

Innovation Takes Leadership

September 2010

Position Paper

Leadership



Innovation is new or better ways of doing valued things. An “invention” is not an innovation until it has been implemented to a meaningful extent. Innovating is not limited to products, but includes improved processes and new forms of business organization.

From Report: “Innovation and Business Strategy: Why Canada Falls Short”, Council of Canadian Academies, April 2009.

Introduction

The Ivey Centre for Health Innovation and Leadership, established in 2009, is a Centre situated within the Richard Ivey School of Business at The University of Western Ontario – home of the only health-focused MBA in Canada, the “Health Sector MBA”. The Centre is dedicated to being a catalyst for health system innovation in Canada. Innovation (cultural, procedural and technological) is the key to ensuring a viable and sustainable health system in Canada. Research shows that Canada, with its highly educated population, does quite well when it comes to the creation of new knowledge (i.e., inventions), but a poor job in translating this knowledge into productivity (i.e., innovation adoption).

This paper provides an overview of the results of the Centre’s 2009 inaugural Global Health Innovation Conference, highlights key points from its new white paper entitled, *Innovation Takes Leadership: Opportunities and Challenges for Canada’s Health Care System* (Snowdon, A.; Shell, J.; and Leitch, K.; 2010), recommends three key action items with regard to innovation that will help create a sustainable health care system in Canada, and describes how the Ivey Centre for Health Innovation and Leadership is well positioned to lead these key calls to action.

Inaugural Ivey Global Health Innovation Conference

In 2009, the Centre brought top global health experts and health industry leaders together in Toronto for the inaugural Ivey Global Health Innovation Conference. The purpose of the conference was to identify opportunities for innovation and prioritize health system challenges in need of innovative solutions. Conference participants came to the consensus that a key focus for the Centre should be: **“The most effective process for innovation adoption, sustainability and productivity enhancement in a universal, publicly funded health care system.”**

In addition, participants identified four innovation priority areas where more focus was needed, since these areas had the greatest potential to positively impact Canada’s health system. Key areas identified were:

1. Financial Drivers to Innovation & Sustainability
2. Health Leadership & Building a Culture of Innovation
3. Medical Devices Innovation
4. Health Information Technology Innovation & Adoption

Review and Analysis of Priority Areas

Following the conference, an extensive review and analysis of the literature in these four priority areas was conducted, which formed the basis for the white paper referenced above. A short summary of this review and analysis is provided for each priority area below. Further detail can be obtained from the white paper itself.

Financial Drivers to Innovation & Sustainability

The Centre believes that examining “Financial Drivers” to innovation is a foundational building block to advancing innovation adoption within Canada’s health system. If the proper financial models and incentives are not in place across the entire health care system (e.g., health education,

health research, health services, health agencies), it will be impossible for innovations to be adopted across the system. Furthermore, our research shows very little empirical evidence exists to support the use of certain financial models over others. The Centre has determined that alternative financial models, meant to drive innovation within Canada's universal, single-payer system, need to be further explored and thoroughly researched within the Canadian context, *before* they are implemented.

Health Leadership & Building a Culture of Innovation

“Health Leadership” is a foundational building block for innovation. Without skilled leaders who understand the need for innovation and how to implement it, innovations cannot be adopted. There is a shortage of these skilled leaders in Canadian health care. The literature suggests that as a first step physician leadership development will need to play a critical role in creating a health system culture that embraces innovation across stakeholder groups. Although the existing literature has focused on physician leadership in health innovation adoption, the Centre is proposing that innovation is not just the role of physicians, but rather needs to be the role of the entire health care team, including nurses, pharmacists, managers, support staff and other allied professionals. Greater attention to engaging all members of the health care team in a collaborative approach to innovation and change is desperately needed. Not nearly enough is known about leadership skills development to support innovation adoption in the health sector in Canada. What is clear, however, is that the best hope for creating a “culture of innovation” is leadership capacity building that empowers individuals to improve their own work environments and the system as a whole, with a focus on patient care and safety.

Medical Devices Innovation

The Centre believes that evidence-based “Financial Drivers” and “Health Leadership” models form the foundation that will drive innovation within Canada's health care system. However, it also believes that once these foundational models are in place, advances in “Medical Devices” also will have a significant and positive impact on the system overall (e.g., reduce costs, increase patient comfort and satisfaction). Significant barriers to innovation adoption in this area have been identified in the literature. Yet, at the moment, there is little research that identifies a strategic approach to streamlining the processes that support faster adoption of new medical device technologies. These barriers, including government regulation, approval procedures, and financing, all need to be examined. Strategies that support rapid prototyping and beta site testing of new medical devices are needed. Overall, further evidence-based research within the Canadian context is required.

Health Information Technology Innovation & Adoption

This priority area has great capacity to improve Canada's health care system overall, once the appropriate “Financial Drivers” and “Health Leadership” models for innovation are in place. Yet, Canada's health information technology (IT) system needs to “catch up” with other industries that have long embraced the transformative power of information technology.



Investment in health information technology has been demonstrated to have truly transformative effects in terms of reduction in medical errors, reduced wait times, better treatment coordination, and more efficient allocation of resources. Despite the evidence, Canada is still struggling with basic electronic health records, electronic tracking of patients through the system, and electronic communication between health professionals. Again, there has been relatively little empirical research focused on the key components of successful innovation adoption of health information systems in Canada (e.g., Personal Health Records (PHRs), social networking, etc.). This problem is compounded by the risk of a skilled labour shortage in health information technology in Canada over the next several years. A greater focus is required on the question of adoption strategies for health IT.

Conclusion

In summary, there are two key problems contributing to the Canadian health care system being unsustainable. First, there is a serious innovation adoption deficit in all areas of the health system, including technology, business processes and procedures. Secondly, there is a real shortage of skilled leaders and “change agents” within the system who are able to drive innovation adoption and create a “culture of innovation”.

In order to solve these related challenges, three things need to happen within the Canadian health care system in collaboration with all health system stakeholders, including industry, government, innovators and scientists, and the Canadian public:

1. **Grow leadership capacity** for innovation in Canada through education, skills development, and team-building across all of the health system. For example, every health institution in Canada should make someone responsible for innovation. Doing so will develop a culture that can identify, understand, embrace and enable innovation.
2. **Build momentum** for innovation within the system starting with small projects first. The health system is complex and needs to “learn early and fail cheap”, instead of doing the opposite, which is more typical.
3. **Create a culture** across the health system that puts focus on adoption and commercialization of ideas and innovations, not just the creation of new knowledge.

The Ivey Centre for Health Innovation and Leadership is uniquely positioned to be a catalyst for the above changes in innovation in Canada.

About the Centre

The Ivey Centre for Health Innovation and Leadership, established in 2009, is a Centre situated within the Richard Ivey School of Business at The University of Western Ontario – home of the only health-focused MBA in Canada, the “Health Sector MBA”. It is dedicated to being a catalyst for health system innovation in Canada, in four key areas. The Centre:

1. Develops leadership capacity through education programs targeting current and future leaders in the health system,
2. Emphasizes education that equips students to identify, understand, embrace and enable innovation in real business situations through programs like Health Innovation Demonstration Projects and Ivey Consulting Projects (projects that bring students, entrepreneurs, and stakeholder organizations together to solve problems in real time),
3. Empowers health system stakeholders to collaboratively focus on the maximization of human and tangible resources within the system, to overcome innovation and leadership deficits,
4. Supports and disseminates research that establishes the evidence base for innovative health system solutions that are applicable in the context of the Canadian health care system.

For further information on the Centre and how it is changing the culture of innovation in Canada, contact:

The Ivey Centre for Health Innovation and Leadership

www.ivey.ca/ichil