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If Idea Management Is So Great, Why Isn't Everyone Using It?

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The form of Idea Management that is familiar to most of us was introduced with great fanfare soon after the year 2000. Seven years later, a handful of vendors offer software, but probably fewer than 200 companies world-wide are using it.

How come?

Idea Management is a modern-day replacement for the old suggestion box of the 1800s and the web form of the 1990s. It was, and is, based on an assumption that employees (and vendors, customers, shareholders, etc.) have lots of ideas and, if only they are given a chance, they will share them.

To make that happen, early adopters installed Idea Management software introduced by Imaginatik, Brightidea (then called General Ideas), Brainbank, and eventually others. Some corporations built their own versions, instead.

In its early stages, this second-generation software (the web form, still used by many companies, was the first generation) was intended primarily for cost reduction. Keep in mind that at the time of its release, the US was in an economic downturn, and companies were grasping at anything that might help keep profits stable. Idea Management sounded promising.

In fact, it did work. Those companies that bought idea management software for cost reduction found significant savings, at least for the first year or two.

Later, however, results started to slow for some of them. Many that looked at Idea Management decided that they couldn't afford it (perhaps because the CEO was trying to keep his/her bonus intact). In a time of cost-cutting, idea management software was a cost.

By about 2003, some companies recognized that cost cutting was not enough, and that the bottom line would be improved more by revenue enhancement. As is often said, you can't grow by cutting costs.

So, the vendors decided to modify their software slightly to accommodate New Product Development (NPD). Brightidea's SaveNet became NextNet, for example, and later on, Brightidea.com On-Demand.

There are some major differences between cost savings and NPD. For one thing, a high percentage of cost-savings ideas, at least at the beginning, is good. Evaluation is relatively easy, and it is a straightforward process to determine ROI.

For NPD, though, only a very few ideas will become revenue producers, so the ratio of ideas-submitted to ideas-accepted is very low. That creates problems, because the idea evaluators have to spend a great deal of time reviewing "bad" ideas, and the effort required competes with their other job responsibilities.

So, while a few companies found that Idea Management could work for NPD, most didn't even try it, and still haven't.

At about the same time, 'Innovation' became the new corporate buzzword. Everyone wanted it, many set up innovation committees, and today, most CEOs say that the results have not lived up to expectations.

Once again, idea management was being touted for another purpose, – “Innovation” – and on top of that, corporations wanted breakthrough innovations. Well, if idea management was difficult for new product development, you can only imagine the complications added by the need for breakthrough ideas!

So what the idea management software companies have done for the last five or so years is add feature after feature to accommodate the needs of new product development and innovation.

[Back in 2001, idea management offered a fairly basic process: idea campaigns, idea submission, evaluation, and decision. Five years later, it has all of those, plus rewards (necessary to get people to submit ideas; so much for the thought that just making it easy to submit ideas would be enough), collaboration (because the ideas are often very ordinary as submitted), peer review and voting, expert search, blogs, research, project management, and you name it.]

Has it worked? Well, if you look at the number of companies using idea management today, the answer is a resounding “No!” The companies that haven’t made the investment must know something that everyone else has missed.

Here is what they know:

People do have ideas, but most aren’t very compelling and it takes a lot of work to weed out the many bad ones to find the few good ones.

Does this mean second-generation Idea Management is not worthwhile? Not necessarily. It just means that if your expectations are high, you may be disappointed.

For example, one Idea Management vendor claims that its customers have achieved nearly a 1000% ROI in the second year. If the implementation cost is, say, \$50,000, that means the savings is \$500,000. Nice, but not stunning. \$500,000 to a Fortune 500 company isn’t much. What will a much smaller company achieve?

Here’s the problem: Employees do have ideas. And some of their ideas will pay off, either in cost savings or in revenue enhancement. But, and this is a big but, most employees will quickly run out of ideas, breakthrough, incremental or otherwise.

When an idea management system is first implemented, employees pitch a lot of “low-hanging fruit” suggestions – obvious no-brainers that don’t require much depth of thought or creativity . But after a while, the well runs dry and the ideas stop coming.

Why is that?

Most people only think about what is familiar to them, and don’t look elsewhere. In other words, they don’t think outside of their cubicles. And if employees are unwilling or unable to stretch their thinking, even the best idea management system will eventually experience a huge drop-off in results.

Is there a solution?

Yes, there is. In fact, there are several. The most impactful one?

People need help tapping into their innate creativity.

I’m talking about teaching people how to get their creative juices flowing and make the process of generating good ideas far more dependable than current practice. Self-brainstorming, if you will.

If one of the failures of innovation is related to the poor quality of ideas entered into the fuzzy front end of the process, then it figures that improving the quality of ideas will significantly increase success.

Today's second-generation idea management software, as represented by most of the vendors, has a huge flaw. It asks people to submit ideas without providing them any tools to increase the quality of ideas.

Instead, it tries to make good ideas out of bad ones through expert search, clumsy online attempts at collaboration, and so on.

The result is an expensive and time-intensive process for a company's "idea evaluators" to make a silk purse out of a sow's ear. Ouch!

From my perspective, I think a new contender has found the answer to this conundrum with its new software:

Tie creativity tools into idea management.

Over the past 20 years, a wide variety of innovation-sparking tools have been developed to help people generate new ideas, new approaches, and new solutions – the kind of tools that will help anyone in an organization, from mailroom to boardroom – find a better way.

First, tools such as "Free the Genie," "Idea Lottery" and "Jumpstart" add fun to the idea process, something that has been sorely lacking from second-generation software.

Second, with these tools, anyone can take the germ of an idea, whether for cost savings, process improvement, new product development, or breakthrough innovation, and turn it into a well-conceived idea worth reviewing. And if the person doesn't even have a germ of an idea, the tools will help find one.

For some time, I've been calling this the 'third-generation' of idea management.

So, to answer the question, "If Idea Management is so good, why isn't everyone using it?"

I think they soon will.

Am I biased? Probably. I began working with Ingenuity Bank because I believe it is the best answer so far to Idea Management's failures. I like to be with winners.

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