# A BEGINNER'S GUIDE TO IDEA MANAGEMENT

wazoku

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# INTRODUCTION

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.

### WHAT IS IDEA MANAGEMENT?
Idea management is the process of generating, collating, analysing and implementing ideas that solve real business problems as part of a wider innovation strategy.
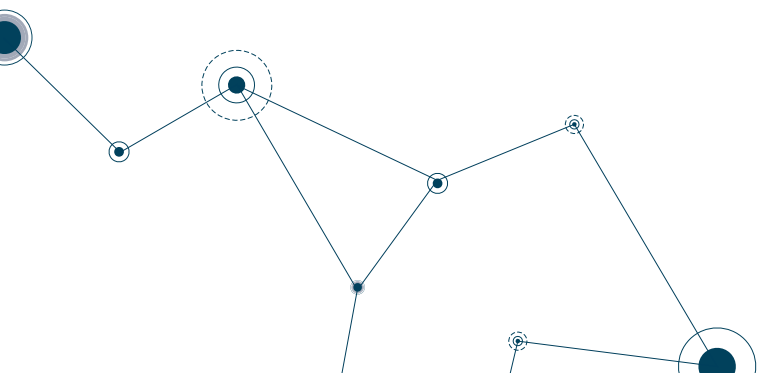
# WHY YOU NEED IDEAS & WHY THEY ARE SO VALUABLE

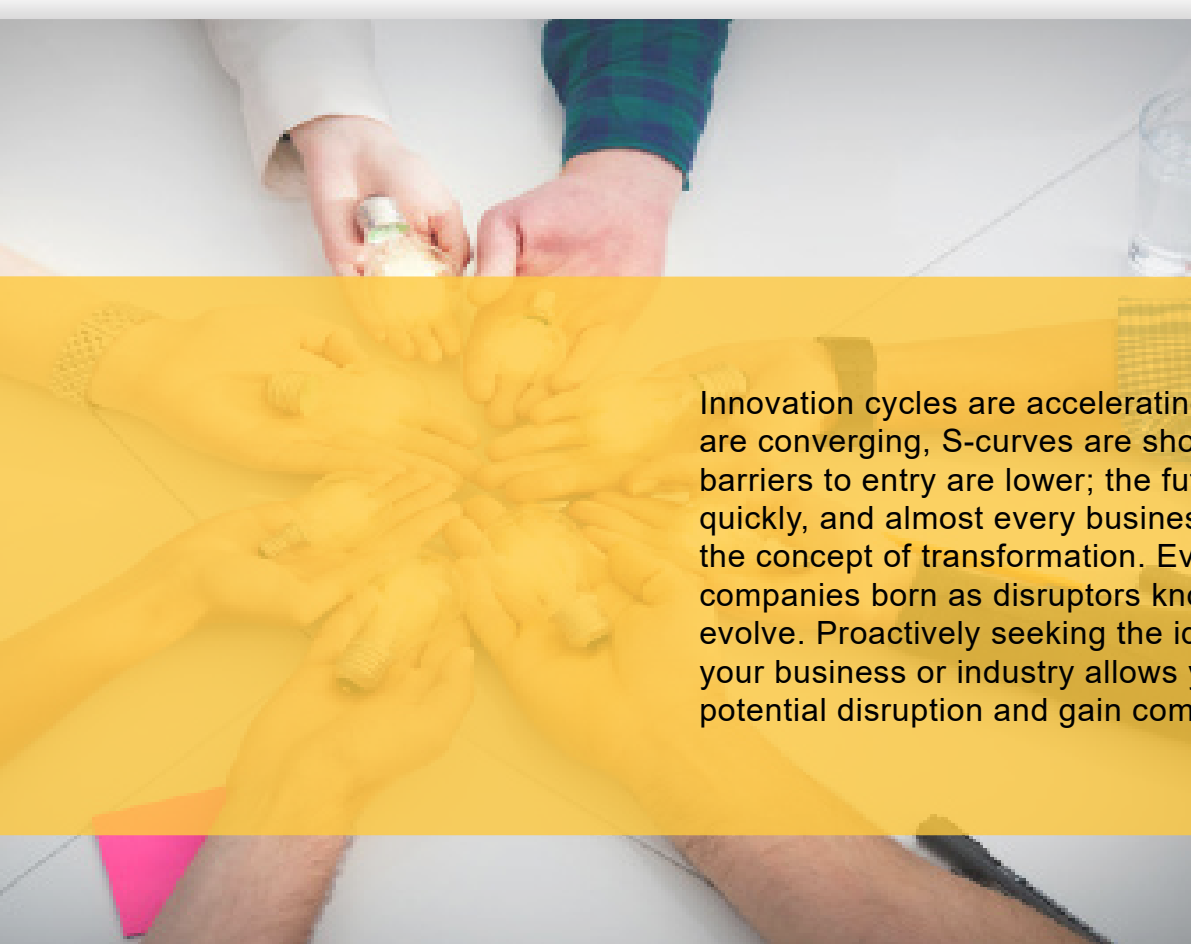## IN HIGHLY COMPETITIVE MARKETS, INNOVATION IS KEY TO STAND OUT, GROW, AND ADD VALUE

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.**

Though 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 within and surrounding your organisation. It's a potential goldmine if you can identify and capitalise upon 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.

41% of businesses have admitted that their firms are at extreme risk of disruption.

Yet 53% of managers are unaware of their organisation's definition of innovation, and how it fits into wider corporate goals.

Innovation cycles are accelerating, industries are converging, S-curves are shortening and the barriers to entry are lower; the future is advancing quickly, and almost every business is struggling 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.

# 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 and commit resources to implement the ideas, aligned to your strategic goals and business needs.**
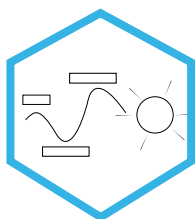


Your objectives will help you to set targets and KPIs that are in line with your overarching strategy and which will, in turn, facilitate more insightful reporting. Those taking responsibility for meeting the objective need to ensure they fully understand the expectations, to achieve results and measure 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. Performance measures can be the ratio of number of new ideas per 100 employees, for example, 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 pinpoint any necessary adjustments; using metrics to drive and assess growth is not a one-time exercise.

### LEARNING

A continuous loop of feedback that assesses progress and engages key stakeholders in identifying implications and new opportunities that support your goals.

# WHO SHOULD YOU INVITE TO YOUR CROWD?

YOU HAVE YOUR PURPOSE AND WHAT YOU'RE LOOKING TO IMPROVE. NOW, WHICH OF THE KEY AUDIENCES MOST RELEVANT TO YOUR BUSINESS 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. The key to successful idea generation and selection? Ensuring that you **involve the right people in the right process**. For organisations 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 insight into operational efficiencies, while increasing transparency and knowledge sharing.**

Many start-ups see **crowdsourcing** as the secret sauce in their business models. A large group of people can bring diversity, a breadth of ideas and a level of knowledge that makes such collective insight far more valuable than the advice of a few experts. So much so, that larger organisations are also beginning to see the benefits of incorporating crowdsourcing into their innovation strategy. It's being used for new product development, process and service innovation and employee community and network engagement. It's also helping companies keep up with competitors and develop better survival strategies. As with all innovation programmes, 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 organisation'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 companies grow and adapt to changing markets, however, this task becomes more daunting. **Every organisation has a whole army of potential innovators at its fingertips**, but many are so driven by short-term results and tied up in their structures and processes, they fail to recognise and harness the untapped creativity residing within their workforce. But someone, somewhere in your company may have the perfect solution to your organisation's most pressing problem.

All employees want to feel valued and listened to; disengaged employees are estimated to cost organisations 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, and can boast 30% greater customer satisfaction levels. So, invite your workforce to help build your company's future.

**AVIVA** Good thinking | **Customer Cup**

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 programme 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 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.
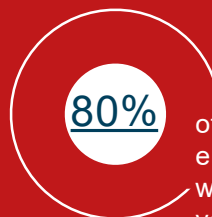
**80%** of employees felt more engaged when their work was consistent with the core values and mission of their organisation. These employees spread their enthusiasm to colleagues and customers and are more dedicated to providing the best possible service.

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**

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 prioritise 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%** 79% of people who quit their jobs cite 'lack of appreciation' as their reason for leaving.

**6X** Employees who exercise their strengths on a daily basis are 8% more productive and 6x more likely to be engaged.

**20%** Anything is possible: Google implemented a 20% time programme that resulted in the creation of Gmail, Google Earth, Google Talk and AdSense.

**2.5X** 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 peer firms
- and are 2.1% above industry benchmarks

**20%**

Happy workers are also more likely to solve problems faster

Companies in the top quartile of employee engagement experience 10% higher customer ratings

**10%**

# UNIFYING ECOSYSTEMS

It's important to make sure all stakeholders feel involved in the organisation'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 organisations under the same umbrella and collaborate on common challenges. **Bring your entire supply 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 organisation 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 unrealised.

# INSPIRING CUSTOMERS

Is what you're delivering designed for your customers, or for you? 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 some hope. It allows you to **call on your customers to help you find 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 Promotor Score (NPS) or engage them in product development and give them what they want to drive 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 personalised experience that aligns with your business values. By forging connections with exclusive communities and atypical partners whose passions align with yours, and creating opportunities for everyone, you will cement your reputation as a business redefining industry norms. Sharing ideas with your customers will help you to determine which ones are the smartest investments for your company's future.

When you are ready to look beyond your customers, consider an open Innovation challenge, which invites the public to find solutions to bolder, wider problems and 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 new, sustainable uses for old building materials, discover ideas from parents and childcare professionals on monitoring what and how much toddlers eat or put a new product idea or a secret menu to a public vote.

DID YOU KNOW…

Customer experience will overtake price and product as the **key brand differentiator** by 2020.

**50% of consumers** are likely to switch brands if a company doesn't anticipate their needs.

**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.

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.

**70% of buying** experiences are based on how the customer feels they are being treated.

# HOW WILL YOU CAPTURE AND MANAGE IDEAS TO ENSURE IDEA MANAGEMENT IS AN EFFICIENT AND SUSTAINABLE PROCESS?

## SO, ONCE YOU'VE ENGAGED THE APPROPRIATE CROWD TO GENERATE A WEALTH OF NEW IDEAS TO SOLVE YOUR ORGANISATION'S CHALLENGE, HOW ARE YOU GOING TO CAPTURE, DISCUSS AND EVALUATE THESE IDEAS?



Obtaining ideas is easy; collecting and developing the right ideas is harder. 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 organisations don't have the right culture or don't want to be innovative but because they fail to 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 and collation. This will help to identify those individuals within your organisation, 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 programme that enables you to harness everyone's potential** – not just isolated groups in 'innovation teams' or executive staff.

Ideas degrade over time, and you need to move fast to be innovative, so 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 organisation currently generate, collate, analyse and implement ideas?

# HOW DOES YOUR ORGANISATION CURRENTLY GENERATE, COLLATE, ANALYSE AND IMPLEMENT IDEAS?

## EMAIL AND BRAINSTORMING

Do you use spreadsheets, an email inbox or another process? Many organisations still rely on the tried and tested brainstorm/mind-mapping format, and while this is a good way to engage a small group of individuals in person, 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

Much-loved by businesses, 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 a decade, but interest in the field has exploded over the last few years as organisation-wide platform has begun to be an essential business tool, as important as email. 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 capture, track, evaluate and collaborate, as well as support innovation challenges and provide quick feedback.  Unlike the traditional process of capturing ideas via an ideas suggestion box, an idea management platform makes the process **easier, more transparent, more collaborative – and therefore more effective**. It provides a vehicle 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 a 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 and 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 hate 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 organisations to beat the competition.

# 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 organisation as a single living entity** rather than a collection of puzzle pieces, and building a culture where ideas are accessible, transparent and collaborative. These mission-driven companies are usually first or second in their market segment, boasting 30% higher levels of innovation. However, only 19% of executives currently believe their company has the 'right culture', and 47% of people actively looking for new roles cite company culture as the main reason.

Building a culture of innovation must be a continuous process, and something to be nurtured and developed throughout an organisation over time. Building 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 and be given the time and freedom to think strategically, to 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.

**4X** COMPANIES WITH STRONG CULTURES SAW AS MUCH AS A 4X INCREASE IN REVENUE GROWTH.

**75%** BEING NAMED A BEST PLACE TO WORK IS ALSO ASSOCIATED WITH A 75% STOCK JUMP.

**31%** 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 programme - you need to think of ways to encourage involvement and develop your culture. Sloan MIT Management Review recently identified a series of "building blocks" for an innovative culture, including values, behaviours, climate, resources and processes. Changes in organisational 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 programme, and acknowledge and review all ideas and suggestions in a timely manner. You can set innovation goals and even gamify your innovation management programme by rewarding and giving points to the best contributors, to generate organisation-wide enthusiasm and get more people involved in the idea process.

It's essential to embed innovative thinking within your organisation 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 organisation. A strong culture is one where people are endeavouring together towards something larger than themselves. Ownership and collaboration are what drive people to challenge each other, to take responsibility and push the limits of what we think is possible. It's how to deliver the greatest solutions for your business and communities.

THE BEST IDEAS CAN COME FROM ANYWHERE, SO **ENCOURAGE EVERYONE TO UNIFY, TO THINK BOLDLY AND TAKE RISKS**. THIS WILL GENERATE NOVEL APPROACHES TO COMPLEX PROBLEM SOLVING, AND YOU CAN BUILD A BRAND SHAPED BY THEIR VOICES AND VALUES, ONE THAT EVERYONE CAN RALLY AROUND.

**78%** 78% OF EMPLOYEES WHO SAY THEIR COMPANY ENCOURAGES CREATIVITY AND INNOVATION ARE COMMITTED TO THEIR EMPLOYER.

**52%** 52% OF ORGANISATIONS BELIEVE THAT LEADERSHIP BUY-IN IS THE BIGGEST OBSTACLE TO STRENGTHENING A COMPANY'S CULTURE.

WORK ENVIRONMENT, SUPPORT SYSTEMS, AND MISSION AND VALUE ALIGNMENT ARE THE COMPANY CULTURE QUALITIES WITH THE GREATEST IMPACT ON EMPLOYEE SATISFACTION.

## DID YOU KNOW...



**60%**

60% OF EMPLOYEES DON'T KNOW THEIR COMPANY'S GOALS, STRATEGIES AND TACTICS.

**>50%**

MORE THAN 50% OF CEO'S AND CFO'S BELIEVE CORPORATE CULTURE INFLUENCES PRODUCTIVITY, CREATIVITY, PROFITABILITY, FIRM VALUE AND GROWTH RATES.

**20%↑**

HIGHLY ENGAGED WORKPLACES SEE A 10% INCREASE IN CUSTOMER RATINGS AND A 20% INCREASE IN SALES.

**65%**

COMPANIES WITH AN ENGAGED CULTURE HAVE 30% GREATER CUSTOMER SATISFACTION LEVELS AND 65% GREATER SHARE PRICE INCREASE.

**2%↑**

A 2% INCREASE IN CUSTOMER RETENTION HAS THE SAME EFFECT AS DECREASING COSTS BY 10%.

## CONCLUSION

By encouraging people to unleash their inner 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 organisations 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.

## ABOUT WAZOKU

Wazoku helps companies become EveryDay innovators, where innovation is a core, strategic, everyday capability.

Our cloud-based idea management software enables you to crowdsource solutions to challenges that keep you up at night. We are passionate about enabling organisations to engage and collaborate with their workforce, ecosystem, customers and the world – to generate new ideas as part of a wider innovation strategy.

Wazoku is the global home for ideas, giving a voice and role to everyone in the innovation process.