INNOVATION ACCOUNTING INSTRUCTIONS

Innovation Accounting is a way to measure progress and see whether the strategies you are using to achieve a goal are actually working. This template will not only force your team to clearly define what you want to improve and the strategy you will use to improve it ("innovation strategy"), it will also help you set a target performance metric, track that performance metric over time, and check in to see whether you should revisit your innovation strategy, stay the course, or squash the project.

GETTING STARTED

1. Identify what you want to improve.
2. Clearly state the strategy you will be using to improve it
3. Decide on the performance metric you will track. Record the performance metric at the start date and your target performance metric.
4. Set a date for a final justification meeting. By this deadline you will either close or squash your project. Any choice to "stay the course" must be justified by facts. Do not "should" yourself (i.e., "this should work, if only we did X.")

INNOVATION DECISION

At each check in you will have to make an "Innovation Decision." These decisions include:

- **Stay the course:** Keep using the same innovation strategy.
- **Adjust innovation:** Change or adjust strategy used to reach target.
- **Squash it:** The strategy is not going to work. Stop the project so resources are not wasted.
- **Close it:** Project is a success! Targets are met and goals achieved.

WHEN TO SQUASH A PROJECT

If you aren't learning or making progress towards your target performance goals it may be time to squash your project.

Discovering quickly that a strategy is not working is also a success. There are likely many potential solutions to the "problem" you aim to solve. Don't be overcommitted to your initial idea at the expense of those who might benefit from a more successful project."

The following is an example of what "innovation accounting" might look like for a teenage "employment" program. The project managers realize that they are underperforming significantly with the girls whom they serve. They determine that they need to see a radical improvement in girls' employment rates within one year, or they will focus their programming exclusively on male engagement and refer all girls to a different employment provider.

4. DEADLINE FOR JUSTIFICATION MEETING: (JUSTIFY YOUR STRATEGY) — 1/1/2022

1. THING YOU WANT TO IMPROVE: Job placement rate for girls who attend our program

2. STRATEGY TO IMPROVE IT ("INNOVATION STRATEGY"): Gender-specific classes (e.g. a boys' and girls' class) — **STRATEGY START DATE:** 1/1/2021

3. PERFORMANCE METRIC: (WHAT YOU WILL TRACK) — % of girls with a job placement — **3. CURRENT PERFORMANCE AT START DATE:** (OF THING YOU WANT TO IMPROVE) — 25 — **3. TARGET PERFORMANCE:** (OF THING YOU WANT TO IMPROVE) — 50

Check In Number	Check In Date	Performance at Check In	% change from last check in	Distance from Target	Innovation Decision	Innovation Strategy	Next Check In Date	Lessons Learned
1	2/1/21	26	4%	24	Stay the course	Keep same strategy	3/1/21	Staying the course to see if things change after a second month of classes
2	3/1/21	30	15%	20	Stay the course	Keep same strategy	4/1/21	Staying the course as there was slight progresss
3	4/1/21	28	-7%	22	Adjust innovation	Recruit women-owned businesses	5/1/21	We wanted radical change; not getting there. Chose to innovate supply-side resources, not just demand-side services

NOTES ON CLOSEOUT:

DATE OF CLOSEOUT:

INNOVATION ACCOUNTING

DEADLINE FOR JUSTIFICATION MEETING:
(JUSTIFY YOUR STRATEGY)

THING YOU WANT TO IMPROVE:

STRATEGY TO IMPROVE IT ("INNOVATION STRATEGY"):

STRATEGY START DATE:

PERFORMANCE METRIC:
(WHAT YOU WILL TRACK)

CURRENT PERFORMANCE AT START DATE:
(OF THING YOU WANT TO IMPROVE)

TARGET PERFORMANCE:
(OF THING YOU WANT TO IMPROVE)

Check In Number	Check In Date	Performance at Check In	% change from last check in	Distance from Target	Innovation Decision	Innovation Strategy	Next Check In Date	Lessons Learned

NOTES ON CLOSEOUT:

DATE OF CLOSEOUT:

INDEPENDENT VARIABLE