

ISA | Innovation & Idea Management Center

Special Report:

Ten Dangerous Assumptions That Can Kill Your Innovation Plan!

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1) ROI is the key indicator of Idea Management success

There's just one problem when asking about ROI in Idea Management: it's the wrong metric!

In the realm of innovation, most ideas don't have ROI. You don't believe it? Consider this: ROI is a measure of the financial success of a project. Ideas are not projects! Trying to guesstimate the ROI of Idea Management on a stand-alone basis simply makes no sense.

So what does make sense?

Here's the metric that counts: does (or will) your Idea Management software provide a sufficient number of high quality ideas to generate the kind of projects needed to meet your company's financial objectives? In other words, does your Idea Management software keep your innovation pipeline filled?

Not convinced? Ask for our White Paper, "Idea Management ROI: Can It Be Measured?"

2) The goal of Idea Management is to solicit as many ideas as possible

Wrong again. This philosophy started in the 1980's and quite unfortunately has survived through the first two generations of Idea Management software (which is most of the currently available software). The emphasis in Idea Management has always been quantity rather than quality. The result? Many submitted ideas never get reviewed because the reviewers don't have the time to look at them. Or, just as bad, a mass-review process is used which misses some of the best ideas and passes along some of the worst.

So how should Idea Management be done?

Idea submitters should be given the tools to create really good ideas. These tools should be embedded in the Idea Management software package. The result might be fewer ideas, but they will be better ideas. As one innovation professional said recently, "We have plenty of ideas, what we need are better ideas." The goal therefore is not an incredible number of ideas, but a number of incredible ideas.

Want more info? Ask for our White Papers, "Wanted: A Few Good Ideas" and "A Short History of Idea Management."

3) Participation rate is an important measure of Idea Management success

Wrong again. Back when most Idea Management systems were run by Human Resource departments, employee involvement was one of the primary reasons for adoption. But HR doesn't ever lead the charge for innovation and we really don't care whether everyone participates. Some will and some won't - even if your company has a healthy culture of innovation in which employees know their ideas are wanted. Those that will participate are the ones you want to work with.

Successful Idea Management is very much like social networking, except that people get together virtually to submit, comment on, and evaluate ideas. Just as not everyone stands

around the water cooler to discuss the topic of the day or heads to a bar after work, not everyone wants to participate in Idea Management. Don't worry about it and don't measure it. You don't need everyone to participate – just those willing to invest a little time and bandwidth to their company's future.

Want more info? Ask for our White Paper, "Idea Management Participation Rate: Does It Really Matter?" (Available late July, 2007)

4) Big rewards drive big results

Getting tired of hearing me say, "Wrong Again"? Well, this one is wrong, too. Big rewards do not lead to big results, and can cause more problems than they solve.

Let's think about the office pool that sends someone out to buy lottery tickets. And let's assume that one of the tickets is a big winner. What is the inevitable result? Everyone in the company suddenly remembers having contributed to the pool!

It can be the same in Idea Management. If an idea is awarded a lot of money, then a whole group of people will claim that they suggested it first. Not a good situation!

So let's stick with smaller rewards, perhaps even fun ones. Maybe you heard the story of the company that awarded the top idea submitter with a month's use of the CEO's parking place. Or the employee who got his car washed by the general manager. That's motivation, but recognition and small rewards work well, too.

There are lots of good independent studies on rewards, and almost all draw the same conclusion.

5) No training is required

Baloney. If you want to ensure failure of your Idea Management system, then accept that statement as fact. Everyone needs training, the question is, "What is the most effective training"?

Many companies have training programs for just about everything, and some of these are probably worthwhile, but they are not needed for Idea Management.

And, absolutely no one will read a manual, even if it is only ten pages. What will work?

The best way to train Idea Management users is with short, motivational videos, embedded in the software, that give them two or three key things to think about as they prepare to enter an idea, comment on one, or evaluate one.

For example, in idea evaluation, we want all of the evaluators to use the same objective approach. A two-minute video can cover that quite nicely. And, no one needs to attend a boring presentation or PowerPoint.

If the representative of the software vendor says that no training is required, then that person is a salesperson, not a consultant.

6) Idea Management software is pretty much the same – choose by price or name

Most of the Idea Management software available today was developed six to ten years ago by engineers. Come to think of it, most of the more recent software was also developed by engineers. And it looks it! The developers think it is crisp and clean. But, it is also dull and difficult. You often don't get to see that in the demos, but your employees will, and there seems to be no relationship between quality and price.

If you run into a software package like that, run, do not walk, away from it. It won't get used.

Creativity has to be fun, I repeat, creativity has to be fun! And one way to make software fun is to incorporate Web 2.0 technology. That's what allows amazing graphics, high resolution videos, interaction, text message integration by cell phone, and lively blogs.

When you see an Idea Management software demo, be sure to insist that you see the back end (administrative portion) of the software. Then imagine yourself doing the setup. If it looks hard to you, it is! If it takes more than fifteen minutes to set up and launch an idea campaign, or you need to know HTML, then it is too complex.

So, when you are looking at the demos, ask yourself if it looks like fun or looks like work.

7) Customization is unimportant

Some Idea Management software is highly configurable, and some isn't. If the vendor tells you that because of 'Best Practice' they don't customize their software, what they are really telling you is that the software is too complex to customize. That means it was developed years ago.

8) The best way to select software is to prepare a spec and put it out to bid

Well, I've seen plenty of these. With a few exceptions, the creators of the spec look at a number of Idea Management demos, scan the literature, and then prepare a list of features they like. When you read the spec, you can easily tell which feature is from which vendor.

Is that how you select a spouse or partner? If you think so, don't bother reading any further - go ahead and write your spec.

Fact is, when you select Idea Management software, you are getting married, and you don't want a quickie divorce! You must evaluate the fit of the vendor, its ability to buttress the software with innovation consulting, its reputation for support (this is easy to tell - if their sales staff doesn't return your phone calls or emails within a few hours, just guess how good the after-sale support will be!), and most importantly, determine if their innovation philosophy and people are in tune with yours. If those work for you, so will the software.

9) Biggest is best

I love this one, because almost every software provider exaggerates either its size or the number of clients that it has, or both. My rule of thumb is to divide the number claimed by three. In Idea Management, one of the largest of the vendors says that it has about 30 employees (true, I think, though a pretty good chunk of them seem to be salespeople) and over 100 clients (I'd suggest that you ask them to prove that). And, another of the best-known has only three or four or five employees, perhaps depending on the day of the week.

Here's what to look for: you want a vendor that has real, and I emphasize real, expertise in innovation that they can and will share with you, through their consulting staff. And by the way, the vendor should have a qualified consultant working with you right from the beginning, not after the sale is made.

If the company has that expertise, and can share it (and its people) with you, and if their software is fun to use, then there is a good chance it will work for you even if it doesn't have all the features that you think you want. Here's one time where you really do want to develop a relationship with your software provider. It can be the difference between success and failure.

By the way, if you want to know whether the person you are talking to at a software vendor knows anything about innovation, ask the person to explain "Culture of Innovation" in thirty seconds or less! Then, count the seconds until the response begins. One-one-thousand, two-one-thousand...

Want the answer? Call or write me (see below for contact info).

10) Fill in this blank: _____

Okay, we've given you nine dangerous assumptions about Idea Management. Now, share yours with us! Email your assumptions to bshockley@SAinnovation.com. We'll add the best one to the list, and give you credit for it!

One final thing – don't keep this to yourself, share these assumptions with your CEO!