

Disruption Taskforce (DTF)



Source: [GovTech-Program-Banner.png](#)

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Case description

The Disruption Taskforce (DTF) is an innovation unit under the Danish Ministry for Industry, Business and Financial Affairs. The unit was established in May 2018 to replace the public sector innovation lab, MindLab, and therefore forms a very relevant policy lab case. The focus of DTF is to accelerate a digital transformation within the Ministry of Business and across the Danish business sector by developing, collecting, and implementing digital and technological solutions. Among the main initiatives is currently the GovTech program, which aims to create a new national GovTech framework from scratch, eventually making GovTech a growth area for Denmark. DTF is also tasked with challenging administrative procedures, processes and working methods throughout the Ministry. The taskforce works closely with internal stakeholders and externally with a number of private companies and research institutions, e.g. through its advisory board.

Context

In 2018, the world's first public sector innovation lab, MindLab, was shuttered after 16 years in operation. Innovators all over the world had modelled their work after MindLab, and the closure had a major impact in the sector. Former heads of MindLab, Thomas Prehn and Christian Bason, described the closure as being partly due to politics, partly due to the fact that MindLab's disruptive focus had run its course and was to be replaced with a unit with a bigger focus on technology and digital transformation¹.

In its place, and in line with the Danish government's strategy to make Denmark a digital frontrunner by 2025², the Danish Ministry of Industry, Business and Financial Affairs established the Disruption Task Force (DTF).

Disrupting the Danish model

The DTF was established in a political context with a major focus on how Denmark, one of the most digitalized countries in Europe³, could maximize the benefits of new technology in both the private and public sector while safeguarding the main tenets of the Danish welfare model. The Danish government, led by the Prime Minister's Office, sought out a uniquely Danish model of public-private collaboration and launched a "Disruption Council" in 2017. Consisting of a diverse group of business leaders, labor market stakeholders, innovators and academics, the council had a dual purpose: Uncovering how new technology could benefit Denmark's growth, while protecting Denmark's labor market model – not least its renowned flexicurity system that is designed to ensure the adaptability of skills to match employers' needs while still providing security for the employees.⁴

"We see it as a shared responsibility to make everyone feel safe and ready to seize the opportunities of tomorrow. We insist on seeking collective solutions to common challenges. This is why Danish trade unions work with employers and the Danish government to manage disruption... Just last year, we concluded a tripartite agreement on how to upskill and reskill the workforce through public adult vocational education and training," wrote member of the Disruption Council and president of the Danish Confederation of Trade Unions, Lizette Risgaard, about disruption and the Danish labor market model in Financial Times in 2018.⁵

Looking at two examples of how Denmark has interacted with disruptors from the private sector, we see the juxtaposition between disruption and the current reality of the Danish model, namely the labor market and current regulation. This is reflected in the vastly different reactions to the entrance of, respectively, Uber and Airbnb in the Danish market. In 2014, Uber entered the Danish market, and this was met with huge protests from the well-organized taxi unions. Complaints to police, protests and court cases plagued the ride sharing firm, and it eventually withdrew from Denmark in early 2017. Not so with another major disruptor to the private sector, Airbnb. In the summer of 2018, Denmark established the world's first agreement with Airbnb on automatic tax registration⁶, which forces the home rental company to report rental income directly to government authorities. In return, Airbnb hosts were given increased tax-free allowances on their rental income. One interpretation, in an editorial in Danish paper Jyllands-Posten, was that Airbnb was allowed to continue their activities in Denmark precisely because they acted in accordance with the Danish model by agreeing to work with the tax authorities.⁷

In 2018, the Danish government launched a comprehensive "Strategy for Digital Growth", which emphasized, among other areas, agile regulation for trade and industry and regulation for new business models⁸. While the strategy does not directly mention the Disruption Task Force or GovTech, a more efficient and digitalized public sector is the ambition behind several of the 38 concrete initiatives. The overall efforts of the Disruption Task Force, part of the Ministry of Industry, Business and Financial Affairs, should be viewed in this context.

Key policy objectives in establishing DTF

Modelled after innovation units in the private sector, the purpose of the Disruption Taskforce is to accelerate the digital transformation within the Ministry of Industry, Business and Financial Affairs, and eventually across the Danish business sector, using strategies and tools from the startup sphere (Figure 1).

PURPOSE OF THE DISRUPTION TASKFORCE

- 1 Assist the ministry to transform digital and technological development into practice.
- 2 Challenge outdated regulation and systems in terms of technological development in collaboration with the ministry's department and agencies.
- 3 Contribute to sharing of best practice and know-how across the entire ministry.
- 4 Inspire to use of new technology.
- 5 Develop a stronger digital mind-set together with HR.

Figure 1 - Purpose of the Disruption Taskforce

Creating both internal and external value

The strategy is split 50/50 between creating internal and external value (Figure 2). Internally, the DTF is currently examining the role and profile of the future civil servant, focusing on new skill sets required for a digital reality, and working on a new data strategy for the ministry. The DTF also performs a supporting function for the Ministry's agencies. Externally, the taskforce works on developing concepts and initiatives that can create new business models and growth areas. DTF is currently looking into experimental schemes, such as regulatory sandboxes and testbeds, to better learn how to regulate new technologies and services. A specific, current priority for DTF is the GovTech initiative, described in detail below. The taskforce wishes to create a new national GovTech framework from scratch, eventually making GovTech a new growth area for Denmark.

DISRUPTION TASKFORCE STRATEGY

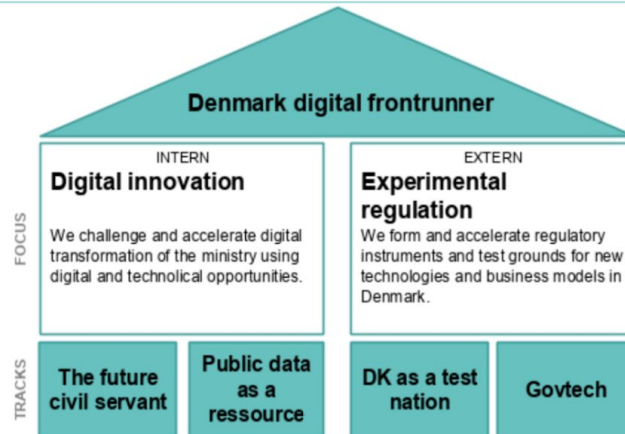


Figure 2 - Disruption Taskforce strategy

Duration

Projects are evaluated after 6 months on the basis of set KPIs, most importantly the long-term viability of the project, i.e. whether the project can survive on its own. DTF's role is not to be project owners in the long term. As part of the learning process, DTF expresses an objective to sharpen the selection criteria for projects (Figure 3).

ROADMAP

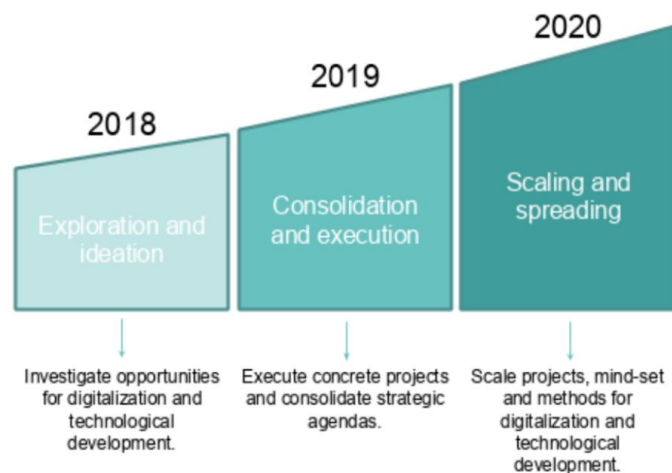


Figure 3 - Roadmap

Currently, the GovTech initiative (see below) is the most mature project, and DTF expects this project to become independent within 6-12 months.

Organization

The official vision of DTF is to challenge, concretize and accelerate the Ministry of Industry, Business and Financial Affairs' work to make Denmark a digital frontrunner. DTF initiates and executes development projects in partnership with relevant agencies and companies.

Disruption Taskforce was established by the Ministry of Industry, Business and Financial Affairs (top-down) as a part of its 2025-strategy in which digitalization and new technology is the main focus. The taskforce refers directly to the Permanent Secretary, with a mandate to challenge the current processes of the Ministry and push the digital transformation (Figure 4).

GOVERNANCE FEBRUAR 2019

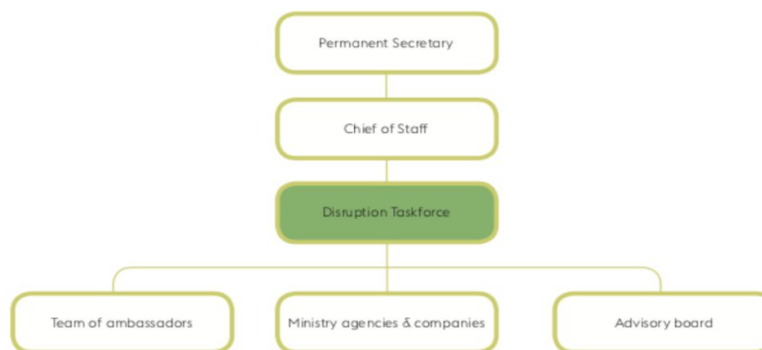


Figure 4 - Disruption Taskforce governance at February 2019

Disruption Taskforce is a publicly funded unit under the Ministry of Industry, Business and Financial Affairs. Certain projects, such as the GovTech initiative, include co- payment from participants.

Name of the Policy Lab: Disruption Taskforce

Contact person: Special Advisor Niels Martin Andersen and Head of Disruption Mads Bonde Clausen

Professional position and organization: The Ministry of Industry, Business and Financial Affairs

Webpage: eng.em.dk/

Country: Denmark

Current activities have been initiated by DTF in collaboration with ministry management. Other potential activities have been presented by management in other offices and agencies

(top-down). The DTF is currently screening those based on time requirements, and how they fit into overall strategy.

Thirdly, DTF performs a supporting function for colleagues in the Ministry. For example, DTF is currently in dialogue with the Ministry's life science team and the government entity Digital Hub Denmark on better use of health data. The role for DTF in this context is to act as internal consultants, trying to conceptualize and scope the task, creating tangible hypotheses and testing them with key stakeholders. This is in accordance with DTF's general way of working that is based on lean start-up principles.

The Disruption Taskforce is a small unit with currently four employees. The total staff will amount to five-six employees when complete. The taskforce works together with a range of stakeholders, including a number of "ambassadors" internally as well as an external advisory board (Figure 5). DTF is headed by the Ministry's Head of Disruption, Mads Bonde Clausen, and reports to Permanent Secretary Michael Dithmer.

ADVISORY BOARD



Figure 5 - Disruption Taskforce Advisory Board

The skills in the team are a combination of entrepreneurial mindsets and an interest in politics. In the current search for staff, DTF will look for people with more extensive tech experience or "tech gravitas," as expressed by special advisor Niels Martin Andersen. Project management experience and flexible project skills, as well as stakeholder management experience, are also important assets for the team. "We want to avoid becoming another team of normal policy officers. We need people that are slightly different than the rest of the ministry, but who are also able to navigate in a political system with a complicated stakeholder landscape," says Niels Martin Andersen. Positions within the taskforce are posted according to Ministry guidelines.

Besides the Disruption Taskforce, the main actors are the agencies and companies under the Ministry of Industry, Business and Financial Affairs, and an Advisory Board consisting of 25 people from corporates, universities, start-ups, NGOs, people working in data ethics and regulators.

The Taskforce and advisory board meet approximately every three months. Niels Martin Andersen describes the advisory board as a ‘major asset’ to DTF: “They find it interesting to be invited into the government machinery, and we need external people to qualify and improve our projects and ideas. We should be close to the private sector and not be too much a part of the system.”

However, it is also unprecedented for the Ministry to have an unpaid board with no express mandate, and Niels Martin Andersen says it has been a challenge to figure out “how to use them in the right way.” While DTF does not want to abuse the goodwill of the board members, an approach that is too hands off has not been successful either. “What we have found out is that even these great minds in tech need close coordination, and, frankly, to be told what to do in some cases. Inspiration and ideas are not enough. The board is most successful when its members are close to our projects and well- informed. For the GovTech initiative, for instance, we’ve set up a smaller group with an interest in GovTech, and we have a very fruitful bilateral dialogue with them.”

Working with the team of ambassadors (Figure 6), which includes heads of offices, heads of sections and heads of IT, has also been a learning process for DTF, and Niels Martin Andersen recommends engaging with these stakeholders on a project-to-project basis. “Don’t just pull them into briefing meetings, then it becomes too abstract and just another task in a busy workday. It works when we have a dynamic group working on a project-to-project basis. Don’t appoint ambassadors for, say, 2-4 years.”

The ambassador corps consists of 2-3 highly placed people from each of the seven agencies, which Niels Martin Andersen considers crucial when operating as a small unit in a Ministry with more than 2,000 employees. “You need champions high up, somebody to enforce your voice, if you want to make an impact.”

As a general recommendation when working with external stakeholders in a co-creation process, he says: “Be open about things, you don’t know. And don’t wait too long to engage with other people, you don’t have to have the perfect setup first. It’s a dual process.”



Figure 6 - Disruption Taskforce Ambassador team

Processes and tools

DTF works according to a specific method (Figure 7) inspired by design thinking and the so-called lean startup approach: 1) Defining potential problems → 2) set up some hypotheses → 3) develop some tech concepts → 4) testing them → 5) publish recommendations.

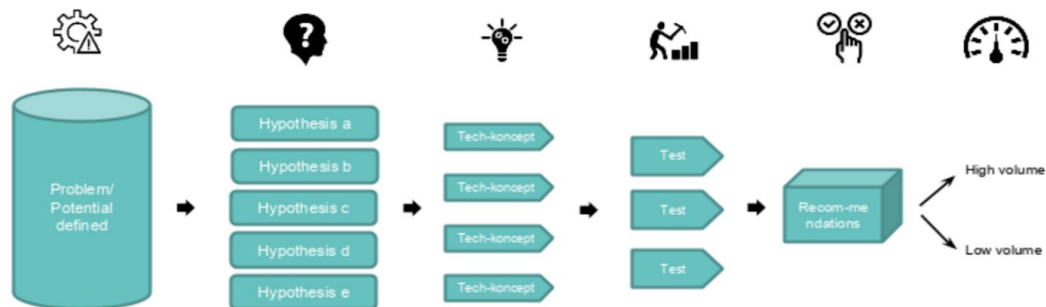


Figure 7 - Disruption Taskforce method of work

DTF finds that the benefit of this approach is the ability to start small with limited budget and, thus, limited damage in case of failure, says Niels Martin Andersen: “The model appeals to risk-averse civil servants. Risk awareness is a major driver in the public system and with good reason.” But the agile model also has its limits in the political world, he explains. “The lean start-up and SCRUM were written in a context, where you can measure everything. You need to understand and respect those limitations in a system like this. You can have a great idea and a way of executing the project, but sometimes things just get political. Either waiting for other ministries or a different political climate, all sorts of reasons can disrupt your project plan.”

He finds that people in the “system” are usually willing to listen to DTF’s ideas. “You rarely get a no, but one answer could be that “we need a process”, and that is in some cases another way of putting it on the backburner. In those situations, you need to be quite persistent. You can’t lose motivation. And other times, you have to fight for your projects and dare to be annoying. Not enough people do that. The system can be challenged, and people expect something different from us. But, just as in a private company, you have to find the balance. We were originally told that our mission was to challenge the system – but a wise person wouldn’t see that as an invitation to challenge everything all the time. You need to challenge the structure and the systems, when you have a solid argument and you are striving to reach a positive result. The system respects that, they know that that’s why we’re here.”

GovTech program

DTF has initiated The GovTech Program, a challenge-based initiative, which seeks to support, strengthen and further develop collaboration between the public sector and

technology companies with new solutions for the Ministry of Industry, Business and Financial Affairs.

General description

The GovTech program runs in two main, parallel tracks; a 12-month pilot program consisting of five concrete challenges (see examples of challenge descriptions below) from agencies within the Ministry, along with a long-term strategic effort to engage more ministries and expand the effort, linking it to political initiatives and public funding. A third track focuses on the use of dynamic procurement systems and the selection criteria therein, with the UK Government's Digital Marketplace G cloud⁹ as a case.

The overall objective of the program is to remodel the public sector procurement system in order to help smaller companies get a larger share of the market and shape a precedence for the public sector in Denmark to work more closely with the startup community.

Name of the Initiative: GovTech program

Website/ link: <https://program.dk/#EN>

Location: Copenhagen, Denmark

Starting and ending date of the initiative: 2019-2020

The five challenges across the agencies within the Ministry are set up with the purpose of both providing concrete solutions and producing proof of concept in order to expand the effort across ministries and the public sector in Denmark.

DTF emphasizes that the program must be able to continue to grow outside the ministry, in the hands of external partners, within six months in order for it to survive.

Governance

The GovTech program was initiated by DTF (bottom-up). The operational process and stakeholder management is maintained by the UK consultancy firm/venture fund PUBLIC, which was chosen based on a tender process.

The project is funded by the Ministry for Business. The agencies/challenge owners pay to be part of the programme.

Stakeholder landscape

DTF/The Ministry for Business initiated the program. The Ministry is considering inviting other ministries in further down the line to scale the effort but will continue as program owner for now. The Ministry's role is to monitor the progress of the program, and the final evaluation will be done by a body of agency directors within the Ministry together with DTF.

Prior to the project, these agency directors approved the criteria for success, and they are regularly updated on the progress of the project.

5.9.1.1. Other stakeholders:

- The agencies/challenge owners, including The Danish Competition and Consumer Authority and The Danish Business Authority. The challenge owners have pledged to both participate in the challenge process and do a tender afterwards
- PUBLIC agency, leading the process in close collaboration with management from the agencies. PUBLIC is a UK-based consultancy firm/venture fund, which was chosen based on a tender process. Following the tender, PUBLIC opened an office in Denmark. PUBLIC specializes in connecting startups with the public sector and is currently operating programs in the UK, Germany and France.¹⁰
- The companies, 11 companies from six countries are participating in the final stage of the program, screened by PUBLIC (Figure 8). The companies span a number of sectors, from e-learning (Canopy Lab) to smart tools and 3D printing (Thurmer), smart governance (Polyteia) and construction technology (Rendra). PUBLIC was chosen through a tender process. According to DTF, the following criteria were consequential in the choice of PUBLIC: i) Tech knowledge, ii) international oversight, iii) a strong interest and record in promoting the overall agenda.

The agency works directly with management in the respective agencies. Niels Martin Andersen, DTF: “In many of our agencies, the directors are personally involved. The process requires top-level engagement from the challenge owners, because if we’re successful, we’ll present our challenge owners with technological solutions that are slightly different from the original challenge call. We want to challenge them both in the scope of the problem and in the solution.”



Figure 8 - Tweet from PUBLIC announcing the companies, May 8th, 2019

Process structuring and engagement

When framing the overall problem and the need for more technological solutions, DTF looked at several factors, including:

- People expect better government services
- Welfare state needs to save money
- Tech solutions are getting more advanced and cheaper
- The public sectors poor record in working with start-ups and SMEs

DTF says: "Naturally, we see a political push for implementing more technology in the welfare state system and using it as a means to solve challenges in the public sector. Technology frees up hours for the people that are working close to the citizens, whether it's nurses, caretakers or preschool teachers"

PUBLIC established an office in Denmark in early 2019, soon after being chosen in the tender process and opened applications for the programme in February. The 11 chosen

companies are now working with the challenge owners and will present their prototypes in June (Figure 9).

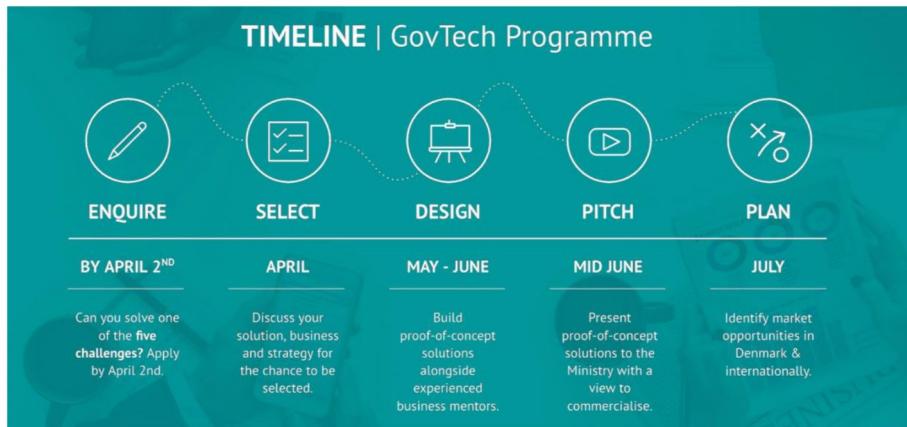


Figure 9 - GovTech timeline 11

The problem was framed by DTF and approved by leadership in the Ministry. Niels Martin Andersen says: “In this phase, it is important to know the system from the inside. You have to speak the same language. For example, that this sort of communication is done via memos and reports, because that’s just how it’s done.” DTF notes that in other projects cases, the advisory board could be included in this phase.

The specific challenge descriptions were shaped in a dialogue between the agencies and DTF 12:

1. The Danish Business Authority would like to investigate how Danish companies can achieve greater understanding and awareness of how to work ethically with data. How can new technology help to create better data ethics, and how might this field add commercial value to Danish companies?
2. The Danish Safety Technology Authority would like to investigate if new technologies such as laser-scans, 3D technology, image technology etc. can provide new solutions for the production and presentation of housing floor plans to create a clearer overview of a house.
3. The Danish Safety Technology Authority would like to investigate if new technologies can help create a fast and precise overview of piping installations in buildings. This can help uncover illegal and dangerous installations, which may not be visible. One example could be a solution to assist the controls of electrical installations in private homes to uncover fire hazards.
4. The Danish Competition and Consumer Authority would like to investigate how new technology and digitalization can make the economic regulation of the water and waste water sector more efficient, with new data driven opportunities for customers, water companies as well as the wider business community.

In the ideation phase and leading up to the tender, DTF was in dialogue with a number of both internal and external stakeholders. Internally with lawyers to make sure the projects adhered to the strict rules of engagement with private companies surrounding a tender

process. Externally with consultants and companies to ensure they designed a program that was appealing to private companies.

The tender process itself was conducted according to the set SKI-framework which regulates all procurement for the Danish government. DTF set up seven criteria for selecting a bidder, including a strong understanding of different challenges in the agencies, technological understanding, international network and project management experience.

The agencies/challenge owners were not a part of the selection/tender process, which was instead led by a steering committee within the Ministry.

PUBLIC was in charge of the detailed market dialogue and made recommendations (Chinese wall between the companies and the challenge owners). DTF emphasizes that although the agencies/challenge owners have pledged to do a tender after the challenge, any agency is ultimately free to decide otherwise pending the outcome of the challenge.

The process is ongoing, and, following the choices of companies, the agencies and PUBLIC will now be in contact on a weekly basis.

Long-term impact

DTF describes the final solutions to the challenges as being “very real, highlighted by the fact that the agencies are actually paying for them. This has been a priority to make sure that they’re not just “nice to have” ideas.” The solutions will be implemented straight away - the short-term impact - but also be a way of testing new things such as flexible procurement to come up with a set of recommendations for the long term that will inspire other public entities to follow the example.

Another potential impact is that the agencies will use a flexible procurement scheme and hopefully look across the board at both small and big companies when choosing a provider to solve the challenge and go beyond just choosing companies that have three previous public clients or a certain turnover, which is often the case.

The program continues to create new relationships between startups and the ministry. DTF is also experiencing a growing interest across the public sector in Denmark. The aim is to scale the program to other ministries in Denmark and, eventually, go global, as per the 2025-strategy to make Denmark a digital frontrunner.

Political influence (insights)

Govtech applies to many political agendas, including better adaptation of new technology, better use of taxpayers’ money, engaging SMEs and implementing start-up friendly policies. Niels Martin Andersen says: “The underlying political framework to support the agenda is definitely there.”

The initiative was shaped within the Ministry/DTF and thus within the framework that they operate in (see above). There has been no direct citizen participation in this process.

Media and communication

DTF participates in a number of conferences, including the Danish Internet Week and the people's summit "Folkemødet", tech conferences, as well as the international GovTech Summit in Paris in November.

External stakeholders, not least the advisory board, support the communication of DTF's work, and DTF states that they prefer communication around the agenda rather than the unit itself.

With the words of Niels Martin Andersen: "while we realize the importance of communication, we are also working hard to establish ourselves as a successful unit. Meaning that right now we are focusing on executing projects, and we have no wish to be part of the innovation circus." DTF's target audience includes municipalities, ministries, other public entities and private companies, rather than the general public. There are no specific efforts in place to target press. "We launched the program with a major conference, and partners like PUBLIC are very active promoting the agenda, including in the media. But press is not a huge focus for DTF" continues Niels Martin Andersen.

Internationally, DTF is involved with the UK-based innovation foundation NESTA and the learning platform Apolitical. Head of the unit Mads Bonde Clausen held a "show and tell"-session about DTF on the Apolitical platform in April with participants from all over the world.¹³

No specific communication initiatives have been planned around the GovTech program.

Cultural, behavioral, organizational (insights)

DTF describes a "general interest" in GovTech from the involved public officials, based on the recognition that "while they may be very good at detecting challenges, they may not be the best at solving them technologically." But Niels Martin Andersen also acknowledges that there is a "healthy dose of skepticism in terms of what we can achieve". "It is always difficult creating awareness around a new initiative, and we still need solid proof of concept. But people do think that it is important."

While the agencies defined their own challenges, DTF assisted in the scoping, ensuring that the main focus was on the end user. DTF found that involved public officials were open to this dialogue.

DTF describes a general trust among the stakeholders as well as a sense of curiosity. As far as the economic incentive - the agencies pay to be part of the program - Niels Martin Andersen says: "Most agencies know that a professional scoping market dialogue is the right thing to do, and that if they were to do it independently, it would also come at a cost. They recognize that there's a structured and thoughtful process here."

Insights on the co-creation process

As a unit within the Ministry for Industry, Business and Financial Affairs, DTF clearly operates within the traditional ministry framework. While they do seek ideas and collaboration from external stakeholders, ideas for projects have been shaped mainly within the Ministry/DTF and must be approved by management. Similarly, ideas from other agencies have come from management level. Niels Martin Andersen recognizes that this is a necessity to operate as a task force within a government entity. As he says: “We were originally told that our mission is to challenge the system – but a wise person wouldn’t see that as an invitation to challenge everything all the time. You need to challenge the structure and the systems, when you have a solid argument. I think the system respects that, they know that that’s why we’re here.”

Going beyond the Ministry, DTF did engage both public and private partners to shape the GovTech program, ensuring that they were both in line with regulatory frameworks and provided the right incentives for private partners to participate. Engaging with PUBLIC provided DTF with the market insights and network as well as the necessary arm’s length to the private companies. Such a framework may also help support the program’s long-term viability and encourage other, independent GovTech initiatives.

At the moment of writing (June 2019), evidence is not available in regards to the capacity of the taskforce to have direct influence on policy making or create a lasting dialogue between actors beyond the project, as the project is not yet completed.

The process has faced a number of barriers:

Former head of the taskforce, Kåre Riis Nielsen, left the taskforce in February. The new Head of Disruption assumed the position in April. The DTF does not yet have a firmly established funnel for new projects or set criteria for success. An innovation model is underway.

Communicating to a broader public is not a priority at the moment, as the taskforce wishes to spend its limited resources on project work. Further engagement would most likely require stronger communication efforts.

The model with the unpaid board with no clear mandate has been a challenge and it has taken time for DTF to find a good collaboration model. While they do not want to abuse the goodwill of the board members, an approach that is too hands off has not been successful either.

¹ https://apolitical.co/solution_article/how-denmark-lost-its-mindlab-the-inside-story/

² <https://eng.em.dk/publications/2018/april/strategy-for-denmarks-digital-growth/>

³ <https://ec.europa.eu/digital-single-market/en/desi>

⁴ https://www.regeringen.dk/media/6332/regeringen_disruptionraadet_uk_web.pdf

5 <https://www.ft.com/content/14a04b3c-2b9f-11e8-9b4b-bc4b9f08f381>

6 <https://www.thelocal.dk/20180518/in-world-first-airbnb-to-report-income-directly-to-danish-authorities>

7 <https://jyllands-posten.dk/debat/leder/ECE10612135/hvorfor-goeres-der-forskel-paa-airbnb-og-uber/>

8 https://eng.em.dk/media/10566/digital-growth-strategy-report_uk_web-2.pdf

9 <https://www.digitalmarketplace.service.gov.uk/>

10 <https://www.public.io/about-us/>

11 From: <https://program.dk/>

12 <https://program.dk/#EN>

13 <https://zoom.us/recording/play/y09PnH57jOenlReUALg64XvNZ4XPwUxTZncn5j4bYhl0gzFT36T-419xmuFHHHAb?continueMode=true>