

# Building a Culture of Innovation

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## Summary

Gartner defines innovation as the successful realization of novel ideas that create value for an organization. Successful innovation requires a culture of collaboration, an investment of senior leadership, nurturing, participation, PR, and oversight. Technology can play an important role in the process, but without the other ingredients, the meal would not be complete.

I will try to provide a glimpse into what I have learned surrounding innovation from my research, including Gartner, IBM and vendor interviews.

## Primary Objectives

Earlier this year I was charged with a project to research collaboration platforms. The scope was to investigate ways for employees to submit their ideas for new products and processes, to encourage innovation throughout the company. This process is commonly referred to as “ideation”.

The goals were to identify a platform that would:

1. Allow employees to describe and submit ideas.
2. Allow employees to review, comment on and refine submitted ideas (crowdsourcing).
3. Nurture the best idea opportunities while filtering out the mediocre ones.
4. Acknowledge an employee for their contributions and participation.
5. Allow employees to follow their idea throughout the process.
6. Easy to use and engaging for employees and innovation team alike.

## What is an Ideation Platform?

Ideation platforms are sometimes referred to as ‘virtual suggestion boxes’, these platforms can become a valuable business tool which engage employees and foster innovation throughout the company.

The typical ideation process can be broken into three primary types:

1. **Open Ideation:** Allowing for employees to submit a broad range of ideas, across many different categories.
2. **Campaigns:** These are topic based idea channels which allow the business to focus on generating ideas for a specific problem. These are usually time limited and allow for targeted ideas to be rapidly generated. For example, at a Quarterly Management Meeting, a 2 week campaign can be created to generate ideas for reducing operation overhead by the end of Q3.
3. **Process Driven:** A product’s or service’s development lifecycle requires that ideas be generated from post-mortem meetings, customer feedback, and internal employee feedback.

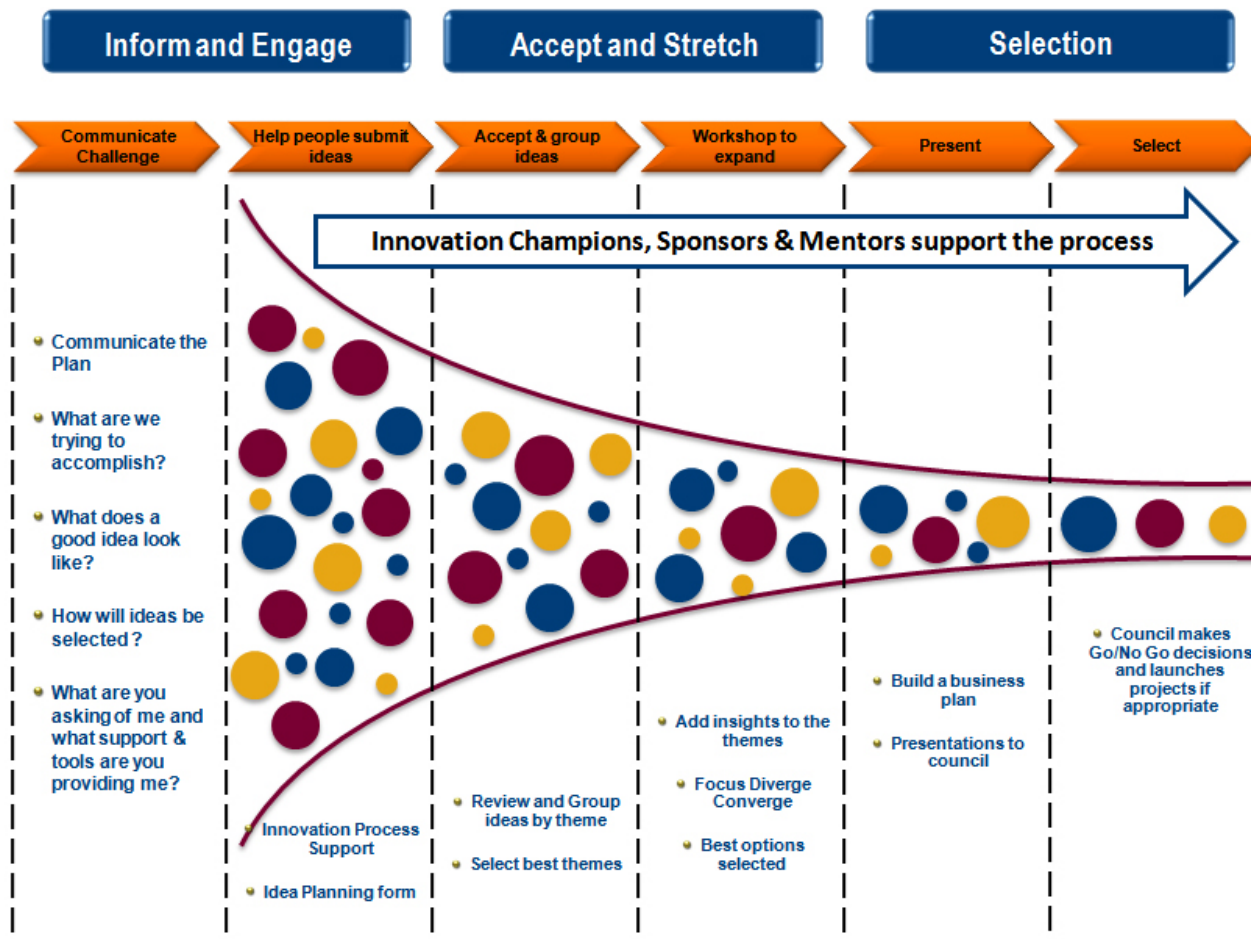


Figure 1 - Typical Innovation Funnel

A major concept within the ideation process is the **Innovation Funnel** (Figure 1) shows how an idea can materialize into a new service or product through a managed process. In an ideal environment, innovation champions (catalysts), business sponsors and managers help move and refine the ideas through the process. The funnel acts as mechanism in which the best ideas are fully vetted and brought to market at the end of the process.

## Research Approach

### *IBM Global Innovation meeting*

IBM has a workforce of over 400,000; of which 50% are mobile and not in a single office location. I looked to IBM to learn how they manage innovation on a global scale, and learned that innovation at the company is a top priority and engrained into the fabric of the organization. There are positions within the company that solely focus on fostering innovation throughout the different business units.

IBM also engages their employees to participate in open ideation as well as monthly 'Idea Jams' (campaigns). By giving employees access to ideas throughout the company, they have eliminated the silo approach to developing solutions for their customer. Everyone can provide input into new products and even download pre-release of the software they create before it's released to the general public.

IBM has capitalized on the changes in their workforce (Table 1). Each generation brings its own strengths to the business. IBM has made use of the innovative spirit of the millennial generation while utilizing the experience of older employees. Everyone at the company has a role in the innovation process, regardless of their age.

	Baby Boomers (Age 50 +)	Generation X (Age 35 – 50)	Millennials (born after 1980)
Population Trends	Growing % of workforce	Shrinking % of workforce	Growing % of workforce
Business Strength	Wisdom & Intelligence	Middle Management	Innovation
Generation-Defining Technologies	Email	Instant Messaging	Social Networking

Table 1 - Generational shifts unleash different work styles

In addition to benefiting from generational differences, IBM has evolved the way it manages ideation. Figure 2 shows that in a conventional ideation model, significant effort and resources are exerted before a production-grade product is ready to be released. In the ‘Managed Anarchy’ model, used by IBM, ideas are organically refined by employees resulting in more ideas reaching the production phase of the lifecycle.

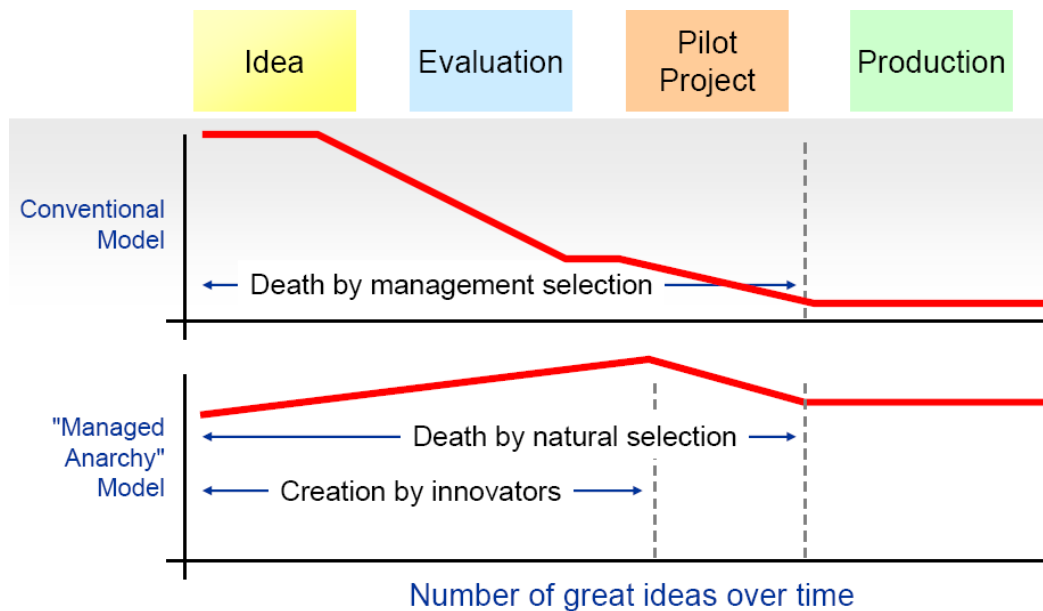


Figure 2 - Idea Management Models

### How Gartner Sees Ideation

Utilizing reports from Gartner, I was able to identify industry leaders and best practices. Gartner’s research is distinguished by Hype Cycles; a graphic representation of the maturity, adoption and social application of specific technologies. The cycle for emerging technologies (Figure 3) shows that mainstream adoption of idea management platforms are anywhere between 2 to 5 years away. Furthermore, Gartner indicates that expectations for the technology are moderate since these types of products are just now maturing and adding measurable business value.

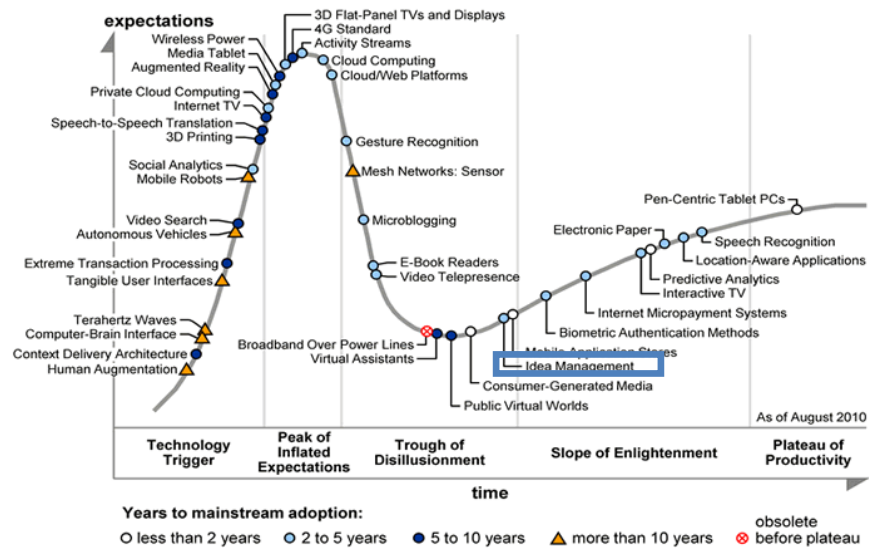


Figure 3- Hype Cycle for Emerging Technologies, 2010

Gartner's key findings on idea management show that:

- Innovation is supported by a wide range of processes including ideation, collaborative and open innovation.
- Innovation management technology supports early stage activities, such as idea generation, evaluation and selection, as well as later stage activities such as innovation portfolio management.
- There is little difference in basic features offered by vendors, but some important differences exist in geographic and industry focus, and compatibility with other platforms.

Gartner has gone on the record to state that choosing technology to support innovation is the last step in developing a better innovation management capability. Before selecting any technology, they recommend determining program goals and defining processes for idea collection, evaluation and selection. It was also advised that use cases, or scenarios that describe how you want processes to work, be utilized when choosing innovation management vendors rather than relying solely on checklists to gather requirements.

### Vetting Vendors

Upon reviewing Gartner's research, eleven vendors were invited to demo their products via a one-hour WebEx session. A *Vendor Evaluation Checklist* (see Appendix) was created in order to ask key questions to all of the vendors.

Each product was evaluated on a number of criteria including:

- Compatibility with Mac & PC
- Integration with Microsoft SharePoint
- Support for Single Sign-on and SAML
- Browser Independence
- Pricing
- User interface & experience
- Feature set & functionality
- Company history & clientele
- Underlying technology stack
- Product rollout time

The evaluation (Appendix) was then utilized to rank each product between 1 and 100. This ranking is what ultimately helped to identify the top ideation platforms.

## Key Findings

During the research and evaluation phase, I heard key themes, including the need for a culture that would accept innovation, that management had full support and buy-in and that there was a well-defined process in place.

The study *'Assessing the State of Collaboration: Return to Essentials'* conducted by All Collaboration in March 2010 identifies that, "When collaboration is a key to creating value for business success, it must become a **core capability** – something you intentionally and deliberately nurture, develop and practice.

It requires culture change aimed at:

- Flattening hierarchy
- Increasing transparency
- Allowing right talent to naturally flow to right endeavors without organizational barriers
- Establishing open communication
- Ensuring recognition commensurate with contributions
- Firing know-it-alls and gatekeepers, and so on.

"You will know you have succeeded when leading companies are trying to steal your employees because of their collaboration skills."

This study, combined with Gartner and IBM's research, corroborated everything the vendors claimed during their demos. It doesn't matter which platform is chosen for an organization, the overall success of an ideation platform depends on **culture, management buy-in, and a defined process.**

## Implementation Scenarios

I have identified a few vendors that can provide the tools necessary to build a strong ideation platform. However in order for the tool to be successful, the corporate culture must embrace and support innovation initiatives.

Ultimately there are two approaches that can be taken to build an ideation platform:

1. **Division-specific ideation:** Each brand/product/division receives their own ideation portal which can only be seen by a specific group of employees. All employees would have access to common campaigns and idea areas (ie. Human Resources, Cafeteria, etc.).
2. **Cross-Company ideation:** Every employee has the opportunity to submit and reviews ideas from every area of the company.

One final thing to consider is giving customers the opportunity to provide ideas that they have for the company. Dell for instance has solicited over 15,000 ideas through their IdeaStorm.com website and implemented over 400 of them into their products. Through my research, it was found that customers have a higher level of satisfaction when their feedback is taken into consideration on the products that they purchase. This could potentially lead to new revenue streams and build more brand loyalty.

# Vendor Evaluation Checklist

Company Name:

Founded:

Size:

Location:

Funding:

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## Clients:

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### Technology

Authentication:	AD	LDAP	SAML	Other					
Coding Language:	ASP	Java	C++	.Net	PHP	HTML	HTML5	Python	Ruby/Rails

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### Compatibility

SharePoint Integration:	Yes	No	
Browser independent:	Yes	No	
Mac & PC compatible:	Yes	No	
Outlook Integration:	Yes	No	
Mobile Version:	Blackberry	Tablet/iPad	iPhone

Other platforms supported:

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### Implementation

Deployment Types:	On-Premises	SaaS	Hosted
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Typical rollout time:

Time between releases:

Participation level:

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### Pricing:

	BrainBank	Brightidea	Elguji	Hype	Imaginatik	Induct Software	InnoCentive	Inova Software	Kindling	MindMatters	Spigit
Parent Company	None	None	None	DiamlerChrysler (spun off 2001)	None	None	Eli Lilly (until 2005)	Vertical-I	Arc 90	None	None
Company Founded	1999	2000	2007	2001	1997	2007	2001	1999	2006	2000	2006
Location	Montreal, Canada	San Francisco & NYC	Washington	Denver, CO & Bonn Germany	Boston, MA & London	Norway	Waltham, MA & Cincinnati, OH	NYC & Lyon, LA	New York, NY	Pittsburgh, PA	Boston, MA
AD Authentication	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
SSO Support	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Clients	J&J, Aetna, Hertz, Campbell's, Verizon (no media/creative cos)	Adobe, Sony, Cisco, HP, Kraft, UBS, Honeywell, McGraw Hill, AMEX	IBM, TJ Maxx, Michlin (no customers in media)	P&G, Lockheed Martin, General Mills, GE global research, Siemens, NASA, Roche (140 installations - no media companies)	GE, HP, Boeing, Chevron, Dow, Pitney Bowes, Good Year (No publishing companies)	Boston hospitals, Media Norway (50 Customers, expanding to US)	NASA, P&G. The Economist, Roche, SAP, Toyota	P&G, GSK, Roche, Michelin, Pfizer, Loreal, J&J, Genentech (over 70 cos)	AOL, Gannett, Harper Collins (and smaller creative cos)	3M, Electrolux, J&J, Seagate, Travelocity, Sony (not aware of publishing clients, mostly academia and high tech)	Citigroup, Estee Lauder, JP Morgan, Holton Mifflin, Deutsche Bank, NYC (125 customers)
On-Premises	Yes	No	Yes (Domino)	Yes	None	No	No	Yes	Yes	No	No
SaaS	No	Yes	No	No	Yes	Yes	Yes	No	No	Yes	Yes
Hosted	Yes	No	Yes	Yes (Cloud, Rackspace)	Yes	No	No	Yes	Yes	Yes (Expedian)	No
API Available	No	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	No
SharePoint Integration	Yes	Yes (web parts & searchable)	Yes (via API)	Yes	Yes (Via API)	No	Yes	No	Yes (via API)	Yes (via API)	Yes (Sigit Engage)
Browser Independent	No (Firefox)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes (no IE 7)	Yes	Yes
Mac & PC compatible	Unsure	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Optimizer for Mobile	Yes	No (iPhone App available)	Yes	No	Yes	Yes	No	No	No	No	Yes
Outlook Integration	Email	Email	Email	Email	Email	Email	Email	Email	Email	Yes (via API)	Yes
Time between releases	Minor: Quarterly Major: Annually	Varies	Varies	Minor: 6-7 weeks Major: Annually	Major: 6-8 months	Monthly	Quarterly	Minor: Semi-annual Major: Annually	Quarterly	Varies	Minor: Quarterly Major: 9 months
Coding Language	ASP .Net	PHP	Notes	Java	Notes	ASP .net	Java, Tomcat	Java, Tomcat	Unknown	Java	Java
Typical rollout time	6 weeks	6 weeks	3-5 weeks	3-5 weeks	30%	Unknown	10-15 days	Unknown	60%	60-65%	35%
Participation level	25-30%	20-40%	10%	25-50%	30%	Unknown	10-15 days	Unknown	60%	60-65%	35%
Pricing	Single Instance, 1 DB, unlimited users \$84k 3 days consulting 1 month assistance 100hrs support 17% maintenance  Multiple instances \$250k Hosted solution additional \$10k	Bill by number of active users  2,500 users, unlimited campaigns: ~\$60k/year SAML connection: \$6,500  Does offer 1-10, 20 campaign pricing	On-premise \$15k unlimited 20% maintenance  Hosted Unsure, but more expensive than on-prem  Ad-hoc \$899/month -200 users	4-5k users: \$150-200k 18% maintenance Unsure of pricing for 10k users  3 month pilot, 4k users: \$30k Includes consulting and training and challenges  10 instances, 5k users: \$50k + \$20k consulting  No maintenance	Based on number of active users and challenges  3 month pilot, 4k users: \$30k Includes consulting and training and challenges  10 instances, 5k users: \$50k + \$20k consulting  No maintenance	Desperate for US clients, pricing will not be a problem  ~\$100 per user eg. 25k employees: \$20per user  Professional services available	\$90k: Startup Fee \$2k-\$6k: Extra challenge coverage \$59k - \$239k: Quarterly Fee	\$75k per server - unlimited ideas Manager: \$450/per user Director: \$400/per user 20% Maintenance  Will require 10-15 daus professional services (\$1,500-\$1,800/day)	Billed by #users annually SaaS 5k: \$175k/yr On Prem: ~same	Flagpole/StageTrak 500: \$6k/yr 5,000: \$145k/yr 10,000: \$12,800/yr  Innovator \$40-150k Hosting Rate additional	Price on # users 5,000: \$25k/yr 10,000: \$145k/yr Spigit Engage: \$182k/yr Can do multi-year deals
Notes	<ul style="list-style-type: none"> <li>Different roles – idea champion, catalyst, sme</li> <li>Lots of workflows and options</li> <li>Duplicate idea filter</li> <li>Users can list skills and expertise</li> <li>Can fully build out information for implementer</li> <li>Ranking table is dashboard of best ideas</li> <li>Can export to project management tools</li> <li>Can create custom forms and reports</li> </ul>	<ul style="list-style-type: none"> <li>Webstorm: What employees see</li> <li>Switchboard: manage ideas and develop further</li> <li>Pipeline: light ppm solution</li> <li>API available</li> <li>Very nice, facebook-like UI&amp;UX...nearly same features</li> <li>Can fill in own expert skills</li> <li>Can pull info in from other systems (id imges)</li> <li>Can draft ideas</li> <li>Points are customizable for incentives</li> <li>Challenges can have custom pages</li> <li>Widget architecture is drag and drop config</li> <li>Can do team idea submissions</li> <li>Ral time duplicate checker</li> <li>Questions need answering before idea submission</li> <li>Learns your preferences and patterns</li> <li>Different voting collection devices</li> <li>Can give people campaign manager rights</li> <li>Supports full workflow, idea -&gt; project</li> <li>Pilot program available for 4 months – \$35k</li> </ul>	<ul style="list-style-type: none"> <li>Can setup public page for registration</li> <li>Offer API for data extraction</li> <li>Has RSS parts for sharepoint</li> <li>Linear commenting system</li> <li>Lousy UI and limited WYSIWYG editor</li> <li>Points received for the idea, doesn't encourage rewards</li> <li>Reporting and search is robust</li> <li>Native mobile site</li> </ul>	<ul style="list-style-type: none"> <li>Supports campaigns/challenges and open ideas</li> <li>80% customers run internal</li> <li>Very nice UI</li> <li>Org charts available</li> <li>Auto updates as you fill in information</li> <li>Vote by more than just yes/no</li> <li>Robust search capability</li> <li>Innovation points link with rewards systems</li> <li>Can link between ideas</li> <li>Management review is in scorecard</li> <li>Very easy and interactive to change UI elements</li> <li>Can export ideas to prebuilt reports</li> <li>Can assign resources and project management</li> <li>Very strong reporting and analytics</li> </ul>	<ul style="list-style-type: none"> <li>Ideation, evaluation and review is their focus</li> <li>Challenge based</li> <li>Shows similar ideas in real time</li> <li>UI is very clean and modern</li> <li>Idea review is very weird</li> <li>Users can establish a profile</li> <li>Information can be siphoned from other systems</li> <li>Ideas ranked via kudos and regular voting</li> <li>Kudos rates how hot an idea is from comments, votes, etc</li> <li>Comments are in threaded forums</li> <li>Peer review allows for reviewing of other's ideas</li> <li>Nice reporting UI and different ways to look at ideas</li> <li>Reviewers can be assigned to individual ideas</li> <li>Can establish and expert in each challenge</li> <li>Head to head review makes you compare 2 or more different ideas</li> <li>Gives numerical weighing of cost and value plus other metrics</li> <li>Overall their process is subjective and quantitative</li> </ul>	<ul style="list-style-type: none"> <li>Supports full process of ideation -&gt; PPM</li> <li>Treat different types of innovation differently than rest</li> <li>Media Norway participation is 90-95%, sometimes less</li> <li>Strong search engine to sift through info and find similar or unknown ideas</li> <li>Supports challenges and ideas</li> <li>Focus is mostly on search and knowledge management</li> <li>UI is not the best, customizable but confusing</li> <li>Kind of has sharepoint revision system</li> <li>Has a process step and gatekeepers based on type of innovation</li> <li>Reporting and analytics available</li> <li>Very detailed evaluation of ideas</li> <li>Access control can limit what ideas people see</li> <li>Working on importing AD hierarchy – Eta summer 2011</li> <li>Confusing administration</li> <li>Steps actually don't do anything</li> </ul>	<ul style="list-style-type: none"> <li>Challenge driven innovation</li> <li>Internal and external challenges</li> <li>More of a global/crowd sourcing app</li> <li>Terrible UI and UX</li> <li>Comments are like a forum that support post ranking</li> <li>Encourages challenge coaches</li> <li>Surveys at the end of challenge to measure metrics</li> </ul>	<ul style="list-style-type: none"> <li>Can put specialties in profile</li> <li>"Twins" list links people with those of similar interests</li> <li>Challenges and ideas supported</li> <li>Can rebound ideas and create similar ideas</li> <li>Can check for duplicate ideas</li> <li>Discussion forms</li> <li>Tasks are there to help evaluate ideas</li> <li>Insights – research reports, call center info etc can be added</li> <li>Knowledge brokers add this</li> <li>Has to be in index but can connect outboard (sharepoint)</li> <li>Stimuli links out to other stimuli graphically</li> <li>3 levels, manager, user, director</li> <li>Lots of graphical analysis</li> <li>No technical incentive implementation</li> </ul>	<ul style="list-style-type: none"> <li>Assessment feature coming in few months</li> <li>Super admin and admins permission to vote and recommend</li> <li>Recommends ideas to users based on history</li> <li>Tracks changes wiki style</li> <li>High engagement rate</li> <li>Rooms-categories of conversations</li> <li>Room by room permissions</li> <li>Can't see all ideas by room</li> <li>Campaigns- time sensitive call to action</li> <li>Cuts down on duplicate ideas</li> <li>Email notifications by room</li> <li>Public and private discussions, plus RSS</li> </ul>	<ul style="list-style-type: none"> <li>Expertise with large complex environments</li> <li>Need executive backing and funding to support process</li> <li>MSSQL needed for DB</li> <li>Time challenge methodology (post questions) vs open forum</li> <li>Can support challenges and open ideas</li> <li>Customizable UI</li> <li>Bulletin board UI for touchscreen (TechBar?)</li> <li>Flagpole and StageTrak are 2 independent apps</li> <li>Manually have to attach documents in StageTrak</li> <li>Support gant charts</li> <li>Flagpole is 2yrs old, innovator is more comprehensive</li> <li>API to basecamp/Sharepoint</li> </ul>	<ul style="list-style-type: none"> <li>Largest in ideation space</li> <li>Launched most companies</li> <li>Spigit engage for SharePoint can migrate from SaaS version (6mos away)</li> <li>Facebook community application available</li> <li>Users can subscribe to ideas and tell friends</li> <li>Can check for duplicate ideas</li> <li>Not robust</li> <li>Fusion is not PLM – spigit stop at end of ideation</li> <li>Earn virtual currency to 'invest' in ideas</li> <li>Linked to innovation store</li> <li>Integrates with LinkedIn</li> </ul>

Figure 4 – Vendor Comparison Research Results