

A Beginner's Guide to Idea Management

Idea management is still a new concept to many. This guide is designed to give a clear understanding of how to make it work for your business, and why it's so important. We'll share practical advice on how to successfully build a culture of innovation through idea management and provide inspirational examples to help you get started.

→ Section 1: What is idea management?

Idea management is the process of generating, collecting, analyzing, and implementing ideas that solve real business problems as part of a wider innovation strategy.

→ Section 2: Why you need ideas & why they are so valuable

In highly competitive markets, innovation is key to stand out, grow, and add value.

The purpose for ideas could be born out of necessity, to make financial savings, or respond to a crisis: such as Facebook's recent privacy issues affecting 87 million users. Or, it could be driven by a desire to increase transparency and engagement across the organisation and improve customer service. These ideas - big and small - that drive meaningful value, define innovation.

The word 'innovation' is thrown around a lot. To us, it's simply about solving the problems that matter to a specific set of people - typically your workforce, ecosystem, and customers - to enhance their overall experience.

To become truly innovative as a business and secure your place in the future, you need a way of accessing

the wealth of ideas inside and outside your organization. It's a potential goldmine by which you can identify and capitalize on the valuable ones that will help your business identify areas for improvement, adapt your strategy to emerging priorities, and find new ways to boost your bottom line.

Innovation cycles are accelerating, industries are converging, and the barriers to entry are lowering: the future is advancing quickly, and almost every business has struggled with the concept of transformation. Even digital native companies - born as disruptors - know they need to evolve. Proactively seeking the ideas relevant to your business or industry allows you to anticipate potential disruption and gain competitive advantage.



41% of businesses

have admitted that their firms are at extreme risk of disruption

53% of managers

are unaware of their organization's definition of innovation, or how it fits into wider corporate goals.

➔ Section 3: Who has asked for ideas & how will you measure success?

Identify a clear set of goals and objectives.

Innovation is best managed with a long-term perspective; it's not about overnight success. In most cases, the CEO or a member of the C-suite will set an objective, but the efforts to reach it are usually handed down to senior and mid-management staff - such as a Head of Innovation, Head of a Business Unit or other operational leaders. It's important to ask people for ideas in areas where you are prepared to make changes. Then, ensure that you commit resources to implement these ideas, aligning them to your wider strategic goals.

Your objectives will help you to set targets and KPIs that are in line with your overarching strategy and which will, in turn, facilitate more insightful reporting. Those taking responsibility for meeting the objective need to ensure they fully understand the expectations, to achieve results and measure success.

Targets must be meaningful. You should focus on what is important to measure, rather than simply what is easy to measure. Remember what business challenge you're looking to solve and what measurement you can use to assess its achievement. The focus could be on whether a challenge achieved financial savings, increased transparency, saved people-hours, made workforces or customers happier, or whether the idea generated actually solved the problem. For example, performance measures can be the ratio of number of new ideas per 100 employees, or the percentage of new ideas selected for funding.



A comprehensive approach to measuring the success of idea management should involve:

Planning:

Engaging and involving key stakeholders in the identification of clear metrics, making sure that they align with your business strategy and values.

Monitoring:

A way to track metrics against goals, to gauge progress and allow for any necessary adjustments – using metrics to drive and assess growth is not a one-time exercise.

Learning:

A continuous loop of feedback assesses your progress and engages key stakeholders to identify implications and new opportunities that will support your goals.

“ The key to successful idea generation and selection? Ensuring that you involve the right people in the right process.

➔ Section 4: Who should you invite to your crowd?

You have your purpose and have established what you're looking to improve. Now, which of your key audiences can make the biggest impact?

Collaboration plays an essential role in achieving the ripple effect of change. The potential for innovation is everywhere in the business: not just in the C-Suite, but in your ecosystem and amongst your customers.

For organizations looking to improve the customer experience, it's obvious to involve staff who interact with customers on a regular basis, or indeed customers themselves. For those looking to make incremental financial and efficiency savings across the business, inviting the entire workforce to collaborate will reveal potential solutions from a variety of places. For those looking to promote grassroots tech engagement, invite your firm's incubators and accelerators to the crowd.

The power of the crowd means that an idea shared is a problem solved. By engaging diverse and disparate communities, and encouraging collaboration on ideas regardless of scale, you'll gain incredible insights while increasing transparency and collective intelligence.

Many start-ups see crowdsourcing as the secret ingredient that makes their business model work. A large group of people can bring diversity, breadth of ideas, and a level of knowledge that makes collective insight far more valuable than the advice of a few experts. So much so, that larger organizations are also beginning to see the benefits of incorporating crowdsourcing into their innovation strategy.

It's being used for new product development, customer experience improvements, employee community-building, and network engagement. It's also helping companies keep up with competitors and develop better survival strategies. As with all innovation programs, businesses must be willing to adapt, learn, and try new things quickly, depending on how they are accepted in the marketplace.

Based on your purpose and what you're looking to improve, who are you inviting to the crowd: your workforce, ecosystem, or customers?

➔ Engaging Employees

An organization's success is as much dependent on happy employees as it is contented customers. Companies have a responsibility to keep employees engaged and satisfied with their roles, workplace, and overall company culture. As businesses grow and adapt to changing markets, this task becomes more daunting. Every organization has a wealth of potential innovators at its fingertips, but many are so driven by short-term results or tied up in their structures that they fail to harness the untapped creativity inherent in their employees.

All employees want to feel valued and listened to. Unengaged employees are estimated to cost organizations about \$6 billion each year in health problems, employee turnover, and productivity loss. However, companies that invest in employee engagement perform as much as 202% better than those with low engagement. These businesses can also boast 30% greater customer satisfaction levels. So, invite your workforce to help build your company's future.

British multinational insurance company Aviva was feeling the challenge of keeping up with customer evolution and expectations, maintaining a competitive edge within the market, and engaging employees. Its Customer Cup - a global innovation competition program aimed at improving the customer experience - was designed to engage its diverse global workforce and identify ways to build customer loyalty through an industry-leading customer

“ Someone, somewhere in your company may have the perfect solution to your organization's most pressing problem. ”

experience. One of the tournament's winning ideas addressed the delivery speed of replacement items, leading to six new partnerships with businesses including Amazon and Apple.

Innovation must be placed at the heart of your business to gain competitive advantage. The benefits of engaging employees across locations, departments, and functions go beyond employee retention and acquisition. Employee attitude and behaviour is also one of the most significant drivers of customer satisfaction. Engaging employees in idea management makes them feel they are contributing to making change and helping to achieve their company's strategic objectives. These employees spread their enthusiasm to colleagues and customers and are more dedicated to providing the best possible service.



80% of employees felt more engaged when their work was consistent with the core values and mission of their organization.

Those positive customer experiences can reinforce how employees feel about the value and purpose of their work, inspiring them to repeat their behaviour and see even more value in their role. When a company engages employees, it unlocks contribution, creativity and productivity across its workforce. Happy employees are also 12% more productive, and when your teams go above and beyond, your company does too.

Waitrose's collaborative hub, Partner Ideas, connects its 60,000-strong workforce. Here, partners (employees) can share, rate and discuss ideas on a continuous basis, and management can prioritize which of them to implement. One idea saw the formatting and management of till receipts transformed, saving Waitrose £167k with one recommended change, and Waitrose has seen a **total saving of £3.5 million** by the implementation of in-house ideas – for an **ROI of 1500%**.

DID YOU KNOW...



- 79% Of people who quit their jobs cite 'lack of appreciation' as their reason for leaving.
- Employees who exercise their strengths on a daily basis are 8% more productive and 6x more likely to be engaged.
- Anything is possible: Google implemented a 20% time program that resulted in the creation of Gmail, Google Earth, Google Talk and AdSense.
- Over a period of seven years, companies with more engaged workers grew revenue 2.5x as much as companies with less engaged workers.
- Companies with happy employees:
 - Outperform the competition by 20%
 - Earn 1.2 – 1.7% more than their competitors
 - Are 2.1% above industry benchmarks
- Happy workers are also more likely to solve problems faster.
- Companies in the top quartile of employee engagement experience 10% higher customer ratings.

→ Unifying Ecosystems

It's important to make sure all stakeholders feel involved in the organization's innovation strategy. They'll become greater brand ambassadors and advocates, and you'll benefit from more sustainable relationships. Partner communities have always played an important role in business growth, and your network can be a treasure trove of ideas. Not only can partners relay a vast amount of input from existing and prospective customers, but they might also have great ideas for improving strategy, processes, messaging, and solving some of your most pressing customer problems. Idea management can help unify whole ecosystems, by bolstering external insights from partners, supply chains, and firm incubators or accelerators.

Create a space for vendors, suppliers, and other collaborators to have their say, and integrate the diverse expertise of different industries with your own.

Facilitate communication between members of different organizations under the same umbrella and collaborate on common challenges. Bring your entire sup-

ply chain together to improve the delivery of products and services and ask your resellers what you could be doing better. You'll establish a reputation for ongoing improvement and growth.

Idea management enables you to bring a varied network together - government, SMEs, academia, competitors - to address systemic issues in your sector. Creating a collaborative space for your investors to engage and share ideas on strategic direction means that everyone in and surrounding your organization can create more value.

Over 68% of North American technology companies' revenue comes through partner channels, and as much as 80% outside of North America. That is a significant chunk of business that relies on motivated and informed partners.

The best partnership networks see individual members perform a narrow and tightly focused range of tasks, with all parties contributing equally to the project.



Routinely, 10-20% of recurring revenue opportunities through partner channels will go unrealized.

→ Inspiring Customers

Is your offering tailored to your customers' expectations? Failure to focus on the customer and meet changing needs is a significant concern for businesses today. It's one that permeates throughout the C-Suite, with 63% of COOs indicating that understanding what customers value poses a challenge for their business. Although the art of customer-centric innovation is incredibly complex, idea management offers a solution.

It allows you to call on your customers to help find the answers to systemic business questions. Starting a conversation and setting up a space where customers can share their thoughts will help any business tap into their minds, learn from them first hand, and seize the opportunity to rethink everything they need, want, and expect.



By making your customers an active part of the discussion, you might well discover opportunities that have been flying under the radar for years. Challenge your customers and get ideas on how to increase your Net Promoter Score (NPS) or engage them in product development and give them what they want to promote brand loyalty. Plus, working with the end users of your product or service to exchange knowledge and resources will enhance customer engagement.

Directly involving them in the company's value creation and product development processes allows you to deliver a more personalized experience that aligns with your business values, allowing you to invest better in the future. By forging connections with exclusive com-

munities and atypical partners whose passions align with yours, and creating opportunities for everyone, you will cement your reputation as a business redefining industry norms.

When you are ready to look beyond your customers, consider an open innovation Challenge, which invites the public to find solutions to wider problems. This also builds collaborative community engagement around complex issues and improving processes. The potential is limitless: you could crowdsource economic policy ideas from the public, challenge the whole world to create sustainable uses for old building materials, or put a new product idea to a public vote.

DID YOU KNOW...

- 50% of consumers are likely to switch brands if a company doesn't anticipate their needs.
- Customers who are fully engaged represent a 23% premium in terms of share of wallet, profitability, revenue, and relationship growth, compared to the average customer.
- 54% of companies say customer engagement strategy helps define innovation from early ideation, and 35% of companies say customers are their most important innovation partners.
- 70% of buying experiences are based on how the customer feels they are being treated.



➔ Section 5: How will you capture and manage ideas to ensure idea management is an efficient and sustainable process?

Once you've engaged the appropriate crowd to generate new ideas to solve your organization's challenges, how are you going to capture, discuss, and evaluate these ideas?

Obtaining ideas is easy; collecting and developing the right ideas is hard. The dispersed and international nature of modern businesses makes managing ideas difficult and all too often, valuable ideas get lost, lack drive, remain unspoken, or are forgotten about. Sometimes innovation fails, not because organizations don't have the right culture, but because they don't think about the process of innovation. Failure to do so means you risk losing a lot of valuable ideas.

“ Innovation can't succeed if you view it as an idea generation and capture process, divorced from business execution. ”

You need a robust plan for the whole idea workflow - not just for idea generation. This will help to identify those individuals within your organization, ecosystem, and customer base who have the expertise and means to develop ideas into tangible solutions.

Effective idea management requires three simple things: a defined process model, a focus on innovation, and the right tools to manage it. Innovation should not simply be a brainstorming session. It should be a sustainable program that enables you to harness everyone's potential – not just isolated groups in 'innovation teams' or executive staff.

Ideas degrade over time – you need to move fast to be innovative, ensuring the best ones don't get lost and the good ones can be identified, developed, and receive the attention they deserve. Management needs to provide a framework for this, so you can move quickly to pursue the right ideas and discard the wrong ones. Though it takes 97% of businesses over 6 months to get a new idea to market, with effective idea management via a structured process, it can take just days. How does your organization currently generate, collect, analyze and implement ideas?

➔ How does your organization currently generate, analyze, and implement ideas?

➔ Email and brainstorming:

Do you use spreadsheets, an email inbox, or another process? Many organizations still rely on the tried and tested brainstorm/mindmapping format. While this is a good way to engage a small group of individuals, it presents a number of issues further down the line. As creative demand and the pace of business increase, it might be hard to get all those people in a room together again. Plus, small pools can stagnate. These methods may also make it difficult to manage and correlate similar ideas. They usually lack insight for participants into other ideas shared, and don't provide a way to track progress of ideas.

It's also incredibly difficult to take the content scribbled on a white board in the heat of a discussion or debate and turn it into tangible ideas for a business without losing some of the context, history, and insight along the way.

➔ Social enterprise networks:

Social enterprise networks may engage large numbers of people across varied locations and encourage communication, but they lack purpose and don't offer any direction or workflow for idea development. As is the case with emails and online forms, it's very difficult to follow the creative process and evolution of an idea using 'linear' digital tools that don't clearly link information together.

➔ Idea management software:

Idea management software has been around for more than a decade, but interest in the field has exploded over the last few years as organization-wide platform has become an essential business tool. The growth of cloud software has recently given rise to many affordable, practical, and approachable idea management tools.

An idea management system needs to clearly show the implementation process and have the features to cap-



ture, track, evaluate, and collaborate. As well as this, it should support innovation challenges and provide quick feedback. Unlike the traditional process of capturing ideas via a suggestion box, an idea management platform makes the process easier, more transparent, and more collaborative. It provides a more effective method to engage communities across geographical, brand, and departmental boundaries.

Having a central, dedicated ideas platform that manages end-to-end innovation (i.e. idea capture and filtering to development and evaluation) is very powerful. These systems are often designed to integrate flexibly with other cloud software, allowing companies to build their own suite of bespoke software to perfectly suit their needs and budget. They require minimal set up and can also be accessed from any device – PCs, tablets, or smartphones.

Idea management software has the power to deliver incredible results for an engaged business, by supporting incremental, customer-centric, radical innovation. It's wise to start small, iterating in short cycles. This way, you can quickly test and improve products and services based on feedback, instead of spending years developing something, only to learn that your users won't accept it. Facebook continuously deploys code updates and implements hundreds of small changes to its website every day, and Amazon can release code every ten seconds. It's this ability to implement and adapt to feedback that allows organizations to beat the competition.

➔ Section 6: How will you foster a culture of innovation?

Does your business truly support creative thinking, idea generation, and innovation?

The key to driving meaningful value and innovation is seeing your organization as a single entity rather than a collection of puzzle pieces. Building a culture where ideas are accessible, transparent and collaborative is fundamental to the success of innovation. Companies that do this effectively are usually at the top of their market segment, boasting 30% higher levels of innovation. However, only 19% of executives currently believe their company has the 'right culture', and nearly half of people actively looking for new roles cite company culture as the main reason for departing.

Building a culture of innovation must be a continuous process, and something to be nurtured and developed throughout an organization over time. Fostering this culture within is important not just for your workforce. Your culture also relates to, and expands into, your ecosystem and to your customers. A culture of innovation is important because it provides everyone with a voice and role in the ideas process, rather than just a handful of people inside your building.

Your communities must feel encouraged to think strategically, create, experiment, generate, and share ideas. Creating more open cultures has helped countless businesses to cut costs, increase profits, boost engagement, serve their customers better, and improve products – both directly and indirectly.

DID YOU KNOW...

- Companies with strong cultures saw as much as a 4x increase in revenue growth.
- Being named a best place to work is also associated with a 75% stock jump.
- 31% of employees said that more transparency regarding the overall health of the business would allow them to better understand their employer's goals.



Simply capturing and sorting ideas isn't enough to sustain an ongoing innovation program - you need to think of ways to encourage involvement and develop your culture. Sloan MIT Management Review identified a series of "building blocks" for an innovative culture: including values, behaviors, climate, resources, and processes. Changes in organizational culture such as increasing executive visibility and championing innovative efforts will create a shift towards innovation.

For example, it's important to involve the person who came up with the idea throughout, and also vital that senior management join the conversation. They should demonstrate active, inspiring involvement in the program, and review all ideas and suggestions in a timely manner. You can set innovation goals and even gamify your innovation management program by rewarding the best contributors. This helps to generate organization-wide enthusiasm and get more people involved in the idea process.

It's essential to embed innovative thinking within your organization and encourage experimentation. It affects the way people feel about coming to work, and how they feel after they leave. Avis know that managing innovation like this won't always mean getting it right, but "learning through experience" will give it the power to transform its organization. A strong culture is one where people are endeavouring together towards something larger than themselves.



78% of employees who say their company encourages creativity and innovation are committed to their employer.



52% of organizations believe that leadership buy-in is the biggest obstacle to strengthening a company's culture.

DID YOU KNOW...



- 60% of employees don't know their company's goals, strategies and tactics.
- more than 50% of ceo's and cfo's believe corporate culture influences productivity, creativity, profitability, firm value and growth rates.
- highly engaged workplaces see a 10% increase in customer ratings and a 20% increase in sales.
- companies with an engaged culture have 30% greater customer satisfaction levels and 65% greater share price increase.
- a 2% increase in customer retention has the same effect as decreasing costs by 10%.

➔ Section 7: Conclusion

By encouraging people to unleash their creativity, providing the right platform to do so, and actioning ideas as either incremental or breakthrough improvements, you can greatly improve quality while reducing costs. The right idea management culture and approach will drive tangible results, fuel growth, and create real competitive advantage in a sustainable and repeatable way. These are the organizations that will lead their industries.

We hope that this guide has helped de-mystify idea management and given you a better understanding of how to make it work for your business.