

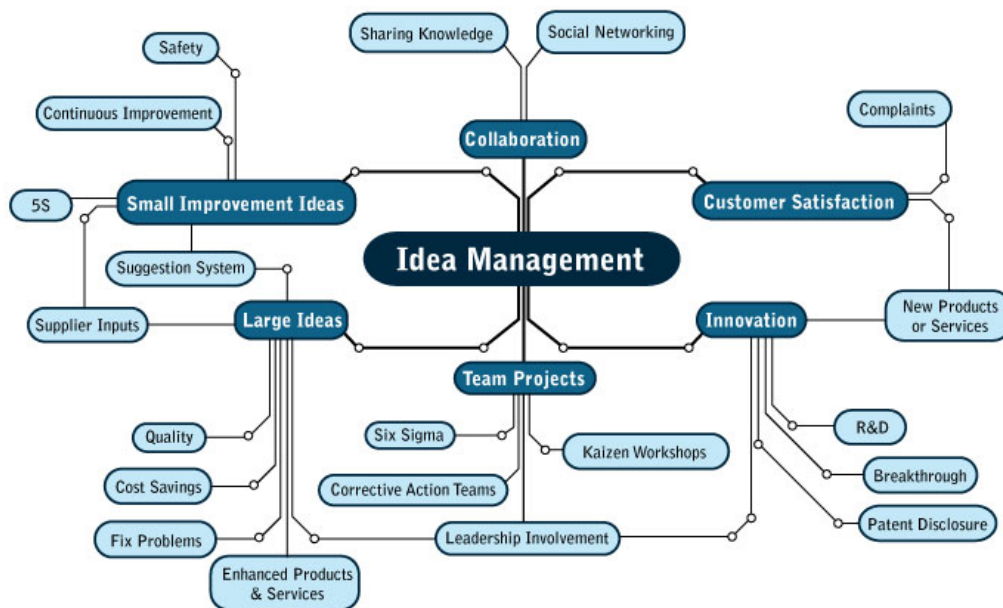
# IDEA MANAGEMENT – INNOVATING BY CAPTURING AND SHARING PEOPLE’S IDEAS



BY: JIM SCHWARZ  
TOTAL QUALITY SYSTEMS SOFTWARE INC  
[www.tqs-sim.com](http://www.tqs-sim.com)

Enlisting the collective knowledge of an organization is essential to *innovate* and remain *competitive* in this fast-paced world – even survival. From my experience in working with hundreds of organizations globally, most fail at fully utilizing their workforce to better serve customers, improve products/services or innovate.

IDEA MANAGEMENT is the umbrella of activities that enlist ideas from members of an organization as well as customers and suppliers. Ideally you will manage several unique idea systems to deal with different types of creative inputs. For instance in manufacturing, small improvement ideas need a different process for resolution than a process to capture new product ideas.



© 2009 TQS Software, Inc.

You may already have one or more methods of involving employees in discovering ideas and resolving problems. How effective are these? There may also be a process to deal with high-level customer issues, yet have an ineffective process for truly involving the customers. Suppliers are a resource that can support innovation in an organization. Often, though, the relationship is based solely on lowest cost, and misses other important items a supplier can bring to the table. True IDEA MANAGEMENT creates a positive and efficient structure of capturing ideas and resolving them from any of the above sources.

There are many pitfalls to involving people to improve and innovate.

- It is easy for idea systems to become overly bureaucratic or not fit how your organization is currently communicating. This happened with many traditional suggestion systems. Idea systems require in-depth and honest reviews every 1-2 years that drive needed updates.
- Innovation or improvement activities are frequently limited an elite group of employees. I have seen this with improvement efforts such as Six Sigma, where a small group of select employees get the training to tackle ideas. This leaves the creative inputs of most employees out of the equation.
- Inadequate communication is provided to participants on what are the important issues are for your entire organization as well as in the local areas where each person works. If people don't know what you want, their ideas may miss the mark.
- Idea quality stagnates. People reviewing ideas get stuck with a similar batch of generally low quality ideas to review and get burned out. People writing ideas need mentoring plus training in creativity tools so they can write up better ideas.
- Different methods of harvesting ideas will create *silos* of information that may be isolated from each other. This doesn't allow senior management and other stake holders to get a good picture of all ideas, linked into one idea "library" or knowledgebase.
- Middle management may feel threatened by the entire process – they are losing control. Quietly they may ignore great ideas and undermine the system. Without the right person managing your IDEA MANAGEMENT activities, there will be no one with the power to watchdog people's ideas and work with managers to come on board.
- Leadership is more interested in the sexy new product or service ideas created by their 'creative types' than the simple ideas that make improvements to your organization. Let's face it – small ideas aren't sexy. But they may have a more important impact to your bottom line and increase product longevity plus positively impact customers. Yes you need new products and services too! But I feel the other is just as important.

*The matrix at the end of this paper reviews key idea capturing systems today. Before that, we'll have a discussion on some key elements of an idea system.*

**COLLABORATING AND SHARING** - A critical element of gathering ideas is the ability to share and work together to resolve them. Collaboration is often a weak link in traditional IDEA MANAGEMENT. Often, only a small group of team members or evaluators see the ideas for review. High-level awards may entice a person submitting an idea to keep it secret so that no one can steal it – this prevents the benefits of working together to find a better solution.

Away from the job, most people are used to collaborating and researching on the web. Social networking sites such as Facebook, Twitter, and Wikipedia have changed how we interact. Related professional sites have also appeared – LinkedIn is a popular site. How do you integrate in collaborative elements popular on these sites yet end up with something that benefits your organization? This is a topic that I have discussed in a separate article that I would be happy to share with you.

Using other ideas as a catalyst for new one is a very powerful aspect of IDEA MANAGEMENT. Researching ideas can also avoid duplicate effort. From our experience, most organizations do a poor job of sharing data. For instance, the improvement ideas data may be in a separate database, and possibly not on-line. Corrective actions may be managed by another group with the information not even accessible to the people that can impact those issues. Having a single database, data mining tools, or a search engine that crawls through all applicable databases is important to letting people with problems find possible existing solutions.

Ideally, everyone should be able to access the IDEA MANAGEMENT software database. Of course, some areas may need to be kept private – such as new product development. The software to access it is easy to use, so you don't intimidate people that aren't frequent computer users. This allows people to research the database for solutions to problems they are seeing in their areas, as well as add constructive input to existing ideas in the system.

**CLEAR COMMUNICATION OF ORGANIZATIONAL GOALS** - Linked with this, you need a clear communication of organizational goals from the top and for the specific area people work in. Ideally, avoid any hidden goals that conflict with the publicly defined goals (e.g., quality is our main goal but in reality it is 'ship the product out on Friday regardless of its condition').

Participants need to know where management is going now and in the future. Plus, it is really helpful to have minute-to-minute information on any customer issues that are relevant.

If you link recognition to solving those goals, you set a clear picture of what is important. This can be in the form of campaigns or idea events where people's creativity is focused on key problems. I would recommend considering broad campaigns as well as ones that are local so mid-level managers can have a voice in problems unique to their areas.

**CAPTURING EVERY IDEA** – You need a set of idea systems or programs to capture every type of idea. The traditional suggestion system came close to this but it had a serious drawback – all ideas are managed and rewarded in the same way. You will need a method to handle small ideas differently from an idea/concept that may create a new product. This may lead us to several different paths to resolution, depending on the idea:

- **SMALL IDEAS** – Permit the submitter (working with resources in his/her area) to resolve the idea. This includes co-workers and the supervisor. These ideas may receive recognition and/or awards. Continuous improvement and 5S ideas are examples of small ideas.
- **LARGE IDEAS** – Ideas that require large capital outlay or are well-beyond the ability of a submitter and supervisor to resolve. These may be later passed on to a team to resolve. These ideas may receive recognition and/or awards.
- **INNOVATIVE IDEAS** – These are ideas that spur creation of new products or services. The acceptance rate of these types of ideas is very low so a different method of handling them is recommended and can include obtaining patents or other forms of invention protection.
- **BREAKTHROUGH IDEAS** – These rare ideas cause disruptive innovation to occur or a paradigm shift in how you provide products and/or services to your customers. Often these ideas are initially seen as unfeasible due to their completely out-of-the-box nature.
- **LESSONS LEARNED** – Share appropriate knowledge gained in the process of doing a project or work.
- **STRATEGIC COLLABORATION** – Many organizations are struggling with supporting an on-line social networking environment for creativity. This is another way of sharing ideas. Trying to directly mimic existing Social Networking sites won't work since their purpose is different than what you will need to share knowledge and innovate in your workplace. Instead, I recommend creating a collaborative environment that is more structured so you can focus people's creative efforts on topics that really benefit your organization. I have an article I can share with you on this topic – please email me for a copy.
- **BLOG SITES OR BULLETIN BOARDS** – Post problem items or topics in employee information centers or the intranet. Employees can collaborate on resolutions to those issues and problems. Using paper forms or your software to create posters of ideas and posting them on traditional bulletin boards still works quite well in certain environments. One of my colleagues in Ireland used this approach quite effectively.

- **HEALTH & SAFETY CONCERNS** – These issues may require immediate attention or have a different focus. They may impact product safety or safety in the workplace.
- **REPAIRS OR OTHER ISSUES** – Repairs are not normally an idea, but part of the maintenance system. However, you may accept these ideas into your IDEA MANAGEMENT system so people have one-stop-shopping and don't need to know which system to enter the idea or problem they are seeing.

Ideally, you want to include all ideas, including the ones you initially couldn't adopt. If those are in the database, they may later spur a solution. Great ideas may be evaluated initially as unusable, but later find an audience. Some ideas may really be communication issues and although not used, you can provide a response in the organizational newsletter about the idea (e.g., clarification of a policy).

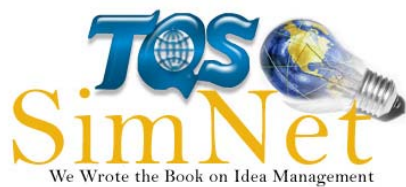
**EVERYONE HAS A VOICE** - Every employee should have at least one method of participating. It also needs to be fair (that is a topic in and of itself). Ideally you should include your suppliers, customers, contractors and anyone else impacted by your organization. Some processes, such as teams, will only involve a certain percentage of the organization. This leaves people left out of the loop. Keeping people involved increases ownership and promotes creativity.

Related to involving a wide range of people in a solution, I have seen time after time where the people doing the actual task are left out of discussions over problems related to that process. This sort of involvement is key to such processes as Lean Manufacturing, but somehow gets overlooked in many organizations.

**RECOGNITION & AWARDS** – Lastly, how you say '**thank you**' for someone's involvement or input is important, especially for the ongoing success of what you are creating. This must be balanced by something management is very willing to provide while being something the recipient appreciates. Traditional suggestion systems tend to pay large cash awards that can alienate management. *Most idea systems recognize or award for the specific idea.* The key is a balance that includes recognition, awards or metrics (e.g., balanced scorecards, promotions, or annual reviews). A different approach may be to focus major awards and/or recognition on overall performance quarterly or annually while providing simple, fun recognition for each idea.

**GOOD LUCK!** – This information is a good starting point. A best practice IDEA MANAGEMENT process will benefit any organization. It helps you innovate by enlisting everybody in your organization to help. Initially not everybody will be ready with large innovative ideas. However, if they get practice first fixing smaller problems in their work areas plus receive training in creativity tools, they might surprise you. A top innovator at one U.S. company was a janitor. Are you ready to let someone of that level help you innovate? Can you afford not to? Of course this won't happen overnight – but the potential is there if you are willing to listen.

Idea systems also support many quality initiatives and awards such as Baldrige/EFQM, Lean Manufacturing, ISO/QSO and Six Sigma. Each initiative will put their own spin on requirements, but to have quality you need the ability to enhance, correct and innovate the processes that create products and services for your customers. My experience shows the best way to do that is to listen to your employees, customers and suppliers and enlist their ideas.



I have been working at Total Quality Systems Software Inc. since 1987 – creating software-based systems for IDEA MANAGEMENT. Our **SimNet 8** software reflects our vision of creating universal tools to manage ideas and innovation – it can support varied sources of ideas for small organizations of 500 employees, or global ones of 200,000.

It has been an interesting journey and I've learned a lot working with organizations all over the globe. I do hope the overview is pertinent to your organization's desire to innovate. I'd appreciate any feedback on this article – contact me at [jims@tqs-sim.com](mailto:jims@tqs-sim.com).

### *“WE WROTE THE BOOK ON IDEA MANAGEMENT”*

The 2<sup>nd</sup> edition of my book is now available: **THE A TO Z OF IDEA MANAGEMENT FOR ORGANIZATIONAL IMPROVEMENT AND INNOVATION** – this resource is indispensable for idea or innovation professionals seeking to successfully manage improvement or innovation activities within their organizations.

Paperback • 254 pages • ISBN 978-0-9794538-0-9  
US \$32.95 / Canada \$49.95 / UK £19.95



## CAPTURING AND SHARING PEOPLE'S IDEAS – A MATRIX OF SOME KEY IDEA MANAGEMENT PROCESSES

IDEA SYSTEM	DESCRIPTION	SOURCE OF IDEA	PROBLEM OR OPPORTUNITY	WHO SOLVES THE IDEA	LEVEL OF SHARING OR COLLABORATION	WHO IMPLEMENTS IT	RECOGNITION OR AWARD	PROS	CONS	WHO OWNS THE DATA
<b>Continuous Improvement or Kaizen or 5S</b>	Typically smaller ideas	Submitter	Problem	Submitter	Submitter collaborates with peers, supervisor and with department.	Submitter or they directly enlist the support to get it implemented.	Focuses mainly on recognition.	Puts the responsibility of the idea on the submitter and empowers them to resolve problems.	Larger ideas may get lost due to it being beyond what the submitter can resolve.	Quality
<b>Suggestion System or Suggestion Scheme</b>	Any idea – though some programs only focus on larger ideas.	Submitter	Problem and occasionally a larger idea that sees an opportunity.	Assigned evaluator or assessor	Very limited in traditional programs. Often evaluators do not even discuss the idea with submitters.	Assigned implementer. In manufacturing this may be maintenance or engineering.	Traditionally use large awards and pay up to 20% of savings (usually capped though \$10,000-25,000 maximum award is not rare).	Every idea is heard.	Typically all ideas handled the same – creating bureaucracy for the simple, smaller ideas. Additionally large award payouts cause many problems.	Typically HR
<b>Safety Program</b>	Similar to suggestions but focusing on safety issues and can have a recognition element that deals with the number of incidents in a month as well (if we meet the target we recognize the group).	Submitter	Problem	Supervisor, evaluator or safety manager.	Depends on how the program is structured and promoted.	Assigned implementer	Recognition or small award	Focuses on safety issues that are important in any manufacturing setting.	May add confusion if there already is a continuous improvement or suggestion system in place.	Safety
<b>Management Driven Teams</b>	Any management issue where management identifies	Management	Will vary based on management's focus.	Assigned team	With in the team/facilitator very good. However the team may not be aware of other activities.	Assigned team	Recognition	Directly links what management wants to results.	People not on teams cannot participate. Favoritism in team member selection can frustrate employees. Good ideas may be lost if this is the only process as it deals with what management is focusing on. Management may not listen to the results of the team.	Operational management

## CAPTURING AND SHARING PEOPLE'S IDEAS – A MATRIX OF SOME KEY IDEA MANAGEMENT PROCESSES (CONT.)

IDEA SYSTEM	DESCRIPTION	SOURCE OF IDEA	PROBLEM OR OPPORTUNITY	WHO SOLVES THE IDEA	LEVEL OF SHARING OR COLLABORATION	WHO IMPLEMENTS IT	RECOGNITION OR AWARD	PROS	CONS	WHO OWNS THE DATA
<b>Self Driven Teams</b>	Teams generate their own projects – typically with guidance from a facilitator or management. So ideas relate to what that team can directly see.	Team	Typically problems.	Team	Very good within the team. If teams are supported and allowed to research the idea silos and share with other teams, collaboration can be very high.	Team	Recognition	Teams are highly empowered.	Management may feel they are not in control. Team without clear understanding of organizational goals may select poor projects to resolve. Teams need the appropriate tools to resolve projects. Quality circles of the TQM era also often self generated ideas but lacked guidance and good measurement that lead to their demise in most organizations.	Quality
<b>Corrective Actions</b>	Relates to fulfilling customer needs relating quality, shipping and other factors based on the ISO/QSO set of quality standards (firms must be certified to pass these standards).	Customer drives this process	Problem	Typically a team	Except for very major issues, only the assigned people may be aware of what is happening. Customers may not be allowed to share or collaborate beyond spawning the issue.	The team or assigned people as a result of the team's recommendation.	Team resolving the issue may be recognized.	Formalized process for dealing with major customer issues.	May make the organization reactive rather than proactive.	Quality – part of ISO/QSO certification. May have a general software system to manage other aspects of ISO/QSO.
<b>Innovation</b>	Creative concepts or ideas for new or improved products and services. Occasional breakthrough idea.	May be limited to R&D or high level staff but could be open to all employees.	Usually a concept.	Often reviewed by a new product team for merit. Need the ability to quickly decide on ideas.	Often very limited and key new product/service data can be proprietary.	R&D	Limited	Wider audience of good ideas helps generate better products and services.	It takes a lot of ideas to come up with a good one. How to sift through all the ideas.	R&D or marketing.

## CAPTURING AND SHARING PEOPLE'S IDEAS – A MATRIX OF SOME KEY IDEA MANAGEMENT PROCESSES (CONT.)

IDEA SYSTEM	DESCRIPTION	SOURCE OF IDEA	PROBLEM OR OPPORTUNITY	WHO SOLVES THE IDEA	LEVEL OF SHARING OR COLLABORATION	WHO IMPLEMENTS IT	RECOGNITION OR AWARD	PROS	CONS	WHO OWNS THE DATA
<b>Intellectual Property</b>	Inventions or other large ideas that need protection.	Inventor or their manager.	Invention	Inventor	Until patent given, limited scope.	Patent manager	Receiving patent	Important to protect key intellectual property.	Need other forms of Idea Management to bring forward good ideas.	R&D
<b>Lessons Learned</b>	Resolutions to problems.	The person or team that resolved the issue. There may be certain people that manage the database and control idea entry.	Problems	The solution to a problem or opportunity	High if everyone can enter lessons learned or improve/add to existing ones.	Only solutions are included.	N/A	Great way to share knowledge across groups, especially in decentralized organizations.	If people don't include or aren't allowed to add knowledge easily, the database isn't comprehensive.	Quality – may be part of Six Sigma or Lean Mfg efforts.
<b>Knowledge -base</b>	A single or shared set of databases that tracks ideas and general information from a wide range of sources. Could use data mining tools.	Each source into the knowledge base will have its own criteria.	Historical	Varies depending if the source was a suggestion system or lessons learned.	Depends on who can access the database.	Varies	N/A	One access point to all data in an organization.	Information can remain in silos and not shared horizontally. Some information may be left out (e.g., suggestion systems). Privacy issues need to be addressed.	Strategic Development
<b>Strategic Collaboration or Social Networking</b>	Varies based on the audience and the level of experience in sharing idea.	Employee	Generally new opportunities.	Person that finds interest in the topic.	High – Depends on who is allowed to post concepts or ideas as well as those that can comment on them.	Person that takes ownership of the outcome.	Visibility in creating ideas or giving feedback. Scoring ideas gives further recognition.	Supporting an open forum for ideas in a blog-type at	If the forum is too open, it could end up being more off a popularity contest, gossip mill or complaint box.	Sales or marketing

## CAPTURING AND SHARING PEOPLE'S IDEAS – A MATRIX OF SOME KEY IDEA MANAGEMENT PROCESSES (CONT.)

IDEA SYSTEM	DESCRIPTION	SOURCE OF IDEA	PROBLEM OR OPPORTUNITY	WHO SOLVES THE IDEA	LEVEL OF SHARING OR COLLABORATION	WHO IMPLEMENTS IT	RECOGNITION OR AWARD	PROS	CONS	WHO OWNS THE DATA
<b>Customer Complaints</b>	Input from customers from a call center, web site or direct contact with sales staff.	Customer	Problems and could be opportunities if we carefully listen to and enlist our customers.	Employee contact – this may be only to respond to the problem and not resolve it.	Limited – often customers are not involved beyond a simple response. Most employees may be unaware of most complaints (unless directly focused on that individual).	Assigned person.	Letters to customers with coupons or other incentives.	Important to hear the voice of the customer and track complaints they have.	Customer complaint systems can focus on responding to customers and not resolving the actual problem. Data from the complaints may not be shared with people that can impact a future solution. Additionally complaints can be turned into ideas if we look for a solution to the problem.	Sales or marketing
<b>Supplier Ideas</b> <small>(called Keiratsu in Japanese style management)</small>	Input from suppliers on ways to improve their customer's systems. Sometimes this is linked to continuing contracts with that supplier.	Supplier – sometimes based on a quota of savings ideas from their customer.	Problem and sometimes an opportunity.	Evaluator or team along with the supplier.	Limited. Sharing is often between the individual supplier & the organization. This makes some sense due to some suppliers competing. Most employees may be unaware of these efforts and out of the loop.	Depends on if internal or external change. May be at supplier's site or within the organization.	Suppliers may get cash benefits or preference at contract renewal.	Improves supplier relations and uses their knowledge of the products they provide along with our needs to improve processes and products.	Many organizations create an adversarial relationship with suppliers based solely on cost. It is challenging to enlist their help when that is the relationship.	Purchasing