

Innovation: Yes it's what you do but mainly the WAY THAT YOU DO IT! *that gets results...*

Effective innovation needs a good process to work well. The innovation process varies dependent upon the size, type, and culture of the organisation. Innovation has always been important but increasingly so now because of recession, global warming and the knowledge based economy. This brief article provides a background as to why innovation process management is not prevalent in most firms and what you can do to implement a programme. In essence we recommend you drive your innovation using innovation process management which will manage and budget for risk, measure your process and surround the whole approach with a training and support programme sympathetic to the firm / organisation's culture.

Innovation – what's in a word

Like the word marketing, everyone has their own understanding of what innovation means. Marketing means producing sales brochures to some, or doing market research to others (both poor definitions); innovation is a misunderstood, abused and misapplied term. Sometimes it is just a question of perspective, so it depends who you are talking to or what you are looking at. So what sector or segment of the market is the innovation process dealing with? Innovation to an engineer is very different from fashion design. Another example might be the contrast between a small legal consultancy in an office and a multi-national water company acting globally.

Size matters as do other profiling factors for the organisation such as market segment, sector and culture. Factors not always clear in writing or giving guidance to customers on innovation.

Innovation seminars offer few real remedies; covering new product development in general terms, with tried and tested models. A smattering of Ansoff, an innovation model of some sort, Cultural Web, 7S's and reference to incremental innovation, disruptive innovation and agreement on the need to innovate. However very little detail on the process. Fine for marketers but this leaves Directors in the Boardroom and strategists in quandary: there's the rub. It is the process of innovation where the Boardroom feels exposed. The second problem is organisational culture: more on this later.

Obama's Suggestion Box

We were surprised to learn that Barack Obama had an on-line suggestion box soliciting ideas from the American populace. Sadly, it is closed to ideas now. But it seems to have been effective, with over 44,000 ideas submitted by 125,000 visitors who also managed to cast 1.4 million votes on ideas. (Note: these numbers come from the web site itself; but frankly this suggests each visitor voted over 1000 times, which seems highly unlikely in my experience with such systems.)

You can visit the suggestion web site, Citizen's Briefing Book (CBB), at <http://citizensbriefingbook.change.gov/>. According to the CBB, "The best rated ideas will be gathered into a Citizen's Briefing Book to be delivered to President Obama after he is sworn in."

Like many poorly thought out on-line suggestion boxes, CBB is an open suggestion scheme in which anyone may submit any kind of idea. There is no focus on any specific problems, issues or goals. As a result, the Obama team has to sift through 44,000 disparate suggestions in order to determine which, if any of them, are viable. This is the problem with suggestion schemes and why, we contend, they do not work. See "[Why Suggestion Schemes Fail](#)" and [Obama's Suggestion Box \(scroll down to this article\)](#).



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Innovation process management – a solution the Boardroom can rely upon

What has the UK economy got to offer in the face of Chinese and increasing worldwide competition, with our shrinking manufacturing base? Historically the British have been inventive and innovative. Invention is different from innovation. In business, we define innovation as the profitable implementation of a new idea. Invention, on the other hand, is the creation of a new product or service. It need not be profitable. It need not even be viable. However successful inventions can also be considered innovations. However, improving the efficiency of a business process by changing an existing system is innovative while not being an invention.

Innovation process management does not call for creative brilliance. But like good marketing and strategic planning the terminology needs to be understood.

Innovation process management is the process of capturing focused business ideas, sharing them with targeted stakeholders (usually staff), for feedback and improvements then sending the results for review to an expert panel within the firm. A SWOT analysis and other audit tools can be incorporated within the process dependent upon the organisation's preferences. This is all part of the risk management process which enables the marriage of creative processes with a project management approach. A budget can be set for innovation, objectives and metrics all made possible using an idea management database.

Most effective idea management products on the market today use the ideas campaign approach. Based on Creative Problem Solving (CPS), the ideas campaign is a structured process designed to focus creative thinking on a specific business problem, motivate employees to submit relevant ideas and facilitate peer review and comparison of solutions. The result is a set of ideas that have passed evaluation and demonstrate a high potential of becoming profitable innovations.

Creativity is often confused with innovation. Creativity forms part of the innovative process as it does for example in design or marketing. At the beginning when creating a new idea there is a need for creativity. There is a need for creativity also in rewarding innovation. But the terms innovation and creativity are not interchangeable.

So to summarise, innovation process management by ideas campaign... It is not a suggestion scheme because like Obama's open scheme they do not work efficiently (and often not at all!) You need to do the following:

1. Plan it!
 - formulate the innovation challenge decide on time frame
 - establish rewards (reward management tools)
 - organise promotions
 - set up any preliminary activities (such as a paperless day)
2. Launch the ideas campaign
3. Allow employees to share and collaborate on ideas
4. At the end of the idea generation phase, use an evaluation management process
5. Use an idea development tool to prepare action plans for all ideas which receive high evaluation scores.
6. Implement the best ideas and start saving money / improving your process!

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Innovation in the Boardroom...it must be well hidden!

CEO's repeatedly put innovation top of their agenda according to surveys. Like a strategic plan it needs implementing. idea management for example needs a database and a budget. Try phoning the FTSE 500 and asking for the innovation manager. We have done this and you find organisations very confused by the question. In pharmaceutical and engineering companies R&D departments will usually exist. In some large corporates market research departments exist. Human Resources get left with responsibility for internal marketing and there is some excellent new work in this area the CIPD is promoting on internal branding. BARROW, S. and MOSLEY, R. (2005), MARTIN, G. and BEAUMONT, P. (2003) are amongst those cited in its recent excellent newsletter on the subject (CIPD newsletter 2009).

However HR knows better than other divisions that employees trust their first line manager or supervisor rather than anyone else in the organisation. An effective idea management scheme is a great way to improve matters and invite involvement but work on employee communications and trust must go in parallel.

Everyone "owns" innovation

Earlier in this article, culture was mentioned as a challenge to innovation within organisations – as it can be to introducing new strategies, marketing or anything. In Google or Silicon Valley their innovative approach may be held up as best practice but Tom Peter's in his video [Innovation is Actually Easy](#) says copying innovators is a waste of time! Because it is contradiction to copy what is innovative. By doing so it is no longer innovative. He advocates "hanging out" with them. In designing a process we can incorporate the spirit of this as follows:

- Recognise creativity is not the same as innovation but is vital to the organisation
- Incorporate training and outlets for creativity
- HR and Learning and Development functions have an important role to play here

We begin to see now that a number of divisions within organisations have an interest in innovation:

1. Marketing for new product and service introduction, improvement
2. Engineering / Manufacturing for R&D functions in certain sectors
3. Human Resources for internal branding and learning and development
4. Innovation Departments sometimes exist in their own right

The above varies by sector and size of company, which is very apparent if you are buying or renting lists for targeting innovation activists.

For small companies Business Link and Regional Development Authorities via business hubs provide innovation services. The whole tenor and approach is very different and geared to fund-raising, dragons den type events, invention, Intellectual Property, patents and not idea management. Again the challenge of segmenting the market is revealed. There is no real need to have an idea management tool with small businesses. But the innovation literature, events and website support does not make this clear.

Examples

An award winning example of idea management in action, [SE Water](#)



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About the Authors



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Fellow of the Chartered Institute of Marketing (**CIM**), SE Region Board Deputy Chair, Solent and Dorset team member and an ex Wessex Chair. Fellow of the Institute of Direct Marketing (**IDM**). A plc level Marketing Director and Chartered marketer. He was Marketing Director of Neopost plc (part of Alcatel worldwide group). Marketing Manager at Pitney Bowes plc the U.S. giant and European marketing manager. Chairman at the Federation of Electronic Equipment (FEI). Assistant Marketing Director at Lloyds Abbey Life before setting up a consultancy in 1997. Peter then increased his involvement at the CIM (voluntary work) as well as advising business start-ups via links at Business Link and from professional networks. **o i solutions** was a natural result of this work: marketing training and consultancy, website creation and then innovation - Jenni innovation management software providing a tool in this regard. [Nature's Presents](#) online green giftshop rewards innovation – another venture. He also works with [Fluvial innovations](#) distributing FLOODSTOP flood-barriers.

Peter's works closely with **universities, local authorities, environmental bodies** delivering training and events for marketers and organisations across the spectrum of marketing topics.



Jeffrey Baumgartner was raised in the USA and UK and has variously been a teacher, magazine columnist, entrepreneur, Internet pioneer, e-commerce consultant and organisational innovation expert. And he's chalked up this experience while living and working in three continents. In Bangkok he was an Internet pioneer next moving to Brussels becoming an e-commerce expert including work with the European Commission. Now Jeffrey runs the successful innovation ideas management business jpb.com with international partners in every continent. More about him and his company at: <http://www.jpb.com/index.php> His bi-monthly newsletter is [Report 103](#) is one of the most successful in the innovation industry with thousands of loyal readers across all sectors.

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