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A Timely Notion Worth Considering

Idea management may help validate knowledge management

By Tony Kontzer InformationWeek March 25, 2002 12:00 AM (From the March 25, 2002 Issue)

Not long ago, companies used the suggestion box to collect ideas from employees and, in some cases, customers. Often, after it filled up with little slips of paper, the box would be emptied and no one would see the suggestions. Rare was the company that actually followed through on the best of those ideas.

Eventually, suggestion boxes devolved into a symbol of corporate detachment—and few companies use them now. But the flow of ideas in the workplace hasn't stopped. Ideas continue to be batted around boardrooms, exchanged at water coolers, and created during long commutes, often only to fall through the cracks and remain unrealized.

Most companies do a poor job of nurturing ideas because they're unwilling to commit to the maintenance and promotion of a successful idea-management process, says Marsha McArthur, innovation manager for the U.S. medicines group at \$2.1 billion drugmaker Bristol-Myers Squibb Co. That's because "everyone has the attention span of a gnat," McArthur says.

Enter idea management, the technology-enabled answer to the idea vacuum. Considered alternately as a subset of knowledge management, a potential driver of innovation, and a matter of corporate culture, idea management is a notion that's gaining steam among a segment of U.S. businesses that are viewed as either cutting edge or out of touch, depending on one's perspective.

Confronted with those options, McArthur would certainly place Bristol-Myers in the cutting-edge category. The New York drugmaker in October put the finishing touches on what it's calling its "idea bank," from which employees can deposit, withdraw, and transfer ideas.

Bristol-Myers built the idea bank using Idea Central from Imaginatik Ltd., perhaps the longest-standing idea-management vendor in the market. Bristol-Myers' idea bank is focused squarely on developing ideas that generate revenue rather than cut costs. As the idea bank's technology core, Idea Central provides an easy-to-use interface to an intranet application that captures and organizes ideas, as well as a structured process for reviewing ideas.

Knowledge Still Matters

Management of customer data continues to be a key business priority



Note: Multiple responses allowed. DATA: INFORMATIONWEEK RESEARCH OUTLOOK FOR 2002 SURVEY OF 300 BUSINESS-TECHNOLOGY MANAGERS

Initially, McArthur wants to develop services that can be wrapped around Bristol-Myers' products. Although McArthur says it's too soon for Bristol-Myers to quantify the benefits of its undisclosed investment in idea management, she expects Idea Central to pay for itself in the next few months and to generate a long-term return on investment in the hundreds, if not thousands, of percentage points. That is, if the company's leadership continues its commitment to developing the process.

"If management ever tries to take it away, I hope there will be a revolution," she says. Masterfoods USA pulled the plug on its idea-management system, but moving to a more ad hoc approach hasn't hurt the flow of ideas, says Dan Michael, the company's former idea manager, who now serves as product development group manager.

Truth be known, Michael was the company's idea-management system. Oh, there was technology at play—employees submitted ideas as electronic forms that were entered into a Lotus Notes database and routed to the appropriate marketing executive. The system eventually captured 500 ideas, some of which Michael recalls going to market.

But Michael was promoted during a reorganization, the system lost steam, and idea management ceased to be a formal process. Even in the absence of that process, however, Masterfoods now has better idea flow, and it continues to use technology to feed that flow, Michael says. For instance, an internal opt-in database that helps employees find others in the company working on similar projects is proving to be an agent of collaboration, from which ideas often spring.

Michael acknowledges that for idea-starved companies, idea-management applications could potentially empower employees by giving them a voice in the innovation process. But idea-rich companies may not need the technological support. "Ideally, you want to be organized in a way such that you don't rely on that as your sole source of ideas," Michael says. "We come up with more ideas than we execute. The key is picking the best one and focusing on it."

Precisely where the sweet spot of idea management is remains a matter of debate. Bristol-Myers and Masterfoods have used it as a way to mine employees' ideas, and Imaginatik CEO Mark Turrell says one of his customers, a chemical company he didn't identify, credits its idea-management application with helping turn a suggestion from a truck driver into a \$45 million revenue stream.

Meanwhile, other companies are using idea management in a variety of ways. Cingular Wireless is using technology from Akiva, an idea-management vendor formed by a merger of ChatSpace and MindCruiser in February. Akiva lets Cingular employees capture and route ideas that are bandied about during monthly online chat sessions between workers and CEO Stephen Carter. Cisco Systems (NASDAQ: CSCO) is using Akiva's software to support an idea-sharing community of 1,200 instructors who have succeeded in making improvements to Cisco's suggested best practices for training customers.

EarthLink Inc. is using a host of call-center applications from Israeli vendor Nice Systems Ltd. to identify ideas and suggestions stored in the millions of calls. E-mails, and chat interactions it has with customers each month. The Internet service provider is testing a new application from Nice that searches through calls and identifies ideas based on key phrases like "I think you should ..." or "Why don't you ...?"

EarthLink also plans to test Nice's pending idea-management application, which will let call-center representatives use a simple interface to trigger a process that will capture ideas during live calls and route them to the appropriate people to be evaluated, says Jennifer Goodman, senior manager of infrastructure architecture at EarthLink.

Nice, which has traditionally specialized in the logging of voice records collected at call centers, decided to add idea management to its product line after asking a sampling of businesses what they do with customer ideas and suggestions offered during calls. Nice general manager Lior Arussy says he was astounded by the results: "Across the board, the answer was 'Nothing.'"

Goodman says she's not convinced Nice's idea-management application will magically transform EarthLink's call centers into idea factories, but "it will help us make the right decisions" about which ideas to develop.

While there's some consensus about idea management and its growth potential, Imaginatik worked with advisory firm Baroud Group to quantify the idea-management market. The resulting research found that worldwide spending on idea-management software and services was less than \$3 million in 2001. It also indicated that figures could grow to as much as \$1.4 million this year. Imaginatik's Turrell expects his privately held company's revenue to grow by 300% this year.

Analysts expect a growing number of companies to wrap processes around idea development, but they don't necessarily expect idea management to mature as an independent product category. Daniel Rasmus, VP and research leader at Giga Information Group, describes idea management as an adjunct to other technologies, most notably knowledge management. In fact, he says, idea management is providing some companies with their first real understanding of knowledge management.

"Organizations have picked up on one of the key themes," Rasmus says. "If you manage your knowledge well, you end up with better innovation."

Idea management ultimately may provide the knowledge-management industry with the validation it's been seeking, says Jonathan Spira, an analyst with research firm Basex. "People have been waiting for five or six years for a reason to latch onto knowledge management," he says. "Idea management could rescue knowledge management from oblivion."

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