

From Webster's, *innovation* is defined as:

1. the process of making changes
2. a new method, custom, device, etc.

Innovation is about the process of creating something new or making changes – improvements to what we do and create. When we talk about innovation in this article, we assume the goals are to create changes that serve and improve the organization or the products/services it offers.

Innovation requires people to make changes. How we involve people in our improvement efforts will define their effectiveness and our potential survival against higher performing organizations that have emerged in the last 20-30 years. This article discusses ways to involve people in innovation activities.

Different Approaches to Innovation

Each organization has different needs for innovation. They will depend on the products and services they provide along with their life cycles. Public and private sector organizations have different needs and processes for supporting change. The attitude and capabilities of our workforce is another important issue.

Our existing management structure will have a large impact as it can stifle or promote innovation activities.

- Is everything done by the rule in a very traditional top-down manner – leaving only a few people really making decisions and allowed to be creative?
- Accounting systems that inaccurately measure the benefit or impact of activities. Does the budgeting process support making sound decisions?
- Are they willing to share knowledge between departments? Information silos hinder innovation.
- Can they do what's in the best interest of the organization versus solely focusing on departmental needs that may no longer be useful?
- Do they support people being creative and taking charge? Are they willing to be wrong? Can someone with less skills and education provide them a solution they will be willing to listen to?
- Can we celebrate successes with all people involved?

INNOVATION – REVIEW OF DIFFERENT METHODOLOGIES

METHOD	BENEFITS	WHO TRADITIONALLY SUPPORTS THOSE ACTIVITIES	TOOLS SUPPORTING INNOVATION
Small improvements to existing products, manufacturing, or services provided to customers.	Improved quality, lower costs.	Supervisors or quality manager.	Continuous improvement or suggestion systems. Problem solving tools.
Improving the workplace.	More efficient and organized workplace. Indirectly impacts innovation efforts.	Supervisors.	5S and continuous improvement
Improving safety in the workplace.	All areas. Even office environments have important ergonomic/safety opportunities.	Safety or facility manager	Continuous improvement or suggestion systems
Improving customer service.	Customers are why we exist, so improving that link has many measurable and immeasurable benefits. For example, customer loyalty.	Customer service department & retail outlets we supply to.	Continuous improvement or suggestion systems. Requires a well-designed database to leverage the data.
Changes that make significant improvements to an existing product or service.	This keeps existing products viable and customers happier with what we can already provide.	Engineering, product design, marketing/sales.	Suggestion systems, team activities, Innovation Portal. Problem solving tools.
Completely new product or service.	New products and services increase the customer base, and keep us a step ahead of the competition – an organization may suffer if they cannot produce new things.	R&D, engineering, product design, marketing/sales.	Innovation Portal. Major project management & problem solving tools.
Integrating all innovation efforts into a single shared environment.	Remove information silos that hamper sharing information.	Executives and major task forces assigned to resolve issues.	Innovation Portal Standardized problem solving for common tasks.

Involving People – The Key Stakeholders in an Organization

Let's take a look at involving the key stakeholders in an organization – this could be public or private sector. This would include four basic groups:

1. **EMPLOYEES** – They can work individually or in groups/teams.
2. **MANAGEMENT AND LEADERSHIP** – These are the people guiding the organization and ensuring it stays on track.
3. **SUPPLIERS** – Outside sources that provide products or services. Often an overlooked resource.
4. **CUSTOMERS** – People or groups that benefit from our organization's efforts. For instance an automotive parts supplier's customer would be the automobile assembly plant or other parts supplier that uses their product. For the public sector, this would be the citizen's that benefit from the services provided.
5. **Other Stakeholders** - We could also include other stakeholders such as shareholders or the community at large.

INVOLVING OUR STAKEHOLDERS – DIFFERENT METHODS OF ENGAGING PEOPLE

WHO	WHAT	PROCESSES TO SUPPORT THIS ACTIVITY	PROS/CONS
EMPLOYEES IN OPERATIONAL AREAS			
INDIVIDUAL	Goes the extra mile. May not be any directly link to innovation.	Recognition	Encouraging behaviors that management sees as useful.
	Improve their workspace	5S or continuous improvement	Using their creative efforts to improve their workspace. Little direct tie to the bottom line.
	Ideas that make incremental improvements to their work area.	Continuous improvement or idea/suggestion system	We are asking more of the employee – coming up with creative solutions that help the organization.
	Ideas that address larger problems or opportunities – may be cross-functional.	Idea or suggestion system linked with team activities.	Significant contributions – normally only a few of these a year. But, we need the above activities to increase the odds of more people going to this level.
GROUP OR TEAM	Management driven tasks.	Formal team process. Typically uses facilitators to manage the teams. Software to manage team activities and problem solving training.	Solves direct problems. May overlook problems outside of the current management focus.
	Self-driven tasks to improve their area.	Quality circles, self-directed work teams. Team training to ensure the team has the skills to self-manage. Specialized training for the team leader.	Tackles a broader range of problems. Requires clear communication of organizational/area goals to be effective and measurements of their effectiveness so they stay focused.
	Self-formed teams that address problems.	Suggestion systems or other quality process supporting this type of team activity. Access to the tools and supporting data they need to solve problems.	Supports employees that are customer focused to directly solve problems without management intervention.

INVOLVING OUR STAKEHOLDERS – DIFFERENT METHODS OF ENGAGING PEOPLE (CONTINUED)

WHO	WHAT	PROCESSES TO SUPPORT THIS ACTIVITY	PROS/CONS
MANAGEMENT AND LEADERSHIP			
HIERARCHICAL	Problems/tasks passed up/down the management chain.	Traditional management using standard accounting principles.	Decisions made by people that may have little direct knowledge of the problem. Harder to be responsive to customer needs.
EVOLVING	TQM, Lean, Six Sigma and other quality driven management concepts have been embraced by leadership with varying success.	Attempts at successfully applying concepts of leading quality management approaches. New accounting concepts may be tried.	Management still hasn't changed so often these programs fail. TQM for instance failed in most organizations.
FACILITATE EMPLOYEES OR TEAMS OF EMPLOYEES SOLVING PROBLEMS.	Problems/tasks are driven by the people that first experience them. Managers become coaches and support resolution of problems. They will still need to make decisions on timely critical issues that may not have time for this approach.	Newer management philosophies – but <u>fully</u> implementing them. Requires very clear, accurate presentation of organizational and work group goals so all employees know what is required of them, their area and company.	Managers must become listeners/coaches and most decisions moved to a lower level. Employees need to have an active part in the organization.
INVOLVING	Staff and management have their own venue for sharing and creating ideas. It integrates with team activities and general employee ideas.	Recognition programs and an idea system or innovation portal.	Requires managers to be willing to share with other managers and employees their ideas and needs.
SUPPLIERS – PROVIDING ON-GOING PRODUCTS/SERVICES			
CONSULTANTS OR SUPPLIERS	Involved with critical customer problems where we need their expertise.	Paid consultants or organizational liaison works with the supplier.	Involve suppliers only when management deems it is needed.
INVOLVED SUPPLIERS	Asked to be more directly involved in improving the organization	Keiratsu – formal idea systems geared towards supplier inputs. May be linked to contract re-negotiation perks.	Fully utilizing the resources of our suppliers. Of course some areas are sensitive in nature and cannot be shared with suppliers.
CUSTOMERS			
CUSTOMERS INTERACTING VIA WEB-SITE, TELEPHONE OR ORGANIZATIONAL LIAISON	Complains about a situation.	Traditional customer service – tries to appease customers with letters and rebates/coupons.	Dealing with customer issues and solving the easy ones.
	Involved in solutions to problems.	Evolved customer service program that is solution based.	Striving to resolve all customer issues – creating a partnership with our customers.

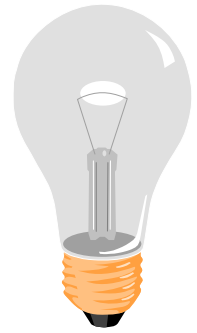


ideas + improvements + innovation + results

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Employee Engagement – A Good Starting Point

We should start first by involving your greatest resource - your employees. They are the people in direct contact with customers and providing the products/services customers require. EMPLOYEE ENGAGEMENT provides innovation, process improvement, empowerment, customer satisfaction, recognition & direct impact to the bottom line.



RECOGNITION programs appropriately says “thank you” to people that directly support your organizational strategies. This is a good starting point as it starts recognizing the desired behaviors and focuses daily work. The challenge is making them fair and not limiting results to a few winners. The guidelines for the program(s) need to be clear and attainable – changing rules mid-stream is also detrimental. Ideally, a tiered approach that recognizes a wide range of smaller tasks linked with celebrations that focus on more significant contributions.

Results from recognition programs are:

- Improving morale, reducing staff turnover and increasing customer satisfaction.
- Linking performance to key management goals.
- Improving productivity, quality & safety.

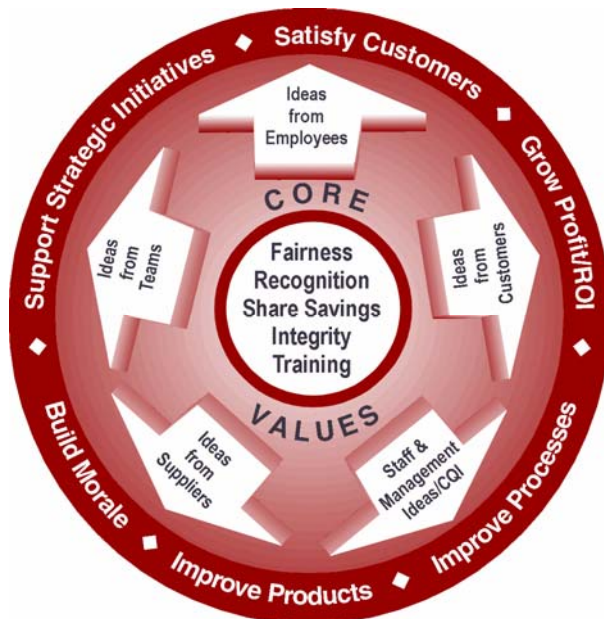
Now, let’s take a look at EMPLOYEE-DRIVEN IDEAS – a key aspect of employee engagement. They generate needed cost saving ideas from your employees, customers, and vendors. This includes traditional suggestion systems, which are seen by some as a dated idea process. However, suggestion systems are very effective if properly designed and kept current with the organizational culture. If they fail, it is in the design and follow-through. A new program with a newer name will not work any better until:

- Management fully backs it Providing measurements that management and participants can relate to.
- You have the right people running it. Until your organizational culture evolves, you really need a high performing team to manage an idea system - one senior management respects.
- An online system will directly enhance all aspects of a suggestion program, from idea generation to recognition.
- Fairness and timely resolution of ideas. 95% of the red tape is removed – bureaucracy kills.
- Involving the submitters and supervisors as much as possible in the process. If possible, having them directly implement smaller ideas.
- Recognition and or awards that fit the current culture.

Idea Based Integrated Improvement and Innovation

How do we fully include all stakeholders to improve and innovate our organizations? Let's take a look at the **SIM** (Simplified Idea Management) model my company developed about 10 years ago. When originated, its focus was an integrated idea process. Linking it to an integrated approach to innovation, it still applies.

The model manages ideas from five key sources and allows key information to be shared across your organization. This can include traditional employee based idea or suggestion programs and a wide range of other idea processes supporting organizational innovation. In traditional cultures much of this information would be housed in different departments and not easily shared; these barriers need to be removed. Each program might have different forms of recognition that are not compatible, but must still be perceived as fair.



FIVE SOURCES OF INNOVATION

- Continuous Improvement, Ideas & Suggestions from employees in operational areas
- R&D, Staff/Management Ideas, and Continuous Quality Improvement (CQI)
- Management focused Employee Teams
- Customer Input or Complaints
- Supplier Improvement Ideas

Where Do We Go?

These concepts will take years to apply in any traditional organization. So, what are some initial steps we can take?

- Get management enthused about innovation – either overall leadership or a local leader with enough autonomy to pull it off.
- Start communicating to employees the goals of that facility and the areas they work in. Make sure these goals match actual behavior.
- Start a small recognition program that fits your culture. Make sure to involve a wide range of people in its design. Ensure it is fair.
- Design an employee based idea system that is flexible yet rewarding for people in operational areas.
- Evolve or create other idea systems for leadership, technical staff and R&D activities.
- Remove where possible silos of information. People hoard knowledge and don't want to share it – but this doesn't serve your organization.
- Get employees more directly related to the outside customer as well as the internal customers they serve.
- Work with production control and purchasing to start forging stronger relationships with vendors that may not be just about price.