



**Delivering Measurable ROI  
from your Innovation Efforts  
A Series of Practical Guides**

# **Step One Laying the Foundations for Success**



# The Secret to Delivering an Effective Innovation Programme

When we speak to people about their innovation programmes they usually tell us they're finding it hard to maintain momentum and interest. As a result, senior management is losing faith and the programme is likely to wither and die. Sound familiar?

But innovation programmes don't need to be like that. We've helped organisations of all sizes run hugely effective innovation programmes. The secret? From day one we were focused on building a programme that would deliver a measurable return on investment (ROI).

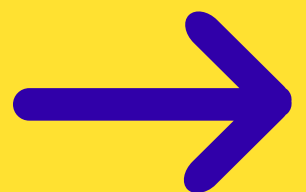
Measuring your innovation efforts every step of the way and clearly showing the difference they're making to your organisation generates momentum and enthusiasm in people. Employees want to be involved in the programme and senior management want to support it because everyone can see the benefits.

Of course, building an innovation programme that can do all this takes a bit of work, but we've produced a series of practical guides that show you exactly what to do. From building a solid foundation, through maximising your programme's effectiveness, to, of course, measuring your success, the guides will walk you through the steps you need to take to implement an innovation programme that delivers nothing but positive change for your organisation.

This first guide is all about laying the foundations for your future success.



**Focusing on the  
Important Things**



We've studied hundreds of innovation programmes and the great ones all have the same five characteristics in common:

CHARACTERISTIC

1

An innovation active workforce

CHARACTERISTIC

2

A strong ideas funnel

CHARACTERISTIC

3

Informed collective decision making

CHARACTERISTIC

4

Pace and momentum

CHARACTERISTIC

5

A commitment to continuous improvement

Setting up your innovation programme to focus on these five areas means you will be concentrating your efforts on the things most likely to bring you success. It also means you will be establishing a solid framework that lets you track and measure progress.

The subsequent guides in this series will go into each of these characteristics in detail, looking at how you build, develop and manage them.

The rest of this guide will give you a quick introduction to the characteristics, show how you can measure your progress in each and outline a framework to track your success.

## CHARACTERISTIC

# 1

## An Innovation Active Workforce

The more of your workforce that is engaged in innovation efforts the more ideas will be generated and the more strategic business challenges will be solved. That leads to (virtuous circle alert!) an EVEN MORE engaged workforce, generating EVEN MORE ideas, and solving, well, you get the idea.

**How to measure an innovation active workforce:**



## → The number of launched initiatives

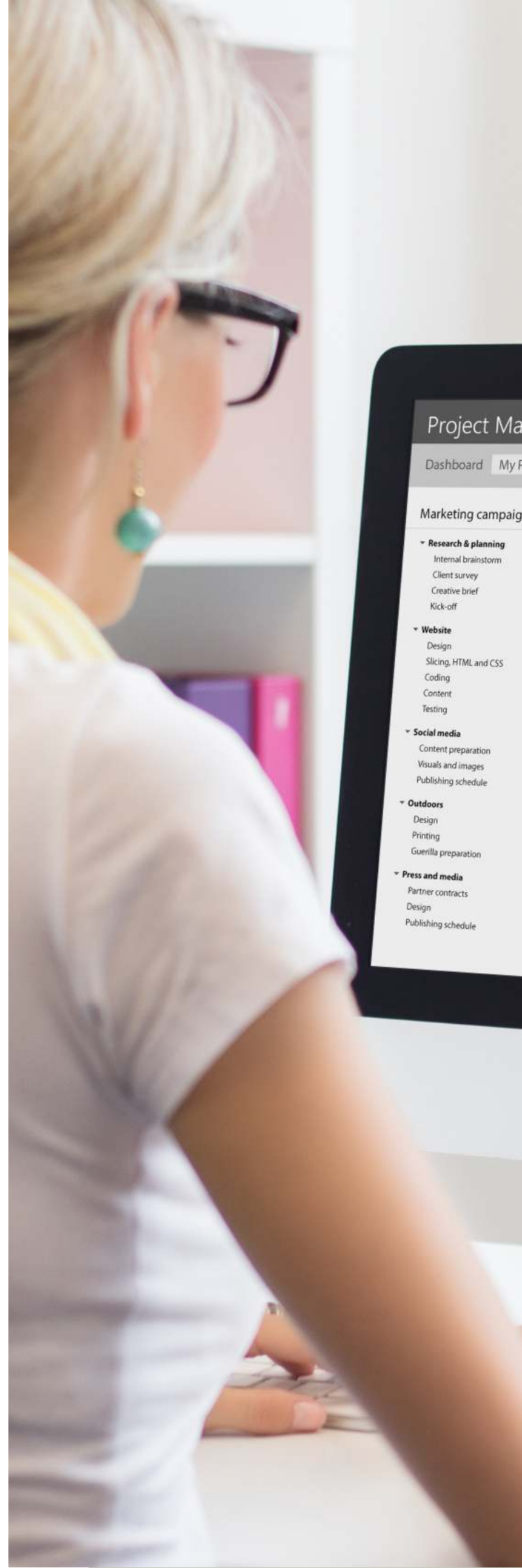
A growing number of launched innovation initiatives is a strong indication that your programme has the support of senior management and is empowering the wider workforce.

## → The number of innovation active employees

The number of employees actively contributing ideas to innovation challenges shows your workforce's overall confidence in your programme. It also indicates if the programme has been pitched at the right level and communicated effectively. Anything other than an upward trend suggests work needs to be done in these areas.

## → The average number of ideas per employee

If the average number of ideas per employee is increasing over time it suggests that your workforce believes their ideas are being taken seriously and that they are getting clear feedback even if an idea is not being progressed.



## CHARACTERISTIC

# 2

## A Strong Ideas Funnel

The more high quality ideas your programme generates the more likely you are to be able to solve both day-to-day and strategic business challenges.

**How to measure a strong ideas funnel:**



## → **The number of unique ideas being contributed**

An innovation programme that is delivering increasing numbers of non-duplicate ideas is a great indication that you have engaged a wide and diverse group of people and that you have the systems and processes in place to help them formulate unique ideas.

## → **The number of ideas that are 'accepted'**

If you have managed to clearly communicate to people the parameters for their ideas and have checks and balances in place to help

them keep to those parameters then you will see more and more ideas being accepted as part of your innovation programme.

## → **The number of 'high impact' ideas contributed**

Generating ideas that are able to create a step change for your organisation requires the right training, support and stimulus to be in place. A growing number of these types of ideas is a strong indication that your innovation programme is going well.





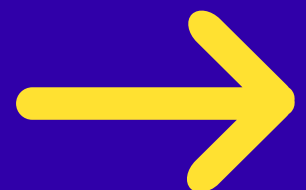
## CHARACTERISTIC

# 3

## Informed Collective Decision Making

The more relevant, informed people you can bring into discussions about ideas, the better and faster the idea selection process will be.

**How to measure informed collective decision making:**



## → **Employee involvement level**

If the level of employee involvement is growing over time, that suggests your innovation programme is generating excitement among your workforce and that the ideas being produced are interesting and relevant.

## → **The number of idea 'reach-outs'**

The number of idea reach-outs – surveys and consultations – on shortlisted ideas is a good indication of how robustly you are challenging ideas and of how involved the wider workforce is in that process. Again, a growing number of reach-outs suggests a strong innovation programme.



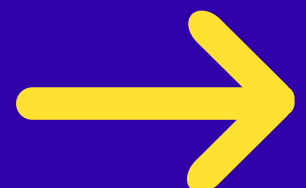
## CHARACTERISTIC

# 4

## Pace and Momentum

Innovation programmes that move at pace generate their own momentum and confidence among the workforce. As a result they deliver an increasing number of projects, usually at a lower cost per project.

**How to measure pace and momentum:**



## → The length of time it takes to review ideas

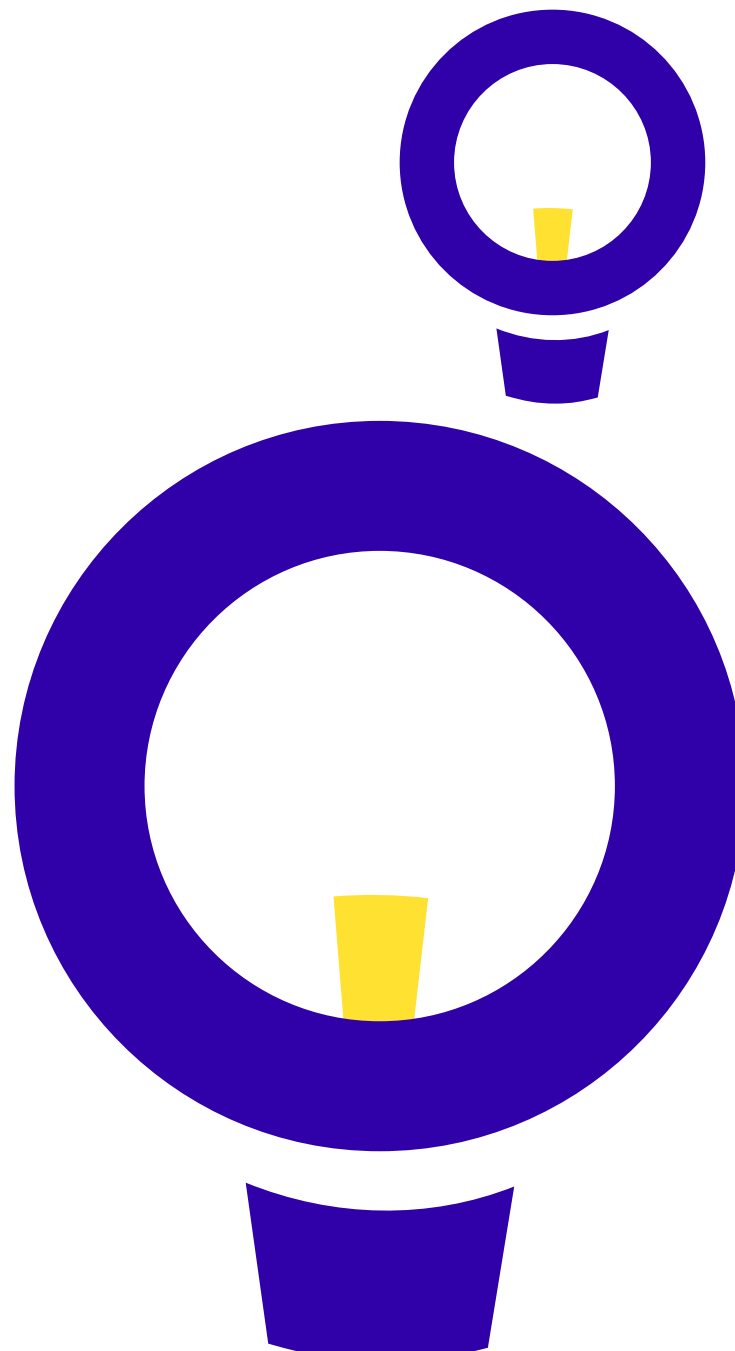
If the teams responsible for reviewing innovation ideas have the right training, tools and authority then they will become increasingly efficient at completing review cycles.

## → The length of time it takes to 'kill' ideas

Again, if the right training, support and tools are in place then teams will be confident about terminating non-viable ideas, and will do so with increasing efficiency.

## → The length of time it takes to approve ideas

As with the two measurement criteria above, teams, and the overall organisation, become more efficient at identifying the ideas they want to implement if the right tools and processes are in place.



## CHARACTERISTIC

# 5

## A Commitment to Continuous Improvement

When people feel encouraged and supported to continuously learn and improve they take more ownership of innovation challenges and deliver increasingly effective solutions.

**How to measure a commitment to continuous improvement:**



## → **The number of learnings shared per idea**

In high performing innovation programmes people feel confident in their decisions around new ideas and they have the tools to adequately describe and share what they have learned through the decision making process.

## → **The number of idea teams**

A growing number of teams developing and implementing innovation ideas is a good indication that employees are empowered and supported at every level of the organisation and that

your innovation programme is delivering a strong ideas pipeline.

## → **The number of employees who become idea team members**

As well as the number of idea teams, the overall number of employees becoming members of those teams is an indication of how effectively your organisation supports and encourages innovation.



# Building Your Innovation Framework

Using the five key characteristics as the focus, we suggest using the table below to measure the progress of your innovation programme. You'll be able to track trends over time and spot problem areas before they become serious. We'd recommend taking at least four measurements over every 12-month period to make sure things are heading in the right direction.

Metric	Characteristic	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Number of patents filed	Number of patents filed								
Number of R&D projects	Number of R&D projects								
Number of R&D projects completed	Number of R&D projects completed								
Number of R&D projects completed	Number of R&D projects completed								
Number of R&D projects completed	Number of R&D projects completed								
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You can download a Word version of the table using the link below.



The other guides in this series examine each of the areas in detail, showing how to launch and manage them, and maximise their effectiveness.

# What's Next?

Now you've got the basic framework in place, check out the second guide in this series – Step Two: Creating an Innovation Active Workforce

## REQUEST AN ROI CALCULATION

Our Innovation Consultants will carry out a short review and prepare an **ROI Calculation** for you that highlights the areas where the most significant return is likely to be achieved.

[FIND OUT MORE](#)

## REQUEST SMARTCROWDS IMPACT DEMO

Our **smartcrowds IMPACT demo** is delivered around the key innovation performance indicators described in this guide. In the demo you'll find out how smartcrowds helps you engage better with your workforce, empower your employees to make change happen, and turn more ideas into more outcomes, more of the time.

[CONTACT US TO REQUEST A DEMO](#)



## BOOK A 'PRACTICAL STEPS TO PERFORMANCE IMPROVEMENT' SESSION

The leading indicators of Innovation Performance outlined in this guide are the foundation for improving the return from your innovation efforts.

The **Practical Steps to Performance Improvement** session, led by our Innovation Consultants, will assess the current innovation activities that are being employed in your organisation, and recommend a step by step process that improve the performance of a set of leading indicators that we agree with you.

[FIND OUT MORE](#)

### ABOUT SMARTCROWDS

At smartcrowds, we work with organisations looking to empower their employees, at all levels, to make sustainable, positive contributions to business change and innovation. Our smartcrowds IMPACT programme has been designed to deliver repeatable return on innovation investment, through a 5-step programme that is built around the key leading indicators of innovation performance measurement.



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