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A Short History of Idea Management and What Makes It Work (or Not Work)

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All of us have seen the old suggestion box on the wall that was introduced over 100 years ago. Most of us have also heard the joke that it leads to a trash can on the other side! Unfortunately, that was all too often true, and by the mid-1990's many companies had given up, leaving their employees no voice.

The Internet brought about an opportunity to bring new life to the suggestion box, and during the past ten years substantial progress has occurred.

In this paper, we will describe those attempts, and where we are today.

Generation Zero

The suggestion box had an early and often-successful history with large corporations. Usually it was run by what was then called the Personnel Department, was aimed primarily at cost savings, and was a passive system that collected ideas (often complaints), which were occasionally reviewed by a committee.

While suggestion systems were usually successful for a year or two, eventually most fell into disuse through apathy or the fact that submitters often received no feedback on their ideas and therefore stopped providing them. Most of these systems were paper-based and unwieldy.

By 1995, the suggestion box was clearly an out-of-date practice, and companies that still believed in it began looking for a better way.

Generation One

As the Internet took hold, several companies recognized the value of using it to post a suggestion form that could be modified from time-to-time and tied into a database such as Access, Lotus, or Excel. Most of these 'systems' were home-built.

While suggestion technology took a giant leap with the web form, the other problems remained. Complaints were dominant, review and feedback were slow or non-existent, and most of the ideas were inconsequential.

Streamlining of the process was clearly needed, or the web form would fall by the wayside just as the suggestion box had done.

Generation Two

By the late 1990s, employee involvement groups and human resource departments began looking for an automated suggestion process.

Several fledgling companies took up the challenge, including Imaginatik, General Ideas (now known as Brightidea), and Brainbank. Over the next several years, these companies, and then others, introduced software that overcame some of the problems of the suggestion box and web form.

The idea campaign was born (variously called event, challenge, or drive). An automated review process was established. Rewards were added. And most importantly, through email, immediate feedback to the idea submitter was available.

All of these second-generation systems were developed specifically for cost savings and process improvement. During the early 2000s, as the economy was faced with the Internet

bubblepopping and 9/11, cost reduction became urgent, and Idea Management became a crucial method of producing cost-savings results. Along the way, however, Idea Management became increasingly complex and difficult to use, as its developers tried to make it more and more universal, while sticking with out-of-date platforms.

By 2003, as the economy improved, companies began to turn some of their attention from cost savings to revenue growth, and looked to Idea Management for help.

Idea Management was often not up to the task, and those suppliers that touted the high ROI of it for cost savings were not able to present similar data for revenue growth. Why? Cost savings ideas are often quite obvious, and in fact most cost savings ideas submitted into a second-generation Idea Management system are accepted. Most of those ideas are of the 'low-hanging fruit' variety, and pretty soon that fruit gets picked.

In innovation, a smaller percentage of ideas turn out to be good, and it is difficult for most people to think outside the box without some training. So, second-generation Idea Management for innovation was not as successful as hoped.

What happened to second-generation Idea Management is exactly what happened to the old suggestion box – the number of ideas started high in the beginning, then fell off as the obvious ideas become exhausted, and the evaluators became disenchanted with their quality and the time required to review a lot of bad ideas.

Once again, something needed to be done, and the answer became what we now call Generation Three.

Generation Three

Generation Two was an automation process, and it clearly produced some short-term results. But, it was a complex technology solution, not a people solution. If people do not submit ideas, cannot understand how to input an idea and collaborate on it, do not submit well-thought-out ideas, or if they submit ideas, then stop, technology alone is not going to resolve those problems.

The companies that developed second-generation software five to ten years ago have continued to 'improve' their products, but have not corrected the basic problems. For them, starting over is difficult because they are heavily invested in obsolete software development tools.

The seed for the solution was planted a number of years ago by companies that developed software for brainstorming. Here, creativity drove technology, rather than the other way around. Brainstorming and other creative processes make people think, and people that think develop more and better ideas.

Strangely, the brainstorming/creativity consultants and the idea management software companies never got together. Until now.

A new entrant into Idea Management, but hardly a new company to Innovation, has joined the fray, and has combined creativity with Idea Management.

At long last, creativity and Idea Management came together to help companies get a continuing stream of good, innovative ideas that help reduce cost, improve processes, and increase revenues through product improvement.

The goals of Generation Three are to increase employee participation by helping them become creative, while substantially improving the quality of the submitted ideas.

Fun-to-use creativity tools such as 'Free the Genie,' 'Jump Start,' and 'Idea Lottery' are seamlessly integrated into its user-friendly and adaptable software, so that even first-time users,

or those who never thought they could develop a good idea, have an opportunity to achieve significant results for themselves (through rewards and recognition) and their companies.

What It All Means for Your Company

Innovation is a process. While there are many definitions of innovation, in my view it includes all the processes that help a company grow and prosper. These include cost savings, process improvement, capture of intellectual property, new product development, and product improvement. These are all important aspects of a well-functioning third-generation Idea Management system.

Likewise, ingenuity is also a process, and it is the foundation of all innovation.

Ingenuity is a blended work flow, alternating between a collaborating virtual community and live meetings, with a goal of making the best of the virtual real.

To put that in plain English, the ingenuity process is designed to raise participation and support the ongoing implementation of good ideas, while putting the fun back into creativity. It must be simple, yet thorough, and must combine the best aspects of creativity, brainstorming, and collaboration.

Innovation (or Idea Management) without ingenuity is hollow, and is ultimately destined to fail. That is why so many second-generation Idea Management systems have produced good results in the beginning only to fade out within a short time. These systems have been, and remain, complex 1990s technology solutions that do not have the flexibility to adapt to changing needs. That's why they are today in version 6 or 7, and not 1 or 2. They are continuing to evolve into oblivion.

It is also why third-generation Idea Management will become dominant within the few years.

The combination of ingenuity and Idea Management is essential for today's rapidly changing marketplaces.

Want to Know More?

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