The Corporate Innovation Machine

A model for implementing an
idea management based innovation strategy
in your firm

by Jeffrey Baumgartner

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"On average
innovation excellence
can increase the EBIT margin by 3.6%
while front-runners achieve up to 11.4% increase"

Arthur D. Little (ADL) & Bundesverband der Deutschen Industrie (BDI)

Introduction

The **corporate innovation machine** is a model for understanding how to implement an effective, idea management based innovation strategy in your firm. As with any machine, the corporate innovation machine comprises several components, all of which must work together for the machine to work properly. When the entire machine does work, it builds ideas, evaluates those ideas and implements the best ideas as new product, service and operational improvements which translate into increased revenues for your firm. This paper explains the basic principles behind the innovation machine strategy.

Powered by Management

The corporate innovation machine is powered by management. Just as the most sophisticated machine will not run without a power source, likewise your corporate innovation strategy will go nowhere without top management taking the lead.

Management's main task is to create within the organisation a culture of innovation which will empower workers to think creatively, collaborate on ideas and contribute their ideas to the company. This is not an easy task, but done well it will make construction of the remainder of the innovation machine a relatively easy job.

Management must:

- **Ensure that there is environment of trust**. If the workforce does not trust the company, they will not innovate for the company. Survey after survey has shown that trust is one of the most critical factors in establishing a culture of innovation. If your workforce trusts the company, this is not an issue. If not, establishing trust must be your very first step.

- **Establish innovation goals**. Determine what you wish to achieve through innovation. This should translate into a series of short term and long term goals against which the results of implementing the innovation machine strategy can be compared.

- **Designate responsibility and resources**. Who will take charge of the innovation programme? What tools will you invest in? What resources will you provide? What budget will be available for the innovation programme? Will you provide a skunkworks (see below) budget for crazy ideas?

- **Develop a communications plan**. It goes without saying that your workforce must understand why you are implementing an innovation strategy, how you are implementing an innovation strategy, how they should participate and how they will benefit. Likewise, your shareholders and customers should also be aware of your new innovation strategy and how it will benefit them. This all demands a comprehensive communications plan.

- **Demonstrate innovation**. Assuming management wants the workforce to be more creative, senior managers should also be demonstrably more creative themselves. If management is seen as managing by the book, employees will doubt management's commitment to innovation. Instead, management should be sharing and implementing innovative ideas – and must communicate this to the workforce.

- **Reduce creative risk.** Albert Einstein once said: "If at first the idea is not absurd, then there is no hope for it." For many people, sharing a potentially absurd idea with their company is overly risky. At best, they may be ridiculed by their colleagues. At worst, they may be reprimanded by their superiors or even damage their career progression ("Jerry's not really management material. He keeps coming up with those absurd ideas that are completely impractical"). If the level of creative risk in your organisation is too high, people will keep ideas to themselves, rather than share them. You need to ensure creative risk is as low as possible.

- **Establish a rewards scheme**. Rewarding innovative thinking is an important part of an idea management based innovation strategy. Rewards increase motivation for employees to continue developing and sharing ideas. There are various methods of rewarding ideas. Some companies favour public recognition through newsletters, intranet sites and meetings. Others offer work related benefits such as additional time off, attending overseas conferences and so on. Others offer small gifts such as televisions, cameras, etc. Whatever system you choose, it should be perceived as consistent and fair. Management should not offer substantial cash rewards for ideas. These inevitably lead to greed and perceived unfairness.

- **Implement creative ideas.** Ideas are no more than ideas until they are implemented. Management needs to take charge of implementing creative ideas so that they may become innovations which deliver value to the firm. Highly creative ideas, which have the potential to become breakthrough innovations are also highly risky. Thus management must establish procedures for implementing such ideas, usually together with a set of milestones against which progress of the idea's development can be monitored and decisions made as whether or not the implementation should go on.

How management implements these actions varies from organisation to organisation and depends on existing culture, existing tools, innovation goals and facilities.

"limited recognition and praise"
was cited as the most common reason for why employees left a company.
It was ranked higher than
compensation, limited authority, personality conflicts,
and all other responses.

From a survey by Robert Half International

Idea Generator

If management is the power source of the innovation machine, then the idea generator – the tools and techniques for generating ideas – is the motor that drives the innovation process.

Principles

Before we look at idea generation tools, it is important to look at the key terms and concepts relevant to organisational creativity and innovation.

Creativity versus innovation

The terms, "creativity" and "innovation" are often used interchangeably. They should not be and it is important to understand the difference.

> **Creativity** is the generation of new ideas.

> **Innovation** is the implementation of creative ideas in order generate value, usually through reduced operational costs, increased income or both.

Individual creativity versus organisational creativity

Individual creativity is, of course, the creativity of an individual person. People can learn to be more creative by reading books, participating in workshops, learning creative thinking techniques and so on. Organisational creativity is the creativity of an organisation. Unlike people, however, organisations cannot simply pick up a book and learn to be more creative. Likewise, even if an organisation is full of creative people (and most are), that does not necessarily make the organisation more creative.

Making an organisation more creative and more innovative is much more complex, requiring the establishment of a culture of innovation together with tools for creative collaboration; in other words: implementing a strategy along the lines of the innovation machine strategy.

Creative collaboration

Collaboration is an essential element of organisational innovation. When a team of people come together to devise and develop ideas, they can potentially be much more innovative than any individual member of the team can be on her own.

However, to be effective, teams must comprise a variety of people with different backgrounds and areas of expertise. In a corporate setting this requires, at minimum, that teams are made up of people from different divisions within the company. At best, those people will also come from different locations or countries. As a rule of thumb: a greater variety of people participating in the idea generation process equals a higher level of creativity and innovation.

Creative collaboration occurs in several ways:

- **Creative teams** put together by management in order to handle a specific task or project. When management puts together such a team, an effort should always be made to build the team with people from different divisions and locations. People new to the company can be particularly valuable team

members as they will bring to the team fresh thinking unprejudiced by established corporate notions.

- **Creative teams** that are formed when an employee asks one or more colleagues to assist her with a task. Unfortunately, when people form their own teams, they tend to work with other people in their own division and with whom they have worked in the past. This is not ideal for creative thinking. As much as possible, employees should be encouraged to form teams with members of other departments. An on-line staff directory or knowledge map can help considerably for finding team members with specific areas of expertise.

- **Brainstorming groups** that are brought together to perform a single brainstorming session (see below). Again, an effort should be made to bring as wide a variety of people as possible into each brainstorming session. When appropriate, business partners, customers and others from outside the company should be brought in to participate.

- **Networking** that employees do when they seek the assistance of a colleague for ideas, advice or help. Networking tools, such as staff directories and discussion forum tools can help encourage people to network outside their departments and immediate contacts.

- **Open collaboration** that is possible through web based discussion fora, some web based software and other on-line collaborative tools. Open collaboration is where any user can interact with any other user in a transparent manner. For example, an on-line discussion forum allows a user to post a problem. Another user can read that problem and post an answer. Other users can then build on that answer or provide alternative answers. As a result, users collaborate with each other in a totally open environment to solve problems. Open collaboration is particularly useful for idea management (see below) in large organisations with multiple locations.

Squelching

Squelching is the term for criticising ideas – and it must be avoided at all costs during the idea generation phase. Squelching is telling someone who has just shared an idea with you:"that is a ridiculous idea", "you must be joking" or "they'd never do something like that around here". Squelching is dangerous because it not only demotivates the person who contributed the idea, who will have learned that sharing creative ideas results in criticism, but also other colleagues who will observe the same thing. Clearly a little bit of squelching can do tremendous damage to your innovation strategy.

During the idea generation phase of an ideas campaign or brainstorming session, squelching must be prohibited. Indeed, as much as possible ideas should be praised. Even ideas which are too radical or inappropriate for your organisation should be praised for their creativity.

Only during the evaluation phase (see below) should ideas be open to criticism.

> *45% of lucrative business ideas —*
> *whether breakthrough products or services,*
> *new uses for old ones, or ways to cut costs—*
> *come from employees.*
>
> *PricewaterhouseCoopers*

Tools & Techniques

Organisations should have a small "toolbox" of tools and techniques for facilitating innovation. The central tool should be an idea management system capable of soliciting, capturing and evaluating ideas. Properly used, such a tool permits a steady stream of innovative ideas for implementation. Other tools, such as skunkworks, brainstorming, creative spaces and creative meetings further your organisation's innovation potential.

Suggestion scheme based idea management

Many companies' first foray into the field of idea management is a suggestion scheme based on the old fashioned suggestion box. However, computers have replaced the box. Suggestion schemes are sometimes ad hoc, using a central e-mail address where ideas can be sent for consideration. Other companies invest in building or buying purpose built suggestion scheme software, often boasting so called web 2.0 functionality.

Unfortunately, such systems are not very effective and tend to fail after 12 to 18 months in this author's experience. There are several reasons for this.

- There is no structure to idea submission. As a result, the person or team in charge of the system is deluged with suggestions. Because each suggestion has to be analysed individually, the workload on the team is tremendous. Often, the people in charge cannot process the ideas in a timely fashion, giving the impression to idea submitters that the company is not really interested in their ideas.

- Owing also to the lack of structure, a large percentage of ideas are not relevant to current business needs. This results in a high rejection rate.

- There tends to be a high level of repetition. The same ideas are submitted over and over again and they must be repeatedly rejected. If an early submission of the idea is implemented and the submitter rewarded, later submitters feel that they have been cheated of credit for their ideas.

- Factions within the organisation can hijack the system for political, rather than business reasons. This can be done through their submitting large numbers of ideas to support their political agenda, such as launching a project that will give their division resources – even when the project is known not to be viable commercially.

Fortunately, there is an approach to capturing employee ideas that is highly effective. It is based on the well established principles of creative problem solving (CPS) first devised by Alex Osborn in the 1940s and continually developed by the University at Buffalo.

Campaign based idea management

A superior alternative to the suggestion scheme model of idea management is the campaign based model of idea management. In the campaign based approach, instead of openly soliciting all ideas, the company launches short term campaigns to solicit ideas on specific issues or problems, for example : "Ideas for new product features that will make our widgets more appealing to young home-owners" or "How can we improve the product documentation in order to reduce customer support demands?"

Campaign based idea management offers two huge benefits over the suggestion scheme approach. Firstly it

forces people to think about and, focus their innovation on, strategic business needs. Secondly, it motivates employees to participate by providing specific, time limited challenges. Compare the demands: "give me an idea" and "give me an idea on how we can improve our marketing strategy" and it is easy to understand why campaign based idea management attracts more and better ideas.

Your campaign based idea management tool should also provide several other features in order to be effective over the long term.

- **Decentralised management:** Instead of a single innovation manager overseeing all campaigns, it is more effective to empower individual managers to set up and oversee their own ideas campaigns. Firstly, this ensures that the people who will actually implement the ideas are the ones soliciting, capturing and evaluating those ideas. Secondly, it frees the innovation manager from administering campaigns and allows her to focus on the overall innovation strategy of the company.

- **Participation control:** Some challenges should be presented to the entire company, that enables your firm to tap into the widest range of knowledge, expertise and creativity. Moreover, if yours is a business to consumer (B2C) firm, your employees are also customers and so see your products and image from multiple perspectives. Other challenges should be open only to particular teams, divisions or locations. Ideas campaigns relating to highly confidential strategic issues should not be open to everyone. Estonian language campaigns about issues affecting the Tallinn office are probably best done in Estonian by employees based there. A properly designed system will enable managers to fine tune ideas campaign participation in this way.

- **Intuitive and easy to use**: participating in an ideas campaigns cannot be made obligatory. Thus, participation must rely on promotion and an easy to use tool. If it is not immediately clear how to submit an idea, many people simply will not bother. Idea management software should be easy to use, require as little time as possible for submitting an idea and should not confuse users with unnecessary demands or frivolous features.

- **Semi-anonymous idea submission.** If employees can submit ideas anonymously, they are likely to submit more daring, more creative ideas (see note on creative risk above). Nevertheless, there should be a means of retrieving the name of an idea submitter in the even the idea is implemented. This ensures the appropriate person is rewarded for her creative contribution.

- **Evaluation tool.** In order to determine which ideas should be implemented, the idea management system should have an evaluation tool with the functionality described in the evaluation matrix section below.

- **Flexible idea flow.** It is important to have flexibility in idea flow. Some ideas will clearly have great potential and should be implementable immediately. Others may need a more thorough evaluation procedures to determine feasibility (see Idea Quality Control: Evaluation chapter). You idea management system should allow you to act on ideas as needed and not according to a rigid idea flow structure that may not suit your needs.

Ideas campaigns should be limited in duration – usually two to four weeks is sufficient. Time limits motivate people to think about the issue and submit their ideas immediately. Moreover, a steady flow of new ideas campaigns on different issues provides continuous challenges to your most creative thinkers, keeps your idea management programme dynamic and stimulates everyone's imagination.

In addition to focused ideas campaigns, you should also run an on-going open campaign for ideas not relevant to current campaigns. This ensures that random good ideas are captured and implemented.

In order to ensure it is used by as much of the workforce as possible, it is important to promote heavily the idea management system via your communications plan (see above). In addition, managers should promote each individual ideas campaign to ensure employees know about it and are motivated to participate.

Brainstorming

In spite of its continuing popularity, traditional brainstorming is not a particularly effective means to generate creative ideas. Traditional brainstorming can be defined as an event in which a facilitator presents a challenge to a group of people who shout out ideas in a free, unrestricted environment. The facilitator notes down ideas on a whiteboard and the best ideas are selected for implementation.

In tests comparing the creative performance of groups of people brainstorming following the traditional method and people writing down ideas individually, the individuals are consistently demonstrated to generate a wider variety of more creative ideas. In other words, if you put eight people in a room together, all writing ideas and another people in a room together all shouting out ideas, the former group (provided all other factors are similar) will always have more creative ideas.

There are several reasons for this: in a large group, there will always be several people who keep quiet or gossip among themselves; a small number of more outgoing people will try to dominate the session; if someone suggests an interesting idea, others tend to ideate around that idea thus restricting the range of creative thinking; and no matter how much you stress the importance of not criticising ideas, members of the brainstorming team will fear that sharing outrageous ideas will subject them to ridicule.

As a result, if you wish to tap into the theoretical advantages of brainstorming, you need to bear in mind the limitations of traditional brainstorming. We have found three effective approaches to group idea generation.

1) On-line brainstorming. Because sharing ideas on-line is more anonymous and similar to writing ideas, on-line brainstorming can in fact be very effective. It also has the advantage of making it easy to build upon each others' ideas, unlimited participation and automatic recording of all ideas. Idea management by ideas campaign is an elaboration of this approach.

2) Non-verbal brainstorming involves a group of people brainstorming ideas through action rather than words. For instance, brainstormers might build ideas with Lego building bricks or wooden building blocks. They might draw images using a large paper or whiteboard or they might cut out paper to design ideas. We have seen very interesting and enjoyable results with the non-verbal approach.

3) Write first, then shout brainstorming combines private idea generation with group brainstorming. To begin, participants are given a period of time to write ideas on a sheet of paper. Then they are put into pairs to compare ideas and generate more. The pairs are combined into larger groups and the process is repeated. This continues until the entire brainstorming group comes together. Ideas are compared and written on a whiteboard for final comments and additional ideas.

Creative spaces

In many organisations, the most creative spaces are the coffee machine zone, the staff canteen and the nearby pub where staff have a drink after work. These spaces provide a relaxed atmosphere for employees to talk about operational inefficiencies, how products and services could be improved and how the working environment could be made nicer. However, these spaces are not designed for productivity. As a result, when staff return to their desks, ideas are soon lost – particularly if there is no idea management tool for capturing ideas.

You should establish in your office(s) creative spaces. They should be comfortable places where people can meet formally or informally to collaborate on ideas, tasks and projects. A creative space can be a corner with a couple of chairs and a small table, a meeting room, a custom built creative room or an outdoor picnic table.

Creative spaces should, at minimum, include whiteboards for making notes, flip-charts for making permanent notes and supplies of paper. At best, they should include coloured paper, scissors, tape, glue, poster paper, post-its, building blocks, toys, modelling clay, music systems and computer terminals. Tools and materials that allow people to throw together quick models are extremely useful for organisations involved in design, engineering or manufacturing.

Not every creative space needs to be completely kitted out. But if at least one creative room is full of tools and materials for creative thinking and construction of ideas, it will provide a useful, productive and creative meeting space.

Skunkworks

A "skunkworks" is a loosely organised corporate research unit or facility that is free to explore any innovative research. Skunkworks aim to innovate and experiment and are not subject to expectations of short term profitability. A skunkworks is typically a place where researchers can experiment with ideas and explore wild possibilities.

Although skunkworks are not consistently profitable, they are highly innovative and periodically develop an idea that is hugely profitable. Some ideas may be too far reaching or outrageous to implement, but they often inspire more practical products and services which are both innovative and immediately marketable.

Many well known, innovative organisations, such as: Lockheed Martin, IBM, Apple, NASA and HP, to name but a few, have skunkworks.

As an alternative to skunkworks, some companies set aside a small budget for radical ideas. Other companies, most famously Google, allow employees to spend up to a set percentage of their time exploring ideas which have nothing to do with their normal work responsibility. It is from this freedom to explore that many of Google's most innovative ideas have been born.

For an effective innovation strategy, a skunkworks, budget or time allotment for freely exploring innovative ideas is highly recommended. The skunkworks should have a set budget as a percentage of the total budget and should be reviewed on an annual basis to determine how it can be improved.

Skunkworks must be loosely managed and emphasise freedom.

Idea Quality Control: Evaluation

The more successful an idea management system is, the more ideas it will generate. As a result, you need an effective idea quality control system. Some organisations have highly structured systems comprising multi-stepped procedures for reviewing ideas. While this can be effective, it is also important to retain flexibility in the system. If an idea is clearly a winner, it is often wise to "run with it" immediately, before the competition comes up with the same idea – or learns about yours.

Care should be taken not to over-evaluate ideas. For many organisations, evaluation is about avoiding risk. However, the most innovative ideas with the biggest potential returns on investment inevitably are the most risky. If a highly innovative idea has to go through multiple evaluations and reviews by multiple committees, it is almost certain to be rejected for perceived risk or so heavily modified in attempt to limit risk, that it loses its innovativeness. It goes without saying that it would be a tremendous waste of budget to implement an enterprise innovation strategy only to reject the most innovative ideas that come out of that strategy.

First, combine ideas

Before evaluating ideas generated in an ideas campaign, brainstorming event or other activity, the first step should be to combine related ideas that would likely be implemented together. This will most likely be managed by the owner of the ideation activity as she will have the clearest notion of what she wishes to accomplish. Combining ideas simplifies the evaluation process as multiple ideas packaged together as a single large idea can be evaluated as a single entity rather than having to evaluate each component idea individually.

Moreover, combining related ideas often results in a concept that is more than the sum of its parts – and thus offers greater value potential than the individual ideas.

Idea quality control has several components.

Gut feeling
(ie. To make a decision based solely on one's knowledge and understanding of an issue)

The initial analysis of an idea often needs to be based on gut feeling. If an ideas campaign, for instance, generates 200 ideas, it is impractical to submit each to a structured evaluation procedure. Rather the manager in charge of the campaign should read the ideas and filter them using a simple two step gut-feeling approach:

1. Select the ideas – if any – which are clear winners. Some of these ideas may not need further evaluation, they can be pre-implemented (see below) or even implemented immediately. Most, however, will go on to the evaluation matrix.

2. Reject ideas which are clearly unsuitable. Unsuitable ideas are not necessarily bad ideas. More likely they cannot readily be implemented in your company, would be excessively costly, have legal implications or have other issues of concern. When rejecting an idea, it is often worth informing the idea generator why her idea has not made it to the next stage. An encouraging note can motivate an employee to continue

sharing ideas. Those ideas which are not rejected go on to the evaluation matrix.

It goes without saying: if there is any doubt about whether or not an idea should be evaluated further, it is best to evaluate.

Evaluation Matrix

The 5x5 evaluation matrix is a simple, quick and relatively accurate method for evaluating ideas. You establish five criteria by which an idea can be measured. For example, if evaluating a new product idea, the five criteria might be:

1. How profitable do your expect this new product to be over the next 12 months?

2. How quickly can we get this to market?

3. To what extent does this product represent an advance over our competitors' products?

4. To what extent is this product likely to expand our market share?

5. How good of a fit is this product with our current product line?

In addition, you can give additional weighting to one or more of the criteria.

Ideas are given to a team of expert evaluators. Each evaluator measures how well the idea meets each criterion on a scale of 0 to 5, with 0 being not at all, and 5 being perfectly. This number is the idea's score for the criterion. If a criterion has a higher weighting, multiply the score by that weighting. Add all scores to calculate the idea's total evaluation score. Add the evaluators' combined scores and divide by the number of evaluators to determine the average score.

Evaluators should add additional comments to explain their scores or other issues which should be considered. Evaluations are returned to the person managing the evaluation who compiles all the information into an evaluation report. (In fact, your idea management tool should manage and compile evaluation reports).

If average scores are converted to percentages, then an idea getting 80% or more is typically worth pursuing further. However, other issues also need to be considered. In some cases, an idea might get a relatively low score, but evaluators' comments will offer suggestions which improve the idea sufficiently to make it worth taking further.

For consistency's sake, you should select several evaluation teams, each for evaluating different kinds of ideas (for example, a new product evaluation team, a new marketing concept evaluation team, etc.). This will facilitate comparing ideas and provide a consistent scoring mechanism over the long term.

Some organisations prefer a sequence of three evaluations, with the initial evaluation being a quick overview evaluation and each further evaluation being more detailed. However, care should be taken to avoid over-evaluating ideas as described above.

Open analysis

If an idea gets a good evaluation score, an open analysis meeting is a good means of determining the next steps and any issues which should be borne in mind during the implementation. The analysis should

include the evaluators, the person or people responsible for the idea, the manager who led the campaign and the person who will be in charge of implementing the idea.

The aim of the meeting is to have an open discussion of the idea, potential weaknesses uncovered by the evaluators and to establish a pre-implementation and implementation plan.

Pre-implementations

Pre-implementations are post-evaluation actions designed to analyse an idea in more depth than is possible with an evaluation. Pre-implementations include:

- Business cases

- Business plans

- Market surveys

- Prototype development and testing

- Trials

- Experiments

Companies normally have pre-implementation procedures in place for testing new products and services. However, they do not always use such procedures for testing operational or other internal ideas. They should. Pre-implementation is an effective means of testing a new idea while minimising the risk.

Existing pre-implementation procedures should be integrated into the innovation machine strategy.

As stated above, sometimes an idea is so clearly revolutionary that it should be implemented immediately. In some cases, this may even mean skipping the pre-implementation phase. Taking an idea directly to implementation is often a means of keeping ahead of the competition. A long, drawn out testing phase allows too many opportunities for your competitors to discover your idea and implement it themselves.

Moreover, when an idea is truly revolutionary – or disruptive (a revolutionary idea which disrupts an entire industry and forces all players to change how they do business. Think of: Amazon for book sales, Dell for PC sales and Skype for Voice over IP (VoIP) telephony), it may not be adaptable to your traditional pre-implementation methods.

"An established company which,
in an age demanding innovation,
is not able to innovate,
is doomed to decline and extinction."

Peter Drucker

Output: implemented ideas

Once ideas pass all required quality control processes, they are ready to be implemented. Most companies already have effective implementation procedures for new products, services or operations. If you do not, you should run ideas campaigns on improving these procedures. Interestingly actually implementing ideas is a weakness in many company's innovation strategies.

In addition to implementing good ideas, it is important to...

- Monitor the results of the idea implementations to evaluate the overall innovation programme

- Communicate, via the communication plan (see above), details about new ideas that are being implemented. Be sure to include the names of the people responsible for the ideas. Disseminating news about successful implementations of ideas demonstrates the value of the innovation strategy as well as recognises the contributions of the idea submitters.

- Reward people who have submitted and implemented ideas. This can include recognition as well as using any other rewards system you have implemented (see "Establish a rewards scheme" above). Incidentally, you should also reward people who contribute good ideas which you are unable to implement for whatever reasons. This shows that you value their ideas and creative contributions and encourages them to continue to be creative on the organisation's behalf.

Implementation of the Innovation Machine Strategy should result in increased pre-tax earnings of 5%-10% – or more if a particularly powerful idea is implemented in a given year. This increased income comes largely from improved operational efficiencies – which are the most frequently implemented ideas in most organisations – and new product ideas. Other ideas may not offer a short term income advantage, but will still benefit the organisation in the short term and, as a result, bring financial advantages over the longer term. For example, ideas which increase employee satisfaction will result in less employee turnover and a more enthusiastic workforce. Ideas which increase the quality of customer service may actually increase costs in the short term, but will bring greater customer satisfaction over the long term, resulting in more sales and fewer returns.

"The only source of profit,
the only reason to invest in companies in the future is
their ability to innovate
and their ability to differentiate."

-- Jeffrey Immelt, CEO of GE

Maintaining the machine

It is important to monitor the output of your innovation strategy and tweak the strategy over time in order to improve results continually . A major review after six months and annually thereafter allows you to evaluate the results, determine weak points and improve the functioning of your innovation strategy.

For example, if fewer than expected ideas are being captured in ideas campaigns, you will need to look at your communications plan (do people know about the ideas campaigns?), the usability of your idea management tool (if it is difficult to use, employees won't use it), time (if employees feel they do not have enough time to do their obligatory day to day work, they will not find time to use the idea management tool) and creative risk (are people afraid to submit ideas?).

Like any machine, the innovation machine needs regular maintenance and tweaking on a regular basis. However, properly maintained, the machine can be expected to function indefinitely.

"Enterprises that
systematically measure their innovative success
generate higher sales
with their new products"

Arthur D. Little (ADL) & Bundesverband der Deutschen Industrie (BDI)

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