A Short History of Idea Management and What Makes It Work (or Not Work)

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All of us have seen the 'suggestion box' that was introduced over 100 years ago. Most of us have also heard the joke that the box leads to a trash can on the other side of the wall!

Unfortunately, that has been all-too-often true, and by the mid-1990's many companies gave up on it, leaving their employees no voice.

The Internet created an opportunity to bring new life to the suggestion box, and during the past ten years substantial progress has occurred.

In this paper, we will describe the progress, from Generation Zero, the suggestion box, to Generation Three, the brand-new super-creative Idea Management.

Generation Zero

The suggestion box had an early and sometimes successful history. Usually it was run by the then-named Personnel Department, was aimed primarily at cost savings, and was a passive system that collected ideas (often complaints), which were occasionally reviewed by a committee.

While suggestion systems were often successful initially, most eventually fell into disuse through apathy or the fact that submitters often received no feedback on their ideas and therefore stopped providing them. Most of these systems were paper-based and unwieldy.

By 1995, the suggestion box was clearly an out-of-date practice, and companies that wanted ideas from their employees began looking for a better way.

Generation One

As the Internet took hold, some companies recognized the value of using the Internet to post a suggestion form that could be modified from time-to-time and tied into a database such as Access, Lotus, or Excel. Most of these 'systems' were home-built by IT departments with no understanding of what was needed for long-term success.

While suggestion technology took a leap with the web form, the other problems remained. Complaints were frequent, review and feedback were slow or non-existent, and many of the ideas were inconsequential.

Streamlining of the process was clearly needed, or the web form would fall by the wayside just as the suggestion box had done.

Generation Two

By the late 1990s, employee involvement groups and human resource departments began looking for an automated suggestion process. Some tried to do it themselves, with varying success.

Several fledgling software companies took up the challenge, including Imaginatik and General Ideas (now known as Brightidea). Over the next several years, these companies, headed by visionaries Mark Turrell and Matt Greeley, and then others, introduced software that overcame some of the problems of the suggestion box and web form.

The idea campaign was born (variously called event, challenge, or drive). An automated review process was established. Rewards were added. And most importantly, through email, immediate feedback to the idea submitter was available.

Most of these second-generation systems, e.g., General Ideas' SaveNet, were developed specifically for cost savings and process improvement. During the early 2000s, as the U.S. economy was faced with the bursting of the Internet bubble and 9/11, cost reduction became urgent, and Idea Management became a crucial method of producing cost-savings results. Along the way, however, Idea Management became increasingly complex and difficult to use, as its developers tried to make it more and more universal, while often sticking with out-of-date technology platforms.

By 2003, as the economy improved, companies began to turn some of their attention from cost savings to revenue growth, and looked to Idea Management for help.

Idea Management was often not up to the task, and those suppliers that touted the high ROI of it for cost savings, such as Imaginatik, did not present similar data for revenue growth. Why? Cost savings ideas are often quite obvious, and in fact most cost savings ideas submitted into a second-generation Idea Management system are accepted. Many of those ideas are of the 'low-hanging fruit' variety, and pretty soon that fruit gets picked.

In innovation, a smaller percentage of ideas turn out to be good, and it is difficult for most people to think outside the box without some training. So, second-generation Idea Management for innovation has not been proven successful.

What often happens to second-generation Idea Management, especially for innovation, is exactly what happened to the old suggestion box – the number of good ideas starts high in the beginning, then falls off as the obvious ideas become exhausted, and the evaluators become disenchanted with their quality and the time required to review a lot of bad ideas.

One brand-new second-generation product, Jenni, is the first to be built on a modern technology platform. While it does not provide much help on the front end, it does offer some help on the implementation end, so that accepted ideas can be moved forward.

Chuck Frey, the innovator behind Innovationtools.com, recently reviewed this new entrant into the second generation of Idea Management software with the following observations:

> "One nice feature of Jenni is that it is not just focused on ideas, but on the implementation of them. The implementer may be the person who came up with the idea, or the campaign manager may assign someone else to it. Jenni enables the implementer to select the scale of the implementation (business case, market research, build a prototype, etc.), dates for follow-up and reporting frequency. When the next report is due, Jenni automatically generates an e-mail reminder to the designated idea implementer – nice!"

Generation Three

Generation Two was an automation process, and it clearly produced some results. But, it was all-too-often a complex technology solution, not a people solution. If people do not submit ideas, cannot understand how to input an idea and collaborate on it, do not submit well-thought-out ideas, or if they submit ideas, then stop, technology alone is not going to resolve those problems.

The companies that developed second-generation software five to ten years ago have continued to 'improve' their products, but have not revisited their original concepts to resolve the basic problems. For them, starting over is difficult because they are heavily invested in older and often-obsolete software development tools or databases.

The seed for the solution was planted a number of years ago by companies that developed software for brainstorming. Here, creativity drove technology, rather than the other way around. Brainstorming and other creative processes make people think, and people that think develop more and better ideas.

Strangely, the brainstorming/creativity consultants and the idea management software companies never got together. That's where one consulting company, Idea Champions, came into the picture.

For nearly twenty years, Idea Champions has helped top companies improve their creative processes. The IC client list consists of many of the world's top companies, and their success is legendary. So, why not marry creativity to Idea Management? The reason that it had not happened was that second-generation Idea Management software was developed by software companies, not creativity companies.

As a leading creativity company, Idea Champions saw an opportunity, and sought out a software company that could develop a new Idea Management process incorporating creativity tools. e-Change Solutions became that partner, and the two companies created ingenuityBank™ (also called i-Bank, for short). That was the breakthrough, and Generation Three became a reality.

At long last, creativity and Idea Management came together to help companies get a continuing stream of good, innovative ideas that help reduce cost, improve processes, and increase revenues through product improvement.

The goals of Generation Three are to increase employee participation by helping them become creative, while substantially improving the quality of the submitted ideas.

While some other companies are now looking at the combination of brainstorming and creativity with Idea Management, Idea Champions clearly has the background in creativity to make it work, and is likely to become a dominant player in the market.

Its fun-to-use creativity tools such as 'Free the Genie,' 'Jump Start,' and 'Idea Lottery' are seamlessly integrated into its user-friendly and adaptable software, so that even first-time users, or those who never thought they could develop a good idea, have an opportunity to achieve significant results for themselves (through rewards and recognition) and their companies.

From Chuck Frey comes this review:

> "i-Bank is a new enterprise idea management software application developed by Idea Champions, a leading innovation consulting and training firm, and e-Change, a developer of enterprise application software. I-Bank not only helps companies to capture, evaluate and manage ideas, it also helps users to generate larger quantities of high-quality ideas on the "fuzzy front end" of the innovation process.

As a relatively late entrant into the field of enterprise idea management, Idea Champions needed to take a different approach in order to distinguish itself. Based on his experiences in working with dozens of Fortune 500 and mid-sized companies, Idea Champions co-founder Mitch Ditkoff realized that it wouldn't be enough to develop an application for gathering and evaluating ideas. It also needed to provide catalysts to aid employees to develop great ideas in the first place."

Another company that is creating a third-generation product is OVO Innovation. This unit of Netcentric introduced its Spark brainstorming tool earlier this year which works on a standalone basis, or can be integrated into its Idea Management tool, Incubator. While it does not have the creativity tools of Idea Champions, and does not incorporate some of the fun features of that company's software, it is well-suited for innovation groups within a company that concentrate on breakthroughs and new product development.

Here is an excerpt of Chuck Frey's review of OVO's tools:

"For a recent entrant to the enterprise idea management market, OVO Innovation is off to a very impressive start. Both Spark and Incubator are well-designed applications that enable facilitators to set up a customized flow through the innovation process. I give OVO a lot of credit for extending enterprise idea management into some creative and highly useful areas, such as visual mapping of idea relationships, and color coding tabs to help users quickly discern the status of ideas. Flexibility appears to be built into many aspects of Spark and Incubator, which makes it easy for the client (not an OVO consultant) to customize the applications to fit their existing innovation processes and evaluation criteria.

I look forward to seeing the other pieces of its innovation life cycle product line. Additional products called Launch (product launch and management tools) and Scorecard (for setting innovation goals and tracking progress against them) are also under development, and OVO is now working on a prototype application that will enable corporate clients to track and share industry and market trend information (Author's note: that has now been released as Shuffle)."

What It Means for Your Company

Innovation is a process. While there are many definitions of innovation, in my view it includes all the processes that help a company grow and prosper. These include cost savings, process improvement, capture of intellectual property, new product development, and product improvement. These are all important aspects of a well-functioning third-generation Idea Management system.

Likewise, ingenuity is also a process, and it is the foundation of all innovation.

The ingenuity process is designed to raise participation and support the ongoing implementation of good ideas, while putting the fun back into creativity. It must be simple, yet thorough, and must combine the best aspects of creativity, brainstorming, and collaboration.

Innovation (or Idea Management) without ingenuity is hollow, and is ultimately destined to fail. That is why so many second-generation Idea Management systems have produced good results in the beginning only to fade out within a short time. Most of these systems have been, and remain, complex 1990s technology solutions that do not have the flexibility to adapt to changing needs. That's why they are today in version 6.0 or 7.0, and not 1.0 or 2.0. They are continuing to evolve into oblivion.

The combination of ingenuity and Idea Management is often essential for today's rapidly changing marketplaces.

Conclusions

For second-generation Idea Management software, we like the Jenni product offered by JPB. It is newly-developed and offers substantial flexibility that for some may be more important than the added creativity of third-generation products.

For third-generation Idea Management, OVO and Idea Champions both have much going for them, though their approach and application are very different.

Learning More

ISA is one of the world's leading experts in Idea Management software, and is the only consulting company that has reviewed or worked with all of the leading Idea Management software programs, including Brightidea, Imaginatik, and the newer entrants, OVO, Idea Champions, and Jenni. We have been involved in over thirty Idea Management installations and can lead your company in the right direction.

You only get one opportunity to initiate Idea Management. We can help you make the right decision.

For further information on how Idea Management can work for your company, contact:

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About the Author

Bill Shockley is one of the world's most experienced Idea Management professionals. He first saw an early second-generation idea management system at a venture capital conference in 2001. At the time, he felt that it was 'not quite ready for prime-time,' but held great potential. He was soon hired to consult with its developers, and then took on the responsibility of selling the product, with over twenty installations to his credit. Later, he joined another supplier, before leaving to provide idea management guidance to prospective users through ISA.

Bill holds B.S. and M.S. degrees with honors from Indiana State University. Initially offered a position with the CIA as an intelligence analyst, he then took a corporate route that led to senior executive positions within the aerospace and telecommunications industries in sales, business planning, and market intelligence, before starting his own company.

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