

Boost Your Business:

Jump-Start Your In-House Innovation

Managing innovation effectively has become an essential requirement for staying competitive in today's world. Increase your capability to generate customer value by following a state-of-the-art idea & innovation management approach.

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Great ideas can arise from anyone, anywhere, at any time. However, many of us fail to tap into one of the most valuable sources of inspiration we have: our employees. Take a look inside your organization. Somewhere there is an employee with a perspective that might potentially transform your business better than any strategy consultant ever could. With the banking sector going through a phase of massive disruption, we cannot afford to let these game-changing ideas and solutions just sit in our employees' heads.

This process of activation is an integral part of idea and innovation management – an attempt to systematically utilize the creative potential of your employees. At Synpulse, we believe that organizations can only capture and exploit this vast potential with a professional idea and innovation management approach.

Becoming an Innovation Leader

An idea is the decisive first step on the path to any kind of innovation. To create new products, processes or business models, an inspired insight into how to better identify and satisfy existing client needs or stimulate new ones. Or, for example, how to make best use of technologies and methodologies. This, however, does not turn idea into an innovation. An idea only transforms itself into innovation, when the resulting product has been successfully launched and is generating added value for the business

and its stakeholders.

Key Drivers in Idea Management

The first requirement to compete in terms of innovation is a large number of ideas. This can be traced back to the fact that the majority of ideas submitted will not be successfully implemented. Various ideas will not offer any added customer value, will be impossible to realize from a technical point of view, or will require a disproportionate amount of time and effort. Others again will not meet the target requirements. Therefore, in addition to generating a large volume of ideas, it must be ensured that these ideas fulfill the required quality standard.

If certain quality criteria are defined and communicated, employees will reassess their ideas before sharing them. Unsuitable ideas drop out before even coming into the loop and only futile suggestions pursued. The higher the quality and maturity of the ideas proposed, the greater are the chances of their successful implementation.

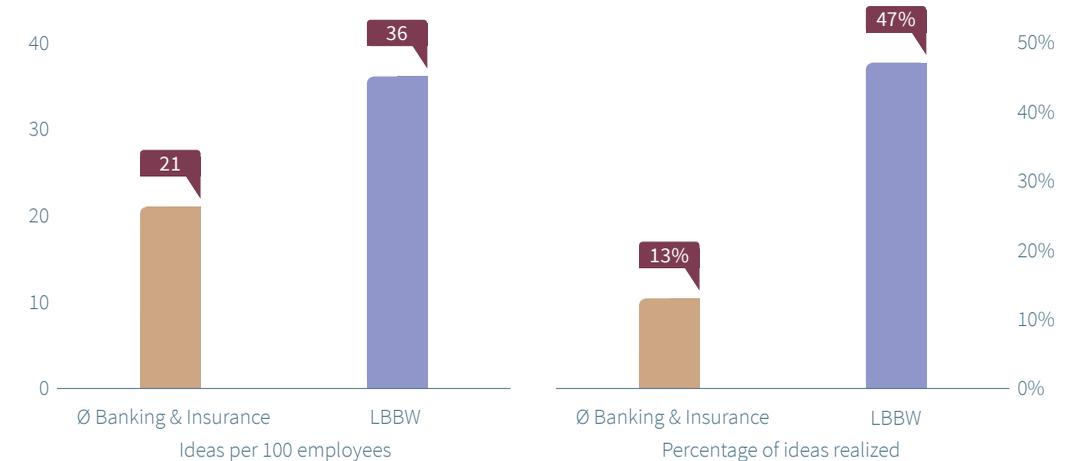
When it comes to the types of innovation, both, incremental improvements as well as radical innovations are important in the context of idea management. Each employee is an expert in his or her field and the person best placed to pinpoint any potential for improvement. Particularly in terms of incremental improve-

ments, an employee's ideas are key when it comes to continuously improving their own area of work. Radical innovations, on the other hand, do not necessarily have to originate from the employee's own area of the business. In fact, this kind of innovation is being increasingly brought in from external sources.

Case Study: Landesbank Baden-Württemberg

Landesbank Baden-Württemberg (LBBW) was hit particularly hard by the financial crisis in 2008, recording losses of over two billion euros. To recover from this crisis, LBBW asked its employees to share their know-how. It introduced an idea management system to collect suggestions for improvement and innovative ideas from its 11,000 employees. Their contributions were evaluated by a Chief Innovation Officer. If an idea was successfully implemented, its creator was shown appropriate appreciation. LBBW also rewarded employees with a share of profits generated from the adoption of their solution. The overview the bank gained from the ideas received and the incentives it offered to encourage employees to make suggestions helped make it more innovative, which ultimately enabled it to change course and return to profitability.

Today, LBBW employees submit around 4,000 ideas each year. The quality of this input is guaranteed by the fact that employees must first assess their suggestions in line with predefined criteria. Around 47% of all the proposals submitted are put into practice. These ideas generate additional profit of 18 million euros annually. The innovative approach taken by LBBW has not only increased profitability, but has also considerably improved employee satisfaction and solidarity. The initiative has also helped attract new customers, as LBBW is now perceived as an innovation leader in the market.  1 compares LBBW's performance with the banking and insurance sector averages for the number of ideas submitted per employee and the number of projects realized as a result.



Source: Deutsches Institut für Betriebswirtschaft (German Institute for Business Management)

 1: LBBW vs. banking and insurance sector average

Our four Pillars of Idea and Innovation Management

To manage the brainstorming process and help organizations implement their own innovation process, Synpulse has developed the four pillars of idea & innovation management. This construct sets out the ground rules and structures needed to further the development of new ideas, point these ideas in the right direction, and enable the value added to be commercialized. It is designed to ensure that the successful implementation of ideas does not hinge on the internal balance of power or the assertiveness of the people promoting them. These are the four Pillars of Idea and Innovation Management:

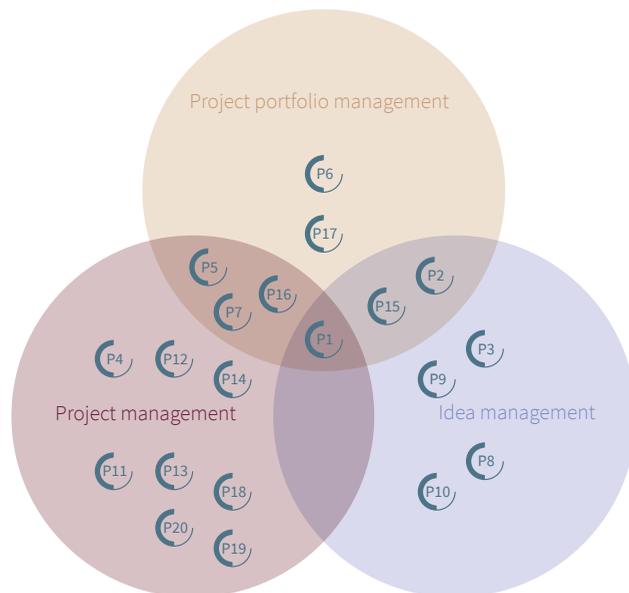
- Process and Organization:** Establish an end-to-end idea and innovation process and build governance that encourages the structured handling of new ideas to foster a structured attitude toward new ideas. It is of high importance to set up a fast feedback process to evaluate the ideas submitted by employees.
- Incentives:** Introducing a transparent recognition and incentive system that offers employees appreciation and rewards, both financial and non-financial. This is one of the keys to increasing the number and quality of the ideas proposed.

- System:** Creating a system that covers the entire life cycle of an idea, from the submission of the suggestion to the realization of the final project, and that clearly defines those responsible for each stage of the ideas process.
- Culture:** Establishing an open innovation culture to encourage each member of staff to identify and exploit the potential for improvement and innovation within the organization. Sound idea management must be incorporated in the culture of the organization and deeply rooted in the consciousness of each individual.

Tools for Professional Innovation Management

Synpulse has assessed various providers and compared their products based on the scope of the functions offered. In our view, the dimensions we consider – idea, project, and project portfolio management – form the fundamental pillars of the integral innovation management process – which also requires support from software.

Our results are illustrated in  2. The diagram shows that the market offers a variety of solutions depending on the maturity and objective of a company's idea and innovation management



Source: Synpulse

 2: Comparison of providers in the field of idea & innovation management

strategy. An integral idea management tool can guide companies through the entire process, from the initial submission of the idea through to its implementation, as well as facilitating the management of idea and project portfolios.

Customer Benefits of Innovation Management

There are various benefits linked to innovation management. Synpulse has outlined a summary of the key advantages of a professional approach to idea and innovation management from the customer's perspective:

- 1. Efficiency**
 Customers benefit from the greater efficiency resulting from cost savings or increased sales following the improvement of various processes, products, and structures within the company. Organizational blindness and tunnel vision can be overcome by calling habitual attitudes and assumptions into question.

- 2. Employee satisfaction and identification**
 Actively involving employees and taking their opinions into account boosts their satisfaction and empowerment. A professional approach to idea and innovation management also strengthens employees' identification with the organization – building greater commitment, trust, and loyalty.
- 3. Company attractiveness**
 A professional approach to idea and innovation management also alters the way an organization is perceived from the outside. A successful track record of implementing ideas highlights a company's image and reputation as an innovator, which in turn has a positive effect on end-customers and potential new clients.

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