

# Collaborative Idea Management: A Driver of Continuous Innovation

Jesper Bank and Adnan Raza

*“ Collaboration is important not just because it's a better way to learn. The spirit of collaboration is penetrating every institution and all of our lives. So learning to collaborate is part of equipping yourself for effectiveness, problem solving, innovation, and life-long learning in an ever-changing networked economy.*”

Don Tapscott

Business executive, author, and speaker

Despite the critical importance of innovation to most companies' ongoing success, many organizations fail to develop sustainable innovation management processes. The article explores the application of collaborative idea management to drive continuous innovation in large organizations based on our experience at Waabii, an innovation software and consulting service provider. First, we identify the key roadblocks faced by organizations in managing their innovation processes. Next, we describe the innovation model created at Waabii to help implement a sustainable innovation process, and we present a case study of an innovation management software solution, Exago Idea Market, which was implemented to create a collaborative and sustainable innovation environment in a large global telecommunications company. Finally, we offer recommendations for implementing this model of collaborative idea management. This article is particularly relevant to managers in larger organizations and practitioners of organizational change seeking to identify inhibitors of growth and business innovation and how to combat the roadblocks and create a sustainable innovation environment.

## Introduction

Innovation is often touted as "the lifeblood of business", and yet many companies struggle to keep the continuous flow of innovation that is required to sustain long-term health. But why? What are the key factors that prevent companies from being the innovation engines they strive to be? In this article, we examine the major inhibitors of innovation, and then propose collaborative idea management as an approach that companies can use to drive continuous innovation by harnessing the creativity of their employees.

Our perspective is based on our experiences at Waabii (waabii.com), an innovation software and consulting service provider in the Greater Toronto Area of Ontario, Canada. We help companies overcome barriers to in-

novation by tapping into the knowledge of their employees using an approach called "collaborative idea management". In this article, we explore the concept of collaborative idea management with the aim of providing managers with insights to overcome roadblocks to innovation and harness the innovation capabilities of their employees on an ongoing basis. First, we identify the major inhibitors of innovation in large organizations. Second, we introduce collaborative idea management as a means of creating a sustainable environment for innovation. Third, we discuss the three essential components that must be considered when implementing a collaborative idea management process: strategy, leadership, and culture. Fourth, we highlight the benefits of the approach through a case study of a large global telecommunications company. Finally, we close with recommendations and conclusions.

## Collaborative Idea Management: A Driver of Continuous Innovation

Jesper Bank and Adnan Raza

### Inhibitors of Innovation

Based on consulting interviews we conducted with executives from a wide mix of global corporations active in the telecommunications, banking, life science, utilities, and resource-extraction domains we have identified three major inhibitors of innovation: i) growing size, ii) operation silos, and iii) lack of employee motivation.

#### 1. Growing size

Increasing size of an organization has created a disconnect between the organization's strategy and its core-level executors: its employees. Increasingly, companies are busy creating high-level strategies to steer the company to increase profitability but face challenges in involving key resources to execute the plan. In many cases, the major reason identified is not the dearth of skill to execute the high-level strategy but a lack of communication initiatives to drive and manage the core message to the primary contributors to help them work towards the primary goal. This challenge becomes even more evident when the company wants to drive "targeted" innovation (i.e., innovation aimed at a common or particular goal). It becomes virtually impossible to control the direction of innovation from high up in the leadership chain. Today, most companies plough resources into established R&D or innovation centres directed to churn out innovation; the major drawback in this innovation model is that we are leveraging a very small section of the company's intellectual capital. Moreover, one of the key resources is rarely involved in the innovation cycle: the front-end employees, who serve as the connection points between the organization and its customers. We have observed that these problems become particularly acute when companies are growing in size.

#### 2. Operational silos

As growing companies create various new lines of business and numerous sub-divisions, they tend to become increasingly compartmentalized. Each section of the group becomes disconnected from its peers and respective divisions. Because each division is so busy competing and is focused on completing their given task, "tunnel vision" may begin to inhibit innovation. These effects may be further worsened by geographic expansion, because regional divisions become preoccupied by their own local challenges. In such an environment, innovating towards a common goal becomes challenging.

To overcome the negative impact of operational silos, many companies establish distributed innovation centres. However, a major drawback of this approach is typically a lack of sync between solutions developed in each of these distributed silos. More importantly, a lack of proper methodology to select the most applicable of best ideas undermines these efforts. Indeed, Vermeulen (2013; [tinyurl.com/lvscsz](http://tinyurl.com/lvscsz)), reports that the act of selecting ideas is a key challenge faced by most large organizations today. He highlights that, in terms of innovation, most business executives place a high value on variation, but do not put enough thought or management effort into deliberately selecting which ideas are worth pursuing. The act of selecting ideas has become a subjective process, wherein political interests and personal preferences determine which projects are funded and which are terminated. Companies need to devise a systematic idea-selection process that is free from any personal bias and incorporates a smart and efficient selection framework.

#### 3. Lack of employee motivation

The other underlying key reason for a dearth in corporate innovation is the lack of sufficient motivation for the employees to participate in innovation processes. We have observed that, even if employees are keen to participate in innovation processes or projects hosted by their company, the level of engagement is hard to maintain for a long period of time.

One of the main contributors to such behaviour is an ill-defined "innovation to implementation" process, or "idea journey". A typical idea journey has four stages: i) creating ideas, ii) sorting the submitted ideas, iii) selecting the top ideas, and iv) implementing the selected ideas. Companies must follow through on each of these stages. After the idea creation stage, it is equally important to communicate to the participants on the progress of subsequent stages, through the sorting and selecting stages to the final implementation of the shortlisted ideas. Most of the innovation projects organized by organizations fail in the last stage of the idea journey: implementing the shortlisted idea in a structured timeline process. To motivate employees for ongoing participation in innovation activities, companies need to develop processes and mechanisms that allow for the establishment of teams capable of executing the shortlisted ideas and monitoring the step-by-step progress from start to execution. This full-cycle approach is crucial for gaining and maintaining employee participation.

## Collaborative Idea Management: A Driver of Continuous Innovation

Jesper Bank and Adnan Raza

### Collaborative Idea Management

To overcome these three inhibitors of innovation – growing size, operational silos, and lack of motivators for employees – we encourage our clients to adopt collaborative idea management within their organizations. In essence, collaborative idea management involves soliciting ideas from within an organization, empowering employees to work collaboratively to define better solutions for a given problem, and managing and communicating the progression of the ideas through the full cycle of the idea journey up to implementation. Thus, collaborative idea management is a systematic approach to gathering and channeling ideas that enables an organization to:

- foster innovation by tapping into the diverse knowledge and collective creativity of its employees
- ensure that the "right ideas" actually end up meeting the organization's relevant innovation needs
- measure and drive front-end innovation activities

- engage employees across the organization in business innovation and improvement
- provide participants with feedback and recognition
- communicate corporate strategy in a consistent and relevant manner to the entire organization
- create transformational change to an innovation-driven culture

Collaborative idea management should be supported by appropriate processes and tools for managing the submission, sorting, and selection of ideas, as well as their implementation. This approach not only overcomes the inhibitors of innovation described earlier but also improves the efficiency of the innovation process.

As an example, the innovation management solution we typically use at Waabii is the Idea Market by Exago (exagomarkets.com), which is illustrated in the case study described in Box 1.

#### Box 1. Case study: Portugal Telecom

Portugal Telecom (telecom.pt) was founded in 1994 and is headquartered in Lisbon, Portugal. As of January 2014, the company is the largest telecom provider in Portugal with a market cap of \$4 Billion, \$6.6 Billion in revenues, and more than 11,000 employees.

##### Challenge

- To define a transversal innovation strategy shared by the company's 11,000+ employees

##### Solution

- A structured innovation program open to entire organization
- Exago Idea Market used as the fundamental collaborative idea management tool to support this program, providing a solution to capture and collate ideas, enrich suggestions through comments, and help identify the best ideas
- The tool integrates an evaluation engine that mimics the functioning of a stock market, with virtual credits being invested by the participants to help select the best ideas

##### Benefits

- More than 7,000 employees joined the platform
- More than 5,000 ideas have been validated so far.
- \$38 Million in annual savings from employee's ideas on business process improvements
- 44% improvement in employee engagement over four years (from 58% in 2008 up to 84% in 2012)
- 67% of all employees engaged in business innovation
- Decentralized and transparent evaluation process brings efficiency and flexibility to the innovation process
- The Exago Idea Market helped increase employee satisfaction by providing them a platform to voice their creativity

## Collaborative Idea Management: A Driver of Continuous Innovation

*Jesper Bank and Adnan Raza*

The Idea Market enables an organization to “broadcast” a business problem or broad question relating to corporate strategy to its employees and “call” for innovative thinking and cross-company cooperation to find solutions to the problem. Employees from all business units can then offer insights in three ways:

1. Present their own ideas about how to address the business challenges that management put forward
2. Offer comments to discuss and build upon ideas presented by others
3. Indicate their support (or lack thereof) for a particular idea by choosing how to “invest” their virtual currency in the market

The Idea Market functions as a traditional stock market in that investor (i.e., employee) confidence drives results – the ideas that receive the most investment are the ideas that rise to the top. Top ideas are then assessed by the management team in order to decide which ideas move forward for implementation. This process helps the organization reach its broad employee base with ease, connects different operational departments, and engages everyone to work towards a common goal.

Most importantly, this type of approach to collaborative idea management increases employee engagement and promotes innovation. At Waabii, we provide our clients with the innovation platform, we support strategic management, and we actively assist in the implementation of supporting processes. The goal is to establish a collaborative idea management process that continuously drives innovation by empowering employees to better define problems and to propose and refine solutions.

### Key Components of a Collaborative Idea Management Process

Underpinning our approach to collaborative idea management at Waabii is what we call the “innovation triangle”. The innovation triangle highlights three components that are essential to establishing a successful and sustainable collaborative idea management process: strategy, culture, and leadership.

#### 1. Strategy

Strategy in its broadest definition outlines the direction the company takes to comply with the vision of the organization. Communicating the strategy and the role of individual employees in “the big picture” is very important;

it allows the organization to harness the active participation of its employees. As underlined earlier, fast-growing companies face a challenging problem of communicating their strategy to their internal audience. But beyond simply communicating the direction the company is headed, the organization must also identify and communicate the roles each employee will play in executing this strategy. The concept of collaborative idea management helps the company direct strategic challenges aligned to the core strategy of the company or even to a specific business unit, and it helps engage the employees in innovating around the centrally defined problem. The key idea behind the success of this component is the empowerment of employees by providing them a platform to create innovative solutions and collectively evaluate and select the best solutions for the company-defined challenges.

#### 2. Leadership

The other key aspect of implementing a successful innovation program is applying executive support for the process, which in turn will make respective lines of business/departments engage in the company-designed innovation program. A strong and engaged leadership structure helps the employee stay motivated and helps increase the active participation rate for the designed innovation program. Without support from leadership, an otherwise perfectly designed innovation process or program is bound to fail. In addition, it is imperative that the innovation program is pushed and supported by the top manager of the company/department leading this process. It not only gives a face to the innovation program but also increases the perceived importance of such program.

#### 3. Culture

Lastly, the culture of the organization must be aligned with the innovation process. In the challenges identified above, we highlighted that companies are becoming compartmentalized and operate as silos, with each unit concentrating on its respective objectives. This compartmentalization limits the employees’ ability to understand and effectively participate in initiatives that transcend their departments. The concept of collaborative idea management not only helps connect the employees, but helps the organization bring varied skilled individuals to converse about the potential solution to “sticky problems”. Our experiences with large organizations indicate that employees emphasize problem solving and creating innovative solutions. The collaborative idea management process aligns the need of the organization to the want of the employees, thereby enhancing the workforce experience.

## Collaborative Idea Management: A Driver of Continuous Innovation

*Jesper Bank and Adnan Raza*

To further catalyze employee participation and embed innovation within the culture of the organization, an organization needs to motivate its workforce by rewarding participation through tangible or intangible awards. Tangible awards may include real goods or benefits, such as monetary awards, physical prizes, and so forth. Our interactions with organizations with a higher proportion of knowledge-based workforce has shown that, compared to tangible rewards, intangible awards are deemed more valuable even though they are not monetary. Examples of intangible awards include an opportunity to have breakfast with the CEO of the company or a coaching session with the senior manager of the employee's choice.

### Key Takeaways

The concept of collaborative idea management helps an organization progress in its innovation process by aligning the three spokes of the innovation triangle: strategy, leadership, and culture. As illustrated earlier, collaborative idea management is based on the concept of designing a solution collectively, hence the primary step of the process is to design a problem broad enough but aligned to the central strategy of the organization. This problem can be a high-level problem or can be a problem designed to address a functional component of the larger puzzle.

The second component of collaborative idea management is to invite employees and potentially other stakeholders (e.g., suppliers, customers, academia, graduate

students) to engage in a conversation to drive collaborative innovation. For example, the Exago Idea Market innovation solution can be used as an interface to engage various stakeholders around potential challenges faced by the company. The platform will thereafter help the company identify top ideas or solutions selected by the population at large. These top ideas can be further evaluated by the leadership team to prioritize development of the selected solution in isolation or combination, thereby driving groundbreaking innovation for the organization.

Finally, to increase employee participation exponentially and to instill innovation in the very core values of the workforce, the company needs to motivate the employees by rewarding them through a mix of tangible and intangible awards.

### Conclusion

Collaborative idea management empowers an organization to efficiently leverage its prized intellectual capital: its employees. An organization has to be mindful of the three components in the innovation triangle – strategy, leadership, and culture – while implementing a collaborative idea management solution. Each of the three parameters helps in establishing a sustained innovation environment. Lastly, to instill an engaged participants, the organization has to reward participation. The reward mix has to be strategically composed of both tangible and intangible awards to attract participation from all areas of the workforce.

## Collaborative Idea Management: A Driver of Continuous Innovation

Jesper Bank and Adnan Raza

### About the Authors

**Jesper Bank** is CEO and Co-Founder of Waabii Limited, where he is responsible for the company's strategic direction and partnership development in North America. He works with leaders in public and private sector organizations around the world to help increase collaboration, engage employees in idea generation, and convert great ideas into value. For over a decade, Jesper has helped companies achieve profitable growth through business process improvement, and he currently provides counsel in the areas of strategy clarification, innovation management, and business-process redesign. He also provides idea management software and consulting services that enable firms to identify and prioritize the winning ideas within their organizations. Jesper holds a TRIUM Global Executive MBA from New York University Stern School of Business, London School of Economics and Political Science, and HEC School of Management in Paris, and he has substantive international experience having lived and worked in both North America and Europe.

**Adnan Raza** is an Innovation Consultant for Waabii Limited, where he provides business support advice and consultancy for Waabii's idea management solutions. He works with innovation teams in global organizations to improve their business and product innovation processes through novel insights and analysis. He has worked for more than four years in helping global organizations manage innovation through competitive market analysis, as well as the management and protection of intellectual property portfolios. He holds a BAsC in Electrical Engineering from the University of Windsor, Canada, and an MBA from Rotman School of Management at the University of Toronto, Canada.

**Citation:** Bank, J. and A. Raza. 2014. Collaborative Idea Management: A Driver of Continuous Innovation. *Technology Innovation Management Review*. February 2014: 11–16.



**Keywords:** collaborative idea management, collaboration, innovation, open innovation, crowdsourcing, culture, strategy, leadership