

An introduction  
to...

# Enterprise idea management

Hmmm, I've  
got an idea...



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Innovation ↔ competitiveness

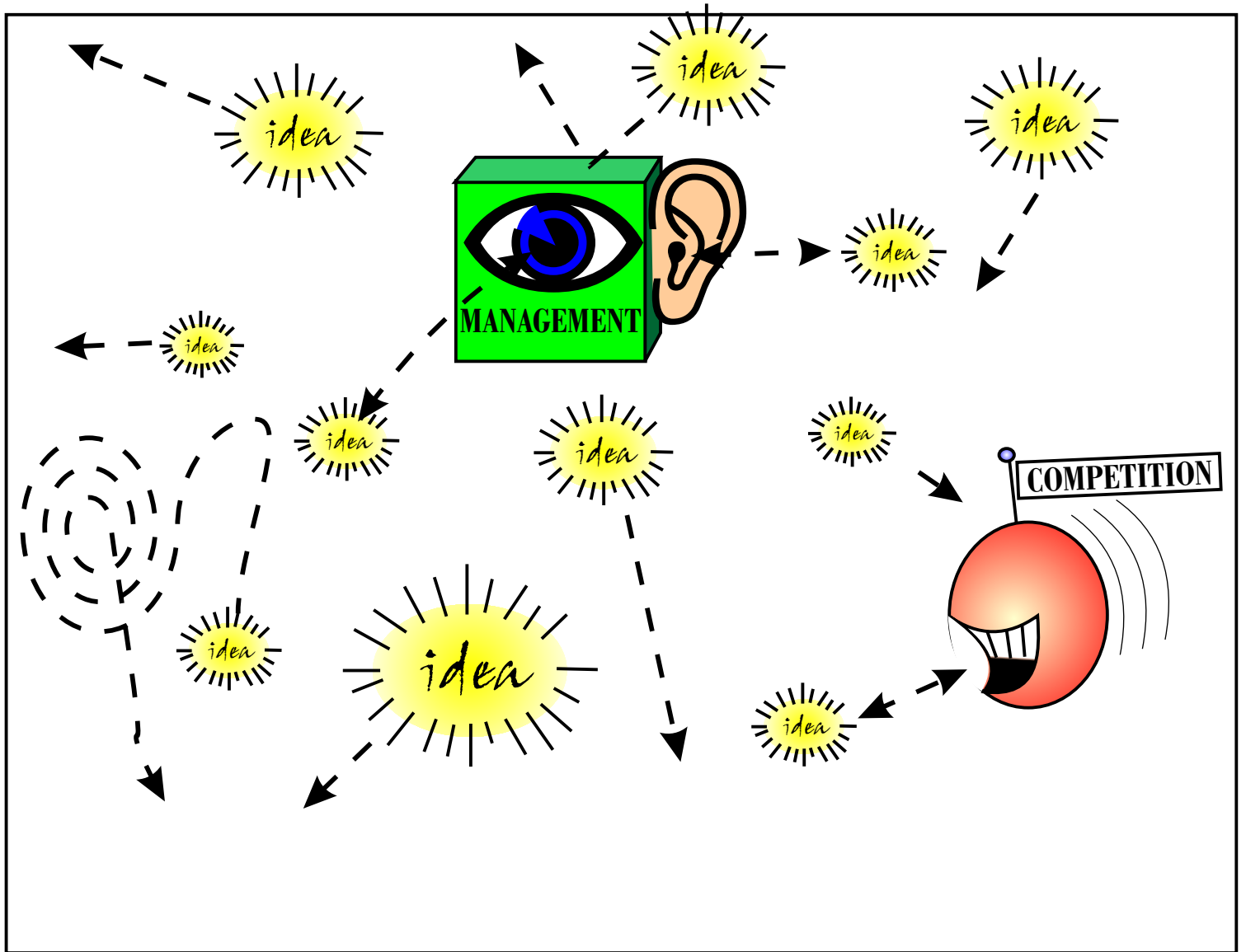
## Innovation and competitiveness

**T**oday, more than ever, innovation is critical to competitiveness. Indeed, according to the Economist (September 6th-12th, 2003): “With the pace of innovation hotting up, any enterprise that fails to replace 10% of its revenue stream annually is likely to be out of business within five years.”

According to PriceWaterhouseCooper, in their Innovation Survey, “Top **innovators** can generate over 75% of their revenue from products and services that were not in existence five years ago.”

Fortunately, there is no need to seek out expensive consultants. Most enterprises have tremendous innovative potential: their own human resources. It is simply a matter of creating an environment conducive to ideas and implementing a structured idea management system to collect and manage ideas.

This booklet shows how ideas flow in enterprises with no idea management and those with a structured idea management system.



## No idea management

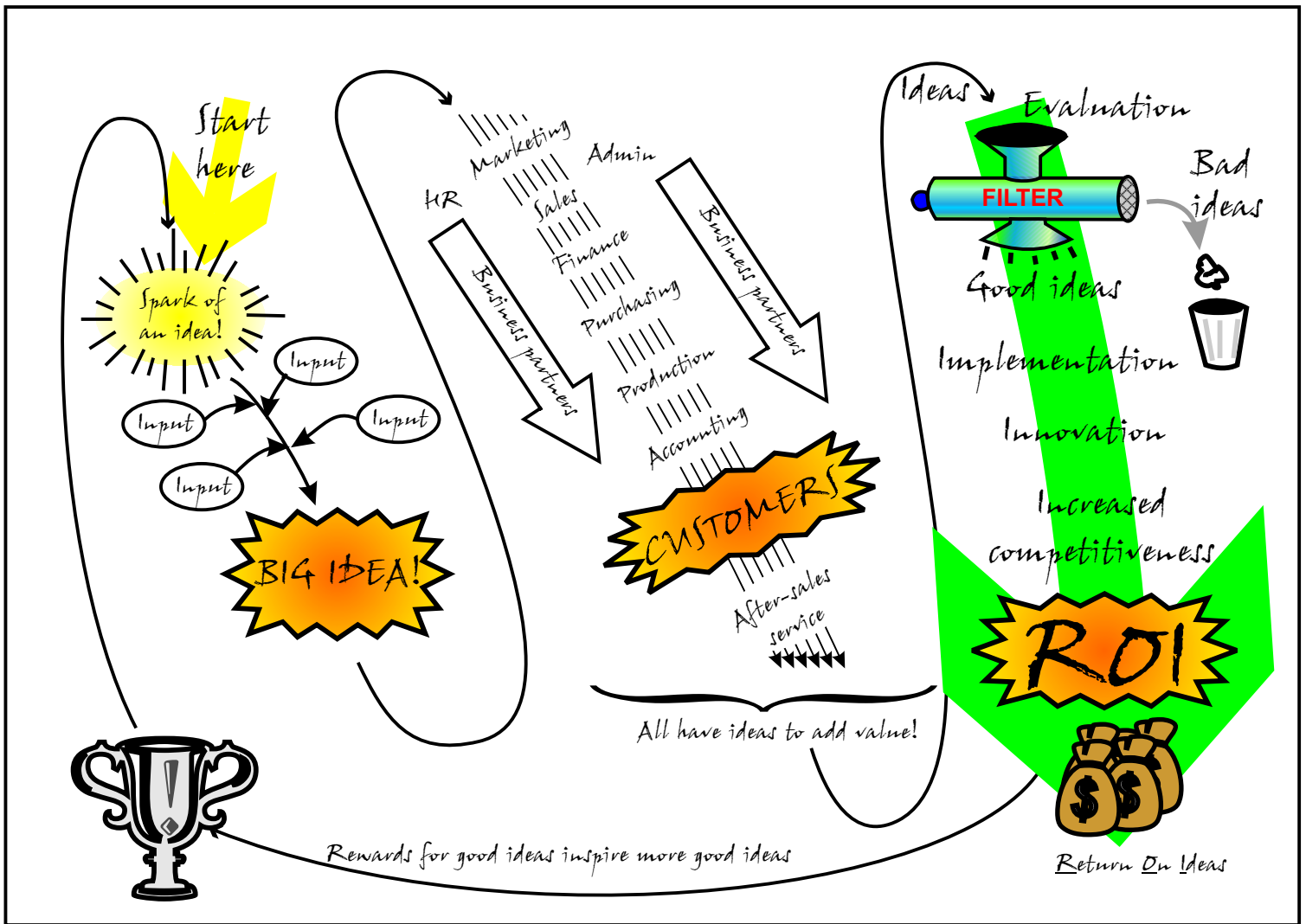
The illustration shows **idea flow** in a **traditional hierarchal enterprise**. As in all organisations, there are lots of ideas flowing. But there is no structure, nowhere for the ideas to go. That is because people in any enterprise have ideas, in the staff canteen, at the coffee machine and at the pub around the corner from the office. However, when they return to their desks, people rarely have any means of communicating their ideas to corporate decision makers.

As a result, most ideas are lost. A very few ideas catch the eyes or ears of decision makers. Some are caught and implemented by the competition: either because someone in the competition had the same idea, or because a creative employee quit the hierarchal enterprise for a more innovative one.

Sometimes, people are so convinced by their idea that they leave the hierarchal enterprise to set up their own company, as a result creating more competition for the hierarchal enterprise.

Of course, such thoroughly hierarchal enterprises are becoming increasingly rare in Europe and North America as companies realise the need to nurture innovation.

Today, many companies have begun to implement partial idea management initiatives, often based on e-mails, brainstorming sessions, and regular innovation meetings. This is a step in the right direction, but to truly maximise innovation potential, a proper, structured enterprise idea management system is necessary.



## An integrated idea management system

This diagram shows idea flow in an integrated enterprise idea management system. Ideas flow through the entire enterprise with people from all divisions contributing, and collaborating on, ideas. Good ideas are implemented and people who contribute such good ideas are rewarded.

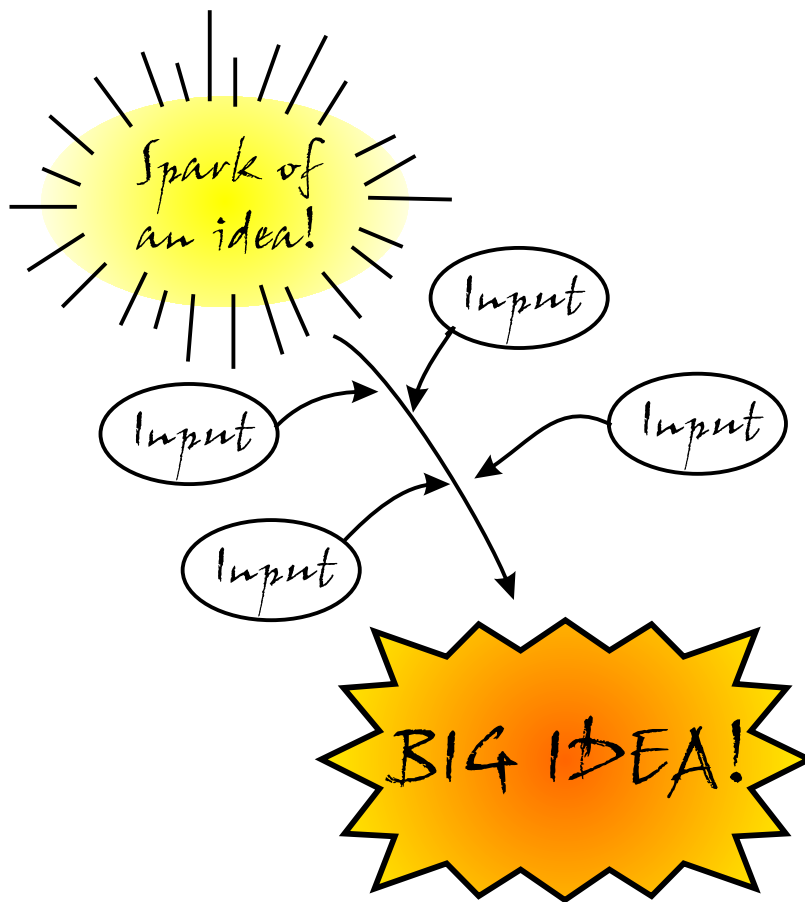
Rewards are an important part of an idea management programme. Rewards demonstrate that the enterprise values good ideas. Rewards encourage people to take the time to contribute ideas as well as consider potential ideas in more detail. Rewards can be anything from the CEO praising idea contributors to gifts, to promotions. In some cases, royalties might also be given. A number of organisations have even created point systems for rewards. Employees can

trade their innovation points for special benefits - such as attending overseas conferences.

As ideas begin to flow through the system, are implemented and rewards shelled out; employees quickly learn that the enterprise values innovation. This creates a more trusting atmosphere where employees feel free and are encouraged to contribute their ideas. And this, of course, increases the flow of ideas in the system.

Components of the idea-flow diagram are explained in more detail over the next few pages.





## Collaboration

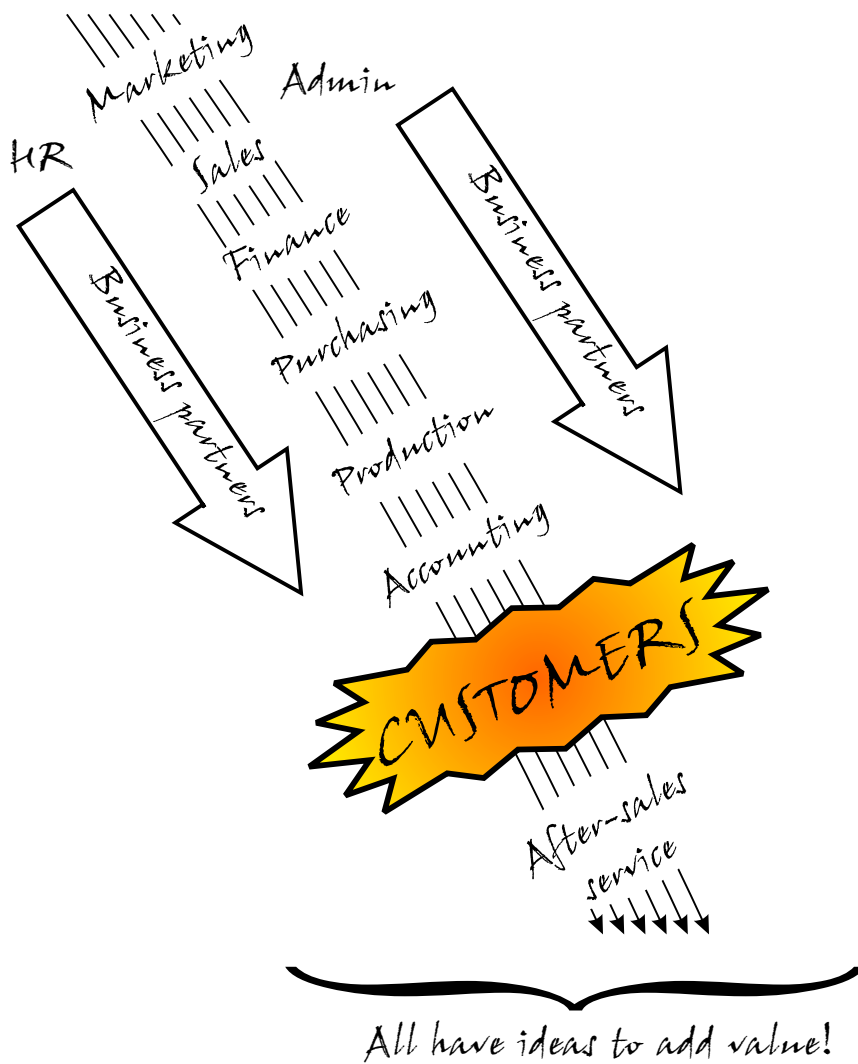
Sometimes great ideas appear at once. But more often they are the result of collaboration. Consider: someone has a good idea. Without enterprise idea management, that idea might still reach management who, impressed with the idea, implement it. Once the idea is implemented across the enterprise, others complain that the idea could have been more effective with some small changes. Management is forced to either leave the idea implemented as is or to invest in reworking the idea.

However, if the enterprise has an idea management system that permits collaboration on ideas, discussion can take place before the idea is

implemented. As a result, the idea is more likely to be effectively implemented from the beginning.

An added benefit, is that in a large enterprise, many people have similar ideas. If there is a means of submitting ideas to management, but no means of collaboration, management will probably find many people contributing similar ideas. If, however, open collaboration is allowed, the idea is more likely to be submitted once. Other people with similar ideas add their comments to the idea.

The result: a more thoroughly considered and developed idea.



## Ideas across the Enterprise

As processes become integrated across the entire enterprise, changes more directly affect every division of the enterprise. Hence, someone in one division may well have ideas that could benefit another division. For example, sales people, who are out meeting customers, often have ideas about how to improve products, customer service, logistics and more. And accountants, who are preparing invoices may well have ideas about how sales people can operate more efficiently.

Moreover, people from outside a particular division see the activities of that division from another perspective - and so can often contribute exciting new ideas.

Enterprise idea management, which allows enterprise-wide idea contribution and collaboration maximises the number and quality of ideas an enterprise can expect.

Of course customers certainly have ideas about how businesses can serve them better and, as business partners become more integrated, they too have ideas. In many cases, it can be extremely effective to get customers and partners involved in the idea development process.



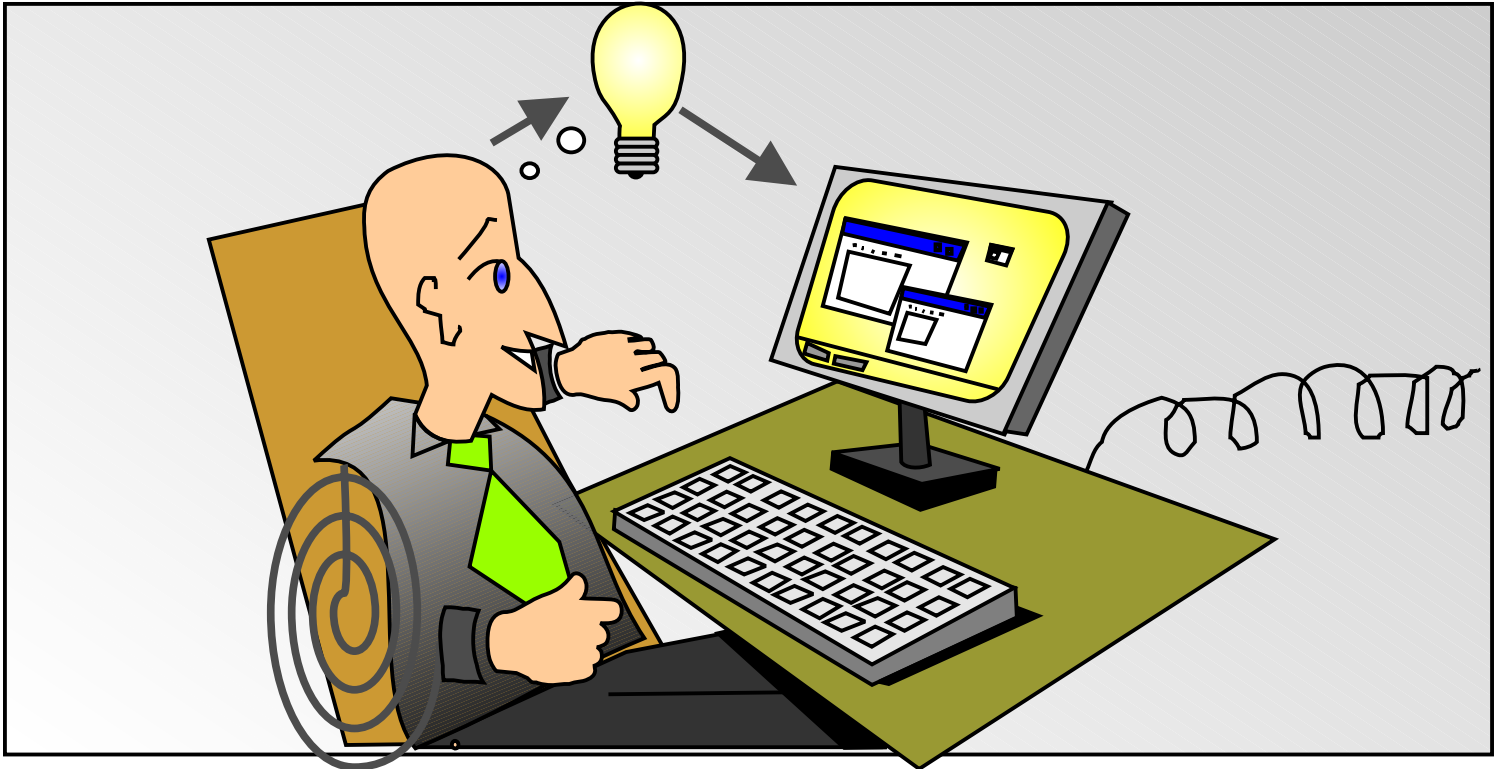
# Evaluating and Implementing

Of course, not every idea is a good one and many good ones will not bring value to the enterprise. Hence, any idea management system must have a means of evaluating ideas, to determine whether or not they would meet the enterprise's specific needs.

Actually, evaluation should be a two part process. The first part should be a structured evaluation comparing an idea to a set of criteria that reflect's the enterprise's needs for the particular idea. Determining how well the idea meets these criteria is a very good indicator of the value the idea will add to the firm.

For ideas which will have significant implementation costs or affects on the enterprise, an open meeting including experts should be held in order to consider issues that may not have been covered by the criteria chosen for the initial evaluation.

Alternatively other traditional evaluation methods, such as market surveys, preparation of a business case or cost-benefit analysis may be used.



## Jenni software

**J**enni enterprise idea management software has been designed to provide enterprise-wide idea flow as described in this document.

To learn more about Jenni, please visit our web site or telephone us.

**B**witi is a family owned firm based in Erps-Kwerps, between Brussels and Leuven. Bwiti works with partners in Belgium and the Czech republic to develop Jenni and other software designed to help enterprises like yours become more innovative.

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