



# The 7 Hurdles of Collaborative Innovation

*HYPE Innovation White Paper*

by Tim Woods

## **The 7 Hurdles of Collaborative Innovation**

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Collaborative Innovation is less of a science, but more of an art form. While technology plays a key role in accelerating and scaling up the process, obtaining success is more subtle than just enabling a tool. Every company faces their own particular challenges, but some challenges are common to all. In a HYPE study we interviewed more than twenty global clients to discover the common challenges they faced in building a successful collaborative innovation program. There is more to be said about the path to success, but based on the feedback we gained from the interviews, we believe the following seven areas serve as a good basis for understanding how to set the foundations for collaborative innovation to flourish:

1. Establishing a campaign methodology
2. Communications
3. Increasing idea quality
4. Motivation and rewards
5. Removing disincentives
6. Justifying ROI
7. Going beyond ideas

### **1. Establishing a Campaign Methodology**

In a recent Booz & Company study it was reported that only 40% of the 1,000 most innovative companies have a structured idea management program in place (The Global Innovation 1000: Navigating the Digital Future). A surprising fact given the importance of idea generation in the innovation process. This means that 60% of the biggest and best companies in the world are still using archaic methods to collect, organize, and manage ideas. Whether it be offline in face-to-face brainstorming sessions, using email, excel spreadsheets, open suggestion boxes - or ultimately, no idea gathering at all.

Even for those companies that do have an enterprise-wide idea capture tool in place, Booz & Company reports that there is general discontent about the effectiveness of these programs. There are many reasons for the poor return on investment which we will explore further in this report, but the obvious starting point is the campaign methodology.

### **The structured campaign methodology**

Many companies still try to launch an idea program in the old fashion way - like a suggestion box: ideas of any kind are dropped in from across the business without a clear problem statement defined. A good marketing splash can make this work for a short time, but it's not sustainable. Campaigns allow you to focus on the areas of the business that you want to innovate in right now. By defining a clear topic you improve idea quality, which in return increases the probability that they actually get implemented. Showing an innovation pipeline with ideas moving through to implementation builds trust and momentum with the audience. Campaigns by definition have a given time frame, and sometimes target a specific audience - both of these help to focus the right amount of corporate energy on the best possible outcomes.

With a campaign approach you can begin to think strategically about your efforts. Define the hunting grounds where you want to find ideas, then map out a series of campaigns to tackle those areas. We found that the most successful companies have a balanced approach to running big strategic challenges, interspersed with tactical ones. Tactical ones, such as cost saving or process improvements, can generate ideas which can be implemented quickly and allow innovation managers to show results. This is both advantageous to innovation managers and sponsors, but also critical for momentum within the audience. Strategic campaigns have a longer timeframe, and often the ideas must be combined and taken through a concepting phase before real opportunity can be identified. If there is a clear roadmap of activity in both areas, the program is more likely to grow in adoption and becomes sustainable as a process.

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***A South American client in the financial services industry runs campaigns in each of the eight countries it covers. Every year they survey the countries to measure the perception of innovation from the employees, and whether they feel part of the innovation process. In the countries that run frequent and systematic campaigns, they have a higher statistic on these survey points.***

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### **The myth of missing big ideas**

There is sometimes the feeling that always-open suggestion boxes must be available just in case a big idea comes along. This is largely a myth. Ideas themselves are almost always just a fragment of an innovation - they must be developed and built upon from several sides before they can be made into something valuable. It is more productive to first demonstrate that as a company you are open to ideas from all areas, and you will follow-up on them. Campaigns are a more reliable way to build this trust, and if you achieve this it's more likely that breakthrough ideas will find their way into the process. The alternative, of having an always open suggestion box can lead to skepticism when ideas linger and do not find their way into a project.

Why not have both? This is the option some companies have taken, for example, a global logistics firm we spoke to is running frequent campaigns but also providing a 24/7 365 space for unsolicited ideas. This can work if you ensure you have momentum developing in the other areas, and if you have a structured approach to dealing with unsolicited ideas. The company has a review process every eight weeks to look at all unsolicited ideas, and either close them as not useful right now, or route them to an owner who can develop them further. This kind of rigor is not simple, and it will consume significant time from an individual who needs to be well connected and know how to push ideas into the right areas of the business.

### **Campaign leader kits**

Companies that take the campaign process seriously have begun to develop campaign kits - a kind of education pack which enables sponsors and administrators to follow a guided process for launching and managing their campaigns. A European engineering company found that sponsors often want to just start and run something immediately, and underestimate the work involved. The first step is an interview with the sponsor, where they are asked to define the problem, decide how much investment they will provide for winning ideas, allocate time for people to run the campaign process, and define the criteria for judging ideas. If these steps are not fully explored the campaign does not go ahead.

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***“If you are unprepared as a campaign leader, it is quite certain that you will fail.”***

*Innovation Manager, European Engineering Company*

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A campaign questionnaire is a good starting point for developing these leader kits, but it needs to go further into the specifics of communication. For example, showing details of past campaigns - what worked and what didn't - can serve as inspiration for new sponsors. It is recommended that innovation teams keep a workbook of every campaign, listing hard factors about participation and outcomes, along with soft factors such as the written communication and word of mouth feedback from participants.

### **Key Points**

- **Define the high level hunting grounds for new ideas**
- **Balance your campaigns between strategic and tactical**
- **Cost saving and process campaigns help to build momentum**
- **Always-open suggestion boxes can create skepticism**
- **A campaign leader kit helps to create a consistent approach**

## **2. Communications**

There is a famous story - albeit perhaps an urban legend - about the development of a space pen back in the 1960's. The United States reportedly spent vast sums of money to develop and test an advanced pen which would write in zero-gravity and withstand the demands of being used in space missions. With a ballpoint made from tungsten carbide, thixotropic ink in a hermetically sealed and pressurized canister, operating at temperatures of -30 to 250 F, and a shelf life of 100 years, the result was pretty innovative. The Russians, working on the same problem, settled on the use of a \$1 pencil.

The story highlights a fundamental importance for the need to define the problem statement with as much clarity as possible. If you ask for a space pen, you'll get a space pen - if you ask for something to write with in zero-gravity, you might get an obvious yet excellent solution. The most important step in your campaign preparation therefore, is to define the problem statement in the most concise and clear way possible.

### **Start with a need**

Does your campaign sponsor really have a need for ideas? Sometimes what a sponsor really needs is not ideas, but insights. This is a valid use for a campaign, but be conscious of clearly asking the audience for insights. If you are collecting insights, you won't be able to review them and push them through a pipeline like you can with ideas. A method we have seen at some organizations is to run a two-step approach: first you run a short campaign to collect insights, customer feedback, or problem statements around a particular innovation theme; then you refine the aspects which you think are most salient and launch a campaign to ideate around them.

One organization ran an ambitious campaign looking for ideas to a scenario that was 5-10 years out from now - this was an unusually broad scope for an all-company campaign. The reaction to the campaign was positive, people liked the challenge and felt it was relevant to the business. However, contributions were low, and engagement between contributors even lower. They found that the bar for submission was higher for a broad campaign - than in a more narrow-focused campaign. Discussing the topic around the watercooler is one thing, but writing up a formal suggestion is another. In another campaign where, in contrast, the sponsor had an immediate need to fix a known problem, the volume of submissions were good, and several excellent ideas were taken forward. The barrier to participation can be lower when the scope is more narrowly defined.

A campaign question is similar in nature to a company vision. It benefits from being something people can quickly identify with, and grasp the notion of. The vision needs to be backed up with a mission - a longer statement, but still concise and only a few paragraphs at most. This description should challenge the reader to think about the problem in new ways, provide wide ranging input, and crucially spend time developing others' ideas. Contributing to campaigns is typically a voluntary act and not part of the day job, so it is unlikely that the participant will give you more than a few moments to consider your problem statement. If you have additional things to say, consider wrapping them up in downloadable content such as a PDF or presentation, or providing a video with a deeper exploration of the topic. One innovation manager remarked that, "no matter how much time you're spending on defining your problem - double it".

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***"Getting executive sponsors on board is the single biggest thing to making it successful. Specifically, get people who have been in the organization for a while, and have some stock for getting things done."***

*Mike Hatrick, Innovation Manager at Swisslog*

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#### **You are now a marketer**

The job of a campaign administrator is multidisciplinary, but the most crucial part is the communications. Without effective marketing and copywriting for the campaign, it will struggle to take off. Ensuring that your campaign emails come from a real person and not the system is one simple tip we heard frequently. Participants are far more likely to act when somebody they know is asking. Setting a shorter timeframe for the campaign allows you to stir up some energy early on, and if the participation is going well you can opt to extend the end date and send out a reminder email. This tactic is often used, and usually results in a spike of traffic.

When a program is new you need to put more upfront effort into branding the initiative and explaining the vision. At BP, the Castrol Motor Oil Division started off by tying custom designed balloons to the desks of the first 100 idea submitters, along with a small gift card. This quickly created a word-of-mouth curiosity about the balloons and where they came from, "It worked so well because we had open plan offices, so everybody could see the balloons" commented Dan Kaus, Brand Manager, "the team at BP really put the effort into making the initiative start well. Because participation is voluntary for employees, it needs to be fun and interesting."

AkzoNobel, a Dutch specialty chemicals company, began their program by selecting 500 lead users across the company, and mailed them an introduction parcel along with their system invite. Inside the package contained a box with a two page sheet introducing the concept explaining how they can participate, and a model figure of Albert Einstein to put on their desk (see Figure 1.). Albert was the mascot for the program, and was used across other branding to reinforce the notion of innovating.

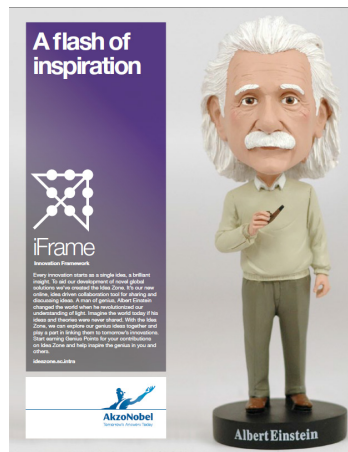


Figure 1.

BST, a South American financial services organization, also developed a mascot for their initiative (see Figure 2), and created a real-life version to generate some fun around the first campaign (see Figure 3). BST achieved an impressive 90% participation rate in its first campaign, and concluded it with several ideas which had a dramatic efficiency boost on internal processes.



Figure 2.



Figure 3.

The Witt Group, a European textile company, also benefitted from a highly successful marketing campaign to promote their program. “Witti” was created as the mascot (see Figure 4), and his identity cropped up everywhere, from the company intranet, to posters around the office, to the employee magazine. Witti awards are given out to winning ideators and for implemented ideas at award ceremonies. The use of strong branding, including a fun mascot, is a frequent occurrence in successful innovation programs.



Figure 4.

#### **But stick to your cultural norms**

A German engineering company used many posters and flyers to kick-start their initiative, but the feedback was negative, believing it to be too much and too playful. Although this felt like a setback, it was useful feedback, and they adjusted the message accordingly. Finding the right tone for your organization is an important step in the process, which is not always possible to get right first time. Adjusting your communications quickly as you learn what resonates is recommended.

The common consensus among the interviewees was that the final communication to participants after a campaign is finished, is the most impactful. If you do not follow-up effectively you risk creating cynicism and negativity about the approach. It's important to say thank you for every idea, not just the good ones. Dallas Hetherington from AkzoNobel, for example, uses his innovation platform to send a follow-up email to every idea submitter after his campaigns have finished, and recommends this to other campaign sponsors, “it's a lot of work, yes, but it's important to acknowledge the contributions personally”.

#### **Key Points**

- **Does your sponsor really need ideas - or would insights be better?**
- **A two step approach can help to identify the problem, then ideate**
- **Narrow topics are easier for people to engage with**
- **Create a sense of fun and excitement about the program, mascots help**
- **The final campaign feedback loop is the most crucial**



### **3. Increasing Idea Quality**

A South American financial services company we spoke to had a well-established program for innovation - ideas were being sourced across all divisions of the company and participation was very high, with more than 7,000 ideas collected in two years. However in their third year the focus turned to quality. Rewards were used to drive idea submission, but there were no rewards for contributing to others' ideas. This resulted in a lack of engagement and collaboration.

It was frequently mentioned in our interview discussions that ideas on their own are just fragments of something useful. Collaboration by other users through commenting, was shown to significantly increase the quality of ideas. Simply by asking the question, 'How can this idea be improved?' on the idea page, drives users to critique and develop an idea, which results in a stronger proposition.

#### **Remind people what you're looking for**

Two additional methods which have shown to increase quality are recommended. Firstly repeating the campaign problem definition on the idea form itself, to act as a reminder for the idea submitter. It's common to hear that many ideas do not fit the campaign topic, or are not constructive suggestions - one innovation manager told us of an idea posted to a campaign seeking radical service concepts: "Move an ATM machine to my neighborhood, because it takes me too long to get to one." If the submitter is thinking through the problem statement while writing their content, this is less likely to happen.

Secondly, the importance of stating up-front the criteria for idea selection. This was often a step missed in the campaign planning process. Indeed, some sponsors chose to skip the process of defining the review criteria until after the submission phase was done. This can allow for too much uncertainty around the needs and goals of the sponsor. As additional background to the campaign statement, a one page description of the review criteria, with explanation about the kind of ideas sought after, is beneficial. If your review process will have a cost analysis component, then you should inform the participants. Similarly if you are seeking an idea which can be implemented in a matter of months, this is also helpful.

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***To increase quality, teams were asked to pull together a business case for their ideas, with the help of the innovation team. "It was not shoot first - aim later. It was aim first, with a business case, and then shoot."***

*Alvaro Castillo, Innovation Manager, Casa Pellas*

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### **Diversity breeds greater quality**

Collaborative innovation is built upon the notion of seeking out more perspectives, and doing so at scale and in an efficient way. The ability to have many different perspectives looking at the problem is often the magic ingredient to igniting breakthrough innovation. It is therefore always recommended to mix your audience for campaigns. If you want to keep the audience selective, try to still include moderators or innovation advocates from outside of the group. These outsiders can ask questions which help to break down orthodoxies and challenge assumptions.

Casa Pellas, an automotive service company, runs a mixture of incremental Kaizen campaigns for continuous improvement, alongside radical innovation campaigns for breakthrough ideas. For the latter, Casa Pellas tried a new approach to increase the idea quality. They asked that ideas only be submitted in teams, with a maximum of four people. It was advised that contributors build a team from members outside of their area - but ultimately they were free to choose. The expectation was to receive no more than 20 ideas in total, they ended up with 84.

The ideas were then filtered, and a selection of groups were asked to present their ideas to the innovation team. To do so the innovation team provided finance and marketing resources to support the teams in building a business case around their ideas. In the final round 3 ideas were selected for presentation to the CEO of the company. The approach was so successful that Casa Pellas have continued to run radical campaigns this way. The teams which are more successful tend to have a higher degree of interdisciplinary skillsets than others.

### **Key Points**

- **Define the review criteria before launching a campaign, and inform users of it**
- **Ensure the campaign problem statement is clear and repeated to users**
- **Campaign moderators from outside the target audience can help to break down orthodoxies**
- **Use team ideas to increase quality**
- **Encourage others to improve an existing idea**

## 4. Motivation and Rewards

Rewards are often considered an essential part of idea campaigns, it seems natural to give out prizes to those people who submit breakthrough concepts. After all, people have a choice whether to share their idea, nobody can force them to spend the time in the system, and willingly give over their intellectual property.

However, rewards are a complicated topic, they can have short term effects on participation and interest levels, generating excitement - but they can also have severe detrimental effects on the long term health of your program. For example, a client in the services industry started their initiative with substantial tangible rewards, including cash and holidays for winning idea authors. These rewards had the desired impact at first, but over time the focus on rewarding ideators meant that commenting and collaborating dramatically declined. People only saw value in the idea submission. Subsequently, they decided to stop issuing rewards - the result was a lack of interest in the program altogether.

This problem summarizes the biggest warning we discovered with rewards - if you put them in, you will struggle to take them out. In psychology this is known as the effect of substitution; one experiment helps to clarify the problem:

A group of children were given ten minutes to freely paint pictures, most of the children enjoyed being creative, and a handful found it boring and did not fully engage - as you might expect. Next they told the children that they would receive rewards for their paintings, a gold star, a chocolate, etc. They ran the ten minute exercise again, and had similar results. Finally, they took the rewards away, and ran it for a third time. Now, even those children who were originally highly engaged became less engaged, and produced less creative paintings. The act of painting itself was the motivation for the children - but after being rewarded for it, the pleasure has been substituted for the reward, and when the reward is taken away the original interest had declined. This substitution effect has been seen in many similar experiments in both adults and children.

The challenge lies in finding the right balance between intrinsic and extrinsic motivations, and in directing rewards towards the most relevant areas of the process.

### **Intrinsic motivations**

Intrinsic motivations are those which are not controlled by external factors, but stem from an innate desire to act. Dan Pink, in his book *Drive*, describes three primary categories of intrinsic motivators: autonomy, mastery, and purpose.

- Autonomy - having the freedom to choose how to tackle a task or challenge
- Mastery - to become better at something, develop confidence and expertise
- Purpose - to be aligned with a common goal and vision

Participants have a good deal of autonomy when it comes to online ideation campaigns - they don't have to take part, and if they do, they can often choose when and to what extent to do so. Mastery can lend itself well, allowing employees to learn from the interesting contributions of others, and to engage with experts from around the company. To have your idea developed by others, or to see it implemented, can be a tremendous boost to one's confidence about their own ability and reputation.

Purpose is a strong driver within collaborative innovation, and it can be seen in the following examples:

- The company has a clear vision and purpose for the ideation - there is a shared goal to which everybody is aligned. If this purpose is worthy, engaging, and in harmony with the individuals, it can be a powerful driver.
- A desire to solve problems. Many individuals are strongly motivated to figure out a solution to a difficult problem. Idea campaigns are an ideal way to tap into this motivation and create a compelling sense of purpose.
- A desire to help others. A sponsor who is well known and respected can drive engagement by asking for help. Ideas from fellow employees can drive collaboration and lead to stronger concepts.

In most organizations the culture is such that intrinsic motivations are enough to build and sustain momentum. It is recommended to try to avoid the use of rewards at first, and seek to find these inherent levers which engage people, such as those mentioned above, and additionally:

- A fun mascot for branding can create an identity for the program. It's important to make it feel welcoming to employees, while also demonstrating a willingness to consider ideas seriously.
- Make use of key sponsors who have a reputation for getting things done, and garner general support from the employee base.
- Be consistent with follow-up, don't allow cynicism to develop.
- Celebrate successes, communicate them frequently, and recognize the participation of everybody.

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***“Are rewards important? Not really - something else motivates you to get involved. A reward is just a nice after effect. What people really want most is feedback about their ideas, what happened, where did it go, is it being actioned by somebody?”***

*Innovation Manager, European Engineering Company*

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### Where rewards make most sense

When implementing rewards, consider first where they are most needed. The job of submitting ideas is already preloaded with strong motivation - most people want to put their ideas into the system given the chance to do so. Commenting however can sometimes be seen as a less appreciated activity, but is just as critical for success. Rewarding frequent and constructive collaboration can encourage the right behaviors in the community. Evaluating ideas is also seen as a less glamorous task, but is key to developing ideas and concepts which can traverse the innovation pipeline. Similarly is the task of implementing ideas, which is where ideation truly meets innovation. One client told us of how they reward both the ideator and the implementor equally each month - typically they are not the same person, but they are both part of the story.

Dan Pink cites examples where rewards have a negative impact on creative tasks, but for routine and repetitive work rewards can boost performance. Reviewing is often seen as a bottleneck in the innovation process - reviewers struggle to find the time, ideas can be complex to properly evaluate, and the volume is sometimes overwhelming. If there is one part of the process that is most congenial to extrinsic rewards, it might be the evaluations.

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***“Creativity-supporting organizations consistently reward creativity, but they avoid using money to ‘bribe’ people to come up with innovative ideas. Because monetary rewards make people feel as if they are being controlled, such a tactic probably won’t work.”***

*How to Kill Creativity, Harvard Business Review, Teresa Amabile*

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### Unexpected rewards pose less risk

Rewards which are expected have the most potential for damage - cash prizes for the winning ideas, for example. Unexpected rewards can have a positive impact however, with less risk. A European logistics client has experimented with giving random rewards to boost interest, by contributing a comment to an idea in a campaign you’ll be entered into a draw for a prize at the end. For an employee it’s a matter of simply being in it to win it - a relatively small hurdle - but once in the system the hope is that ideas and contributions will spark more interest and drive more engagement. Tactics like this can be helpful to simply fuel awareness and get people moving into the campaigns.

### Key Points

- **Once rewards are in place it can be hard to take them away**
- **Avoid substituting the intrinsic motivations with rewards**
- **Rewards can work best on the less glamorous tasks like commenting or reviewing**
- **Intrinsic motivations stem from autonomy, mastery and purpose**
- **Monetary rewards can make people feel they are being controlled**

## **5. Removing Disincentives**

It is common to see on the homepage of innovation management platforms a message from the CEO, or other senior leader in the company, endorsing the tool and encouraging employees to participate and share their ideas. This is a welcome message and helps to demonstrate a purpose - however, it cannot be mistaken for permission to participate, which is sometimes the goal. The permission to participate in reality does not sit with the CEO, but instead with middle management, who are in control of resources. We found that this layer of authority can pose a significant challenge to progress.

The CEO may have innovation and collaboration as a top strategic goal, but middle management may see the world differently - perhaps they have not had the time to see the relevance of innovation to their business unit, nor been given the tools and knowledge to deal with it. For them, the goal is hitting targets and keeping resources focused on the job at hand. Innovation managers who recognize this take steps to educate and inform. Mike Hatrick at Swisslog, a leading logistics company, developed a training program to coincide with the rollout of the new innovation platform. Mike personally travelled to company locations around the globe to conduct seminars on the vision, purpose, and practical aspects of the initiative.

### **Educate and inform**

In the book *Unleashing Innovation*, by Nancy Tennant Snyder and Deborah Duarte, the authors explain how Whirlpool created an I-Mentor program designed to build innovation advocates that would develop ties within the business, and strengthen the focus on innovation as a company objective. They realized that innovation could not be left to a select few, they needed everybody in the organization thinking about the challenges and contributing their knowledge:

“The first seventy-five innovators under our new vision were people drawn from around the world ... The idea was for twenty-five of the original seventy-five individuals to go back into the business to use the innovation tools in their daily work. The second twenty-five were to run business units that were started based on innovation results, and the third twenty-five were to teach others the tools and skills.”

The I-Mentor program was instrumental in driving a culture of innovation across the business. To navigate the challenge of middle management, education and dissemination of knowledge is essential - a structured program to inform and reinforce the message is key. Whirlpool had the luxury of a major initiative which provided the resources to do this on a large scale and at rapid pace, but as Mike Hatrick has shown, it can also be led by the charge of a single innovation champion.

### **The standing ovation model**

Participating in idea campaigns is voluntary, employees don't have to read the invitation email, and they don't have to take the time to contribute. In most cases it is desirable to take part, as discussed above, but the first hurdle to overcome is: do my superiors and peers think I should be spending time on something like this? If this is unclear, how can people be influenced to take part?

An example from Scott E. Page, University of Michigan, provides a useful analogy. What makes people stand up and applaud at a show? Several factors are important, the quality of the performance is of course pivotal. Standing ovations tend to happen spontaneously, the entire audience begins to rise like a Mexican Wave. Page says that the viewpoint of where you are sitting is important:

- At the back of the auditorium are the academics, they can see everyone else in the theatre, they have a great perspective, but nobody else can see them or what they do - if the back row stands up, it has no impact on the rest of the audience.
- The middle has the general population. They can see some people in front, and some people behind can see them, so they have some limited influence.
- But the front row - the celebrities - can be seen by everybody, yet they cannot see anyone else. They are the trendsetters, and if they decide to stand up the rest of the theatre is most likely to follow.

The celebrities sitting in the front row are a small group of people with a large influence over the behavior of others. Companies work in a similar way, there are key figures throughout the organization, not necessarily those in top ranking positions, who have frequent and high visibility. Seek out those individuals and aim to bring them on side with your initiative. If this small group is engaged, it could lead to a tipping point as others follow their behavior. We have seen companies immediately jump into education for the masses, to convince every individual of the importance of taking part - while this is certainly a good thing, the energy might be more productive to focus on bringing the celebrities on board, and help to create a tipping point in acceptance of the program.

### **Open to sharing my IP**

An engineering company told us of the challenge in getting high quality detailed ideas from their engineers. The reason they found is that the engineers had a great sense of pride in their patents - they were also rewarded for having patents, they are driven by having unique ideas. Engineers would hide their ideas away in a notebook rather than share them openly in a company-wide system. The innovation team had to convince them that putting an idea into the system means a documented time stamp, with author, location, department, and the data is protected and backed-up. The idea is safer and more tightly linked to the original author inside the system than written down in a notebook.

This can be a serious obstacle to overcome in some cultures. Communication should be clearly provided about the reassurances around ideas submitted. In most cases ideas are only fragments of a solution, and rarely a demonstrable piece of intellectual property. But if this is the case we would recommend including a patent workflow into the platform to quickly handle those types of ideas. Several clients we spoke to have this process integrated, allowing ideas to be flagged and pushed through a separate series of steps which involve the company patent department.

### **Technical hurdles**

The barriers mentioned so far are largely process and cultural in nature, but we found one consistent barrier that came up more frequently than any other: single-sign-on access to the tool. SSO is a simple process to enable, and is typically done in hosted and installed situations, but often the challenge remains in corporate IT departments, where they lack the resources, know-how, or motivation to assist. Sometimes the innovation manager is faced with the choice of getting the platform out on time without the full support of IT, or delay launch until IT can provide the necessary assistance.

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***“Biggest barrier? Single-sign-on – to reduce the barrier for users to get on board. At the time there was so much IT change going on, that it was hard to get it sorted. In hindsight I would probably have delayed the whole rollout by a year just to ensure this was sorted.”***

*Mike Hatrick, Innovation Manager at Swisslog*

***“Not having SSO in place yet - this is the biggest barrier to adoption. Users love the tool, they love the spirit of it, but they don't have time to find their credentials every time. Either quickly log me into the tool during a coffee break, or I probably won't bother.”***

*Innovation Manager at Aviation Company*

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Today many companies are deploying social business platforms to replace legacy intranets, file sharing repositories, and discussion forums. If implemented well these social tools can be an excellent hub for activity. It's important that your innovation platform integrates with them, so that users can seamlessly move between the two systems. Deep integrations can provide significant benefits, and reduce barriers to entry. For example vendors like HYPE are able to display widgets within the social tool which display real-time data from campaigns, and even allow the setup and launch of campaigns natively within the social tool, facilitating data synchronization back and forth. This means users can choose to participate from either side - and innovation managers can still utilize the full benefits of evaluations, analytics, reporting, and pipeline management.

### **Key Points**

- **Permission to participate mostly sits with middle management**
- **Educate and inform key individuals in the business about the goals**
- **Company celebrities can help you build momentum if they are on board**
- **Tackle IP concerns up front with the community**
- **Single-sign-on is a major hurdle to user acceptance**

## **6. Justifying ROI**

The underlying motivation behind companies wanting to innovate more is the need to grow. Plugging a growth gap requires finding new revenue streams, business models, products, services, or improving the business to be more efficient and productive. The ultimate measure of collaborative innovation therefore, is whether it generates tangible outcomes which fuel growth.

The collaborative innovation program is only one part of the overall strategy a company is taking to develop their innovation competence, and the challenge many companies face is choosing which metrics to apply to their program. This choice depends largely on two aspects: the maturity of the program, and the balance between input and output metrics.

One of our interview questions to clients was: what does success look like? Those experienced with collaborative innovation were more certain in their answers, leaning towards specific output metrics such as implemented innovation projects; whereas the majority who are new to collaborative innovation were more uncertain, and leaned towards input metrics such as participation and number of ideas submitted. In our experience, those projects that start out with no clear metrics in mind suffer the most - often leading to a rapid decline after one year, eventually leading to a cancelled initiative. If it is not clearly defined why you are implementing the program, it is hard to make it sustainable.

### Maturity of program

As an enterprise discipline, collaborative innovation is still a new phenomenon. This can be seen by the amount of companies that have tried to launch an initiative, and failed to generate a compelling return on the investment. The speed at which the technology can be deployed often misleads companies into thinking success is also just as fast and easy. Indeed, the technology can accelerate and scale up the initiative. The tool, however, is merely an enabler. It requires a culture that is open to new ideas, a well-defined process in place, and a clear set of goals in mind to actually be successful.

If you are just starting out with a new program - collecting ideas in a systematic way for the first time - then input metrics will be the most important to you. Can you achieve high participation levels and high engagement across the company? This is the first test of whether your communications are working, and whether the culture is accepting the initiative. If this is not the case, then you must tackle these issues quickly before moving on towards output metric expectations. For example Mike Hatrick joined Swisslog as an experienced innovation manager, having run successful programs before - yet this time the culture was different:

***“I came to Swisslog feeling relatively experienced in this field having already run 15 campaigns, all with high levels of participation. When participation at Swisslog started to drop-off in the fourth and fifth campaigns I was concerned; I had anticipated the audience to be highly engaged by then. In fact, I wasn't just concerned – I was worried, because something was happening that I didn't understand”***

Mike had to understand first what he was dealing with, then attack the problem head-on before moving forward with his strategy. For a detailed exploration of his actions see the Swisslog Case Study by HYPE (<http://hypeinnovation.com/resources/case-studies>).

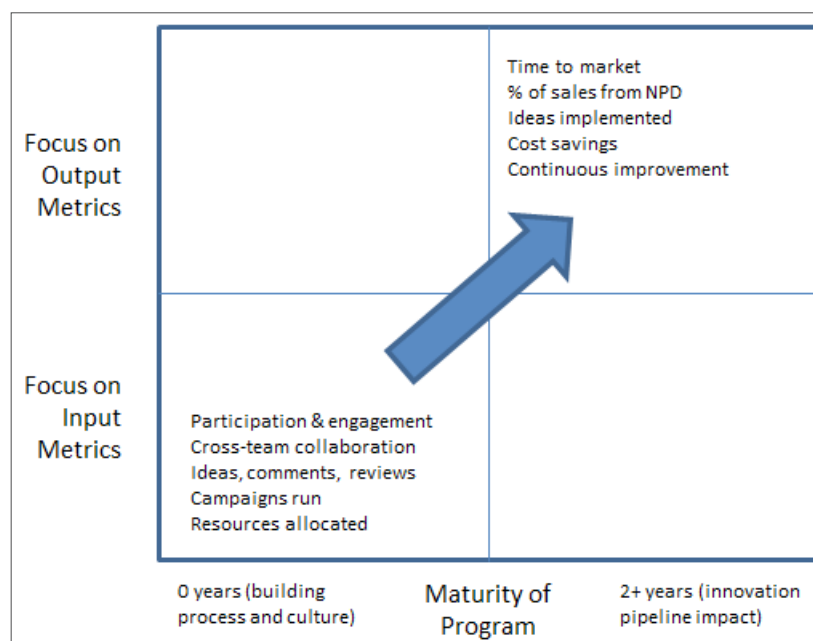


Figure 5.

For Daimler TSS, IT specialist within the Daimler Group, the quarterly initial reporting metrics of the innovation program started by focusing on innovation expenses. “The goal was to invest a certain amount of revenue back into a selection of innovation activities, with the goal of becoming a recognized innovation partner for our Daimler clients”, explains Werner Martin, Project Manager of innovation management at Daimler TSS. After a while, to widen the quarterly reporting metrics, Daimler TSS implemented a reporting about ideation and a status reporting about innovation projects, followed by an annual reporting about their employee's' participation in innovation activities. “To complete the innovation reporting metrics, we work on measuring the ‘Return-on-Innovation’, the hardest part of the innovation metrics”, says Werner Martin.

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***“Conventional financial metrics are still the dominant mode – companies are looking for new products that have a better or at least acceptable ROI, even though innovation managers know they need breathing space.”***

*Haydn Shaughnessy @ HYPE Innovation  
(<http://hypeinnovation.com/resources/reports-research/>)*

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### **Broader benefits**

Collaborative innovation platforms enable the gathering and surfacing of ideas on a large scale, but focusing only on the output metrics of those ideas is not the whole story. For many companies, the notion that everybody is now involved in the innovation process is radically new. Innovation has traditionally been the home of R&D teams, senior leaders, and special groups. If your platform is implemented well, it can be a significant driver in this change management process. After all, if you wish to create a culture focused on innovation, then you must give everyone a way to be part of innovation.

Ways to measure benefits that are not ROI-related:

- Do employees feel their ideas are welcome and actively encouraged to submit them?
- Are you finding willing sponsors for campaigns, who take the process seriously, and spend the time on defining and managing their campaigns?
- Do you receive broad participation across business units?
- Do you have increasing participation and adoption of the tool?
- Do you achieve diverse input with collaboration across business units?
- Are your campaign processing times healthy (launch, review, decision, feedback)?
- Are employees provided with opportunities to develop their successful ideas?
- Do you have strategic areas defined with business leaders, to align campaign topics?
- Are you identifying and surfacing experts and innovation champions?
- Do you have the support of middle management?

Surveys are a simple but effective way to validate the progress being made in many of these areas. It is recommended that you take an initial survey before launching your program, so that you have a baseline of opinion for your metrics. Surveys at regular intervals can demonstrate whether you are changing the culture and acceptance of innovation across the company.

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***“Top-down systems are paramount to driving innovation. Embedded innovation requires changing deeply ingrained business systems to create and re-engineer systems that allow everyone to innovate. It also requires the top leader’s involvement, commitment, and dedication for the long haul.”***

*Unleashing Innovation: How Whirlpool Transformed an Industry*

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There are many more aspects to innovation than the collaborative platform, but many of those are business as usual areas - such as the actual implementation of new products and services, the stage and gate process for decision making, the research phase, and so on. Companies are typically already good at those, and improving them is more about process and less about culture. The collaborative innovation program however is a highly visible component; it is the part everybody is able to see, and the company’s actions and behaviors in dealing with the platform have a discernible impact. Therefore, placing metrics on how efficiently your platform is being used is crucial.

### **Key Points**

- **Those with no clear metrics at the start suffer the most**
- **Early phases are better suited to input metrics like participation**
- **Later phases require more output metrics like implemented ideas and projects**
- **Surveying the audience before and after can enable you to track cultural progress**
- **Measure the efficiency of the program and process itself**

## 7. Going Beyond Ideas

The word 'idea' is a loaded term, and it's easy to become fixated on the ideation part, especially since the products are often called "idea management tools". But a well-developed platform, firmly established in a company, enables much more than just ideation. The same structured process can be used for a wide array of business activities. The power of the tool is its ability to handle scale and a distributed workforce, matched with a rigorous way to manage the content generated. But instead of collecting ideas, why not collect insights or problems? Collecting those in a small group of people in the same room can be immensely effective, but being able to do it with ten thousand people across the globe - reaching into areas of the business otherwise isolated from these activities - is potentially game changing.

The first step is to acknowledge that valuable input comes from anywhere in the business, and not just the typical homes of creativity and innovation. For example, why not ask your sales and marketing teams what they are hearing from customers and prospects? These individuals are on the front-line and have some of the best insights into the mind of the customer. The input can be sorted and ranked quickly, and conclusions can spark clear challenges where idea campaigns should be run.

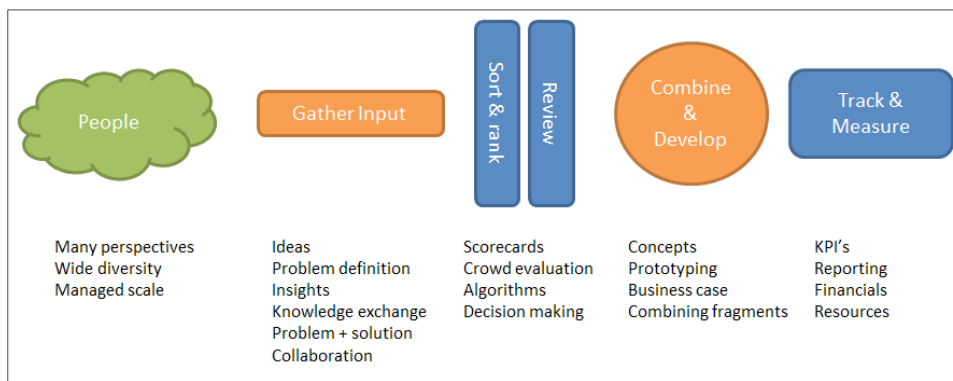


Figure 6.

### Defining the problem

Most companies, and indeed individuals, are not short of ideas - but they are often short of knowing exactly where to ideate. As Albert Einstein reminds us, "If I had an hour to solve a problem, I would spend 55 minutes determining the problem, and 5 minutes on the solution". Once a company knows precisely which problem to target, it usually has all of the necessary ingredients to solve it. Yet it is still not a common practice for companies to use their innovation tools to discover the problem areas on a mass scale.

At the center of any innovation is a coming together of two key aspects: making a problem known and identifiable, and combining fragments of input (ideas, insights, facts) into a single concept. A P&G example shows the potency of this:

“Research showed that about 80% of consumers in India wash their clothes by hand. They had to choose between detergents that were relatively gentle on the skin but not very good at actually cleaning clothes, and more-potent but harsher agents. With the problem clearly identified, in 2009 a team came up with Tide Naturals, which cleaned well without causing irritation ... [it] has helped to significantly increase Tide’s share in India.”

Harvard Business Review, June 2011

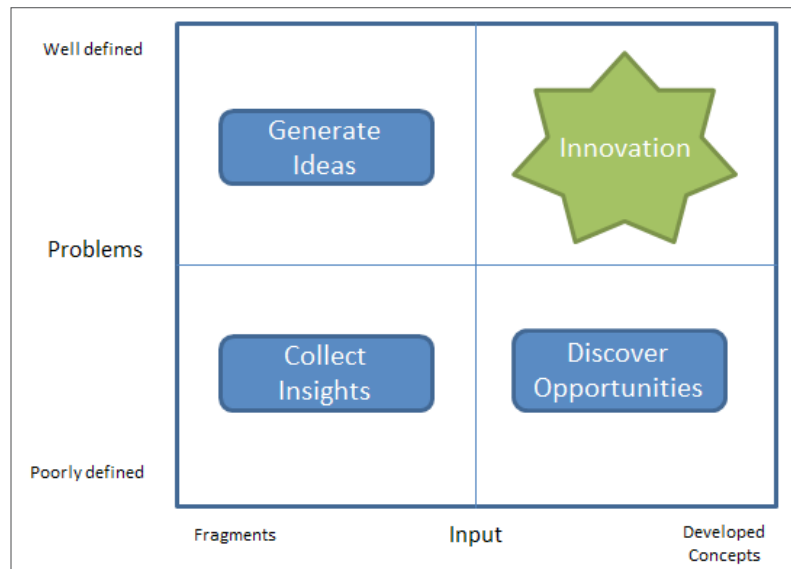


Figure 7.

Campaigns are an ideal tool for gathering input first, allowing people to suggest broad areas of interest, attach and reference research and data, and highlight known expertise. This input can be quickly sorted into groups, ranked according to suitability or other criteria, and then used as the basis for a follow-up idea campaign. Running these insight campaigns enables companies to generate volumes of rich data which can be mined and searched on an on-going basis, and it also continues to demonstrate openness to the audience, welcoming the perspectives of all employees.

### **Innovation as a central utility**

We have seen clients using their collaborative innovation platforms with this purpose, and in many more inventive and disruptive ways. We are seeing, for example, an on-going increase in the direction of cost saving and continuous improvement. We call this innovating your business, and strongly recommend it because of the fast return on investment - cost saving ideas and process improvement tweaks can often be implemented quickly, which allow the program to gain momentum, and bring sponsors and employees on side.

The biggest challenge and, at the same time the biggest opportunity we have seen, is the notion of innovation as a utility, powered by a collaborative innovation platform. Many companies now have a central team responsible for driving innovation, usually home to the Chief Innovation Officer. These teams are typically small, and not provided with deep pockets of money or resources. However, they have the tools and mandate to make a sustained impact. They promote the use of campaigns to help business units innovate, allowing the sponsors to reach out widely across the business, in a familiar and consistent way. Furthermore, they follow a well managed and structured process for dealing with the input received, and handle the critical follow-up steps.

Central innovation teams can act like a Swiss Army Knife, with an array of capabilities for boosting innovation. With a platform in place and well organized, companies can run frequent large scale initiatives with minimal cost and effort. The innovation team is able to handle a diverse array of requests, from pure idea generation, to process improvements, knowledge sharing, expert identification, needs and resource exchange, to open innovation with partners, suppliers, and customers.

This notion, of going beyond ideas and creating a process to do so at scale and in a reliable way, with a central utility built around it, is the challenge we see companies racing to overcome.

### **Key Points**

- **Ideas are the easy part, seek out more insights, problems, opportunities**
- **Identifying problems and gathering perspectives on them leads to innovation**
- **The tool offers a generic process for many use cases**
- **Companies are innovating their business, not just products**
- **A successful platform can enable innovation as a utility for companies**



### **About HYPE Innovation**

HYPE Innovation is a global leader in full-lifecycle innovation management software. HYPE's powerful platform allows organizations to engage thousands of employees in idea generation and collaborative problem solving. We help you focus on measurable business outcomes that can be tracked through to execution. Companies work with HYPE for our flexible products, our deep expertise in innovation management, and our long history of success with some of the largest organizations in the world. Our client community includes global companies such as GE, P&G, Bombardier, DHL, Roche, Nokia, Daimler, Airbus, General Mills, Saudi Aramco, Bechtel, Clorox, Deutsche Telekom, and many more.

Visit our website at [www.hypeinnovation.com](http://www.hypeinnovation.com) to learn how HYPE enables companies to transform their best assets – employees, customers, partners, and suppliers – into dynamic and engaged innovation communities.

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