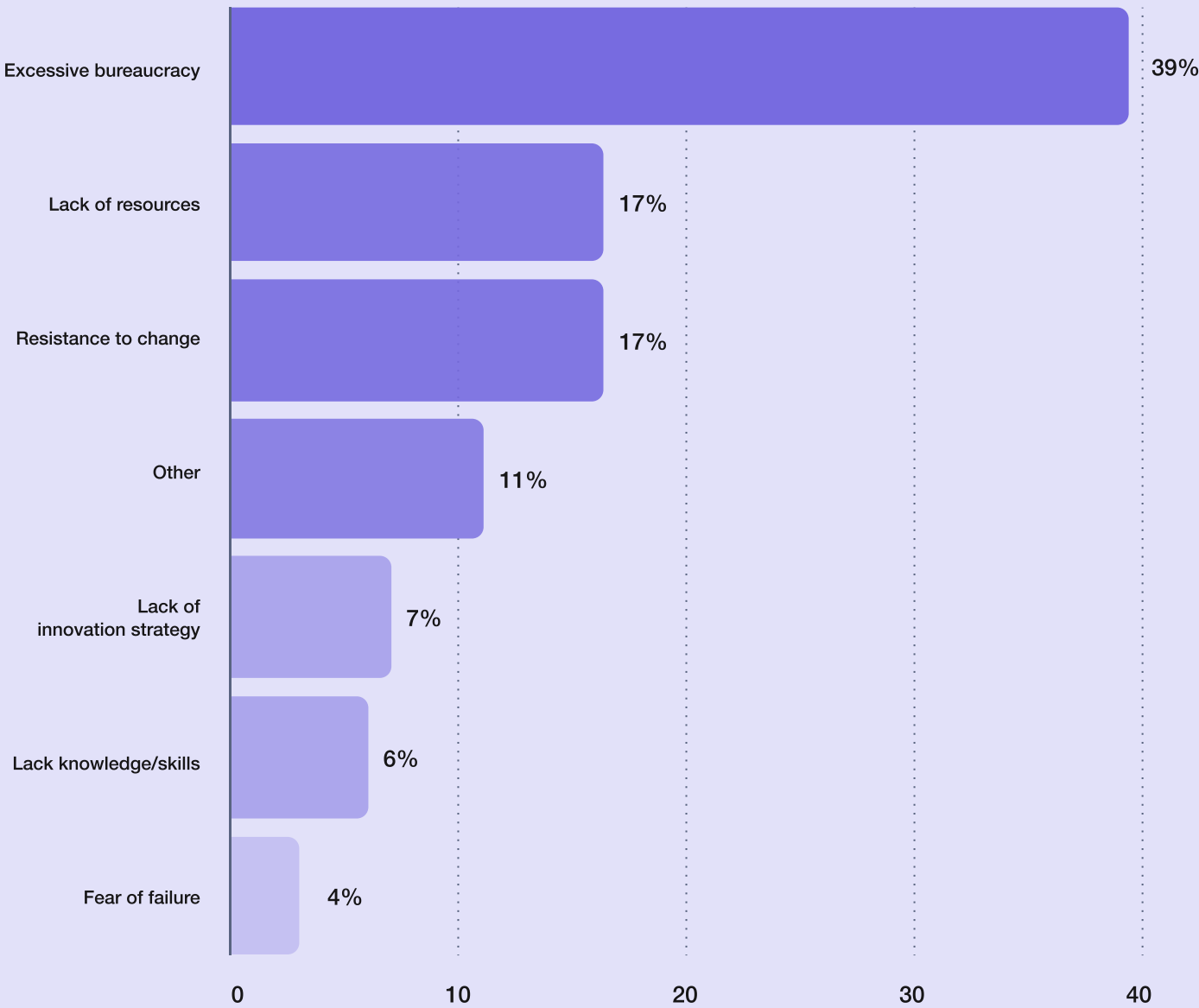
A: The impact of Visor Urbano is undeniable, but there are some important takeaways. First, when adopting new technology, it's crucial to focus on real issues that residents face and improving their quality of life. You can't just introduce technology for the sake of it. There also needs to be a solid digital inclusion strategy in place, ensuring that both public servants and citizens know how to use the tools and get the most out of them. Finally, don't forget to keep gathering feedback, even after the solution is up and running. Continuous improvement is key.

SNAP POLL

What is the biggest barrier to innovation in government?

As the case study above indicates, bureaucracy is required to protect citizens. But innovation can also be applied to bureaucratic barriers. This is important to keep in mind given that 39% of respondents to the question said excessive bureaucracy is the biggest barrier to innovation. Unlocking innovation in your organisation is not just about removing those barriers, but about making bureaucracy work better for the public.

What do you see as the biggest barrier to innovation in your team, department or organisation?





CASE STUDY 5

Thailand's National Innovation Agency is helping everyone learn how to be innovative

Key insights



Problem: Innovation is an abstract term, and public servants don't always know what it means

Approach: A 4-stage innovation process intended to get public servants comfortable with innovation

Skills applied: Communication, strategic thinking and stakeholder management



Who should read this

Any public servant or government official who is struggling to grasp what innovation looks like, or who would like to help their colleagues and peers understand it better. It is also for anyone thinking about how to build appetite for innovation in their organisation.

The Chiang Mai City Lab is an initiative by the National Innovation Agency in collaboration with the School of Public Policy, Chiang Mai University and Chiang Mai City Municipality. Its primary goal is to inspire change and develop creative strategies towards tangible outcomes.



We spoke with **Chaivatorn Limapornvanich**, the Head of Innovation Strategy Department, Thailand's National Innovation Agency, about the agency's work to educate a diverse range of stakeholders on what innovative approaches to solving future challenges look like.

CASE STUDY 5

Innovation appears to be too abstract and ambitious a term, as its outputs are often defined as enhancing public value and improving service delivery.



Q: Why is innovation so important, especially in cities like Chiang Mai?

A: Innovation is necessary to bringing positive change to cities and local communities. Thailand's urbanisation rate is increasing and the country is slowly transforming from a rural to an urban country. As these areas grow, urban development is encountering challenges like overcrowding, insufficient utilities, underdeveloped facilities, social problems, environmental issues and a disparity between urban and rural areas.

Q: Why are these cities struggling to develop innovative solutions?

A: Innovation appears to be too abstract and ambitious a term, as its outputs are often defined as enhancing public value and improving service delivery. This is less clear than in the private sector, where innovation can be measured through profit. However, many public sector organisations will likely need more risk appetite due to their mindfulness of how to spend public funds. In addition, they also often have a deeply ingrained culture that impedes them from embracing change, leading to potentially adverse outcomes in pursuing innovation.

Q: What did this look like in reality?

A: First, a series of participatory activities, like an interactive exhibition and online brainstorming, explored the hopes and concerns of Chiang Mai's citizens about the city's challenges. Next, these insights were turned into scenarios for the city's preferred future, forming a shared vision for strategic development. Then, initiatives were launched to support citizens, local governments, and companies in co-creating solutions. Finally, innovative ideas were tested in a sandbox to assess their impact and explore scaling opportunities.

Q: What's come out of this work?

A: There are some really great innovative projects in Chiang Mai City. For example, a 'Tuun Pun Ya' — a household remedy dispensing machine has been installed across the city, which helps citizens address basic health needs using a vending machine.

Q: How have you approached changing this culture?

A: The Chiang Mai City Lab introduced a 4-stage innovation process. It is a set of steps that help take the whole city along on an innovation journey. This is what the process looks like:

- 1 Unpack hopes and fears
- 2 Find hopes and fears
- 3 Transform hopeful into wishful
- 4 Push wishful towards willful

Moving innovation forward

What does innovation look like in practice? It might mean a new scheme that taps into private-sector solutions, a bottom-up rethinking of project approaches or simply building the infrastructure for a mindset shift. What is clear, though, is that making government truly innovative depends on whether public servants feel empowered to experiment and bring new ideas to life. And, to build on that, it also requires that every public servant contribute to making the whole of government more innovative.

To earn public trust, governments need to innovate continuously and show they're actively pursuing fresh solutions. Citizens want their problems addressed and expect their governments to rise to the demands of the 21st century. This is the promise of innovation — it's a chance to make government better, more accessible and more responsive. But this is also what makes innovation daunting. It requires heightened caution and an understanding of the potential impact of every decision.

The innovation projects highlighted in this report provide frameworks for cultivating a culture of experimentation and safe, meaningful innovation. They demonstrate how to build solutions that meet citizens' needs while safeguarding their personal information.

Recommendation

Apolitical and KPMG recommend that leaders help their teams develop a broad range of skills that foster innovation, from communication and stakeholder engagement to digital, data and creativity. These skills are foundational to any department's or organisation's capacity to innovate. They also empower public servants to become confident, effective decision-makers, applying their expertise in ways that benefit the public.

Next steps

➤ Do you have an innovative project you think other public servants could benefit from?

Share it by writing a case study and posting it [on Apolitical](#). There are few things more valuable to public servants than insights into what their colleagues and peers are doing around the world.

➤ Do you have a question about government innovation or a question about this report?

Head to the [Government Innovation Community of Practice](#).

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apolitical

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keri.landau@apolitical.co

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