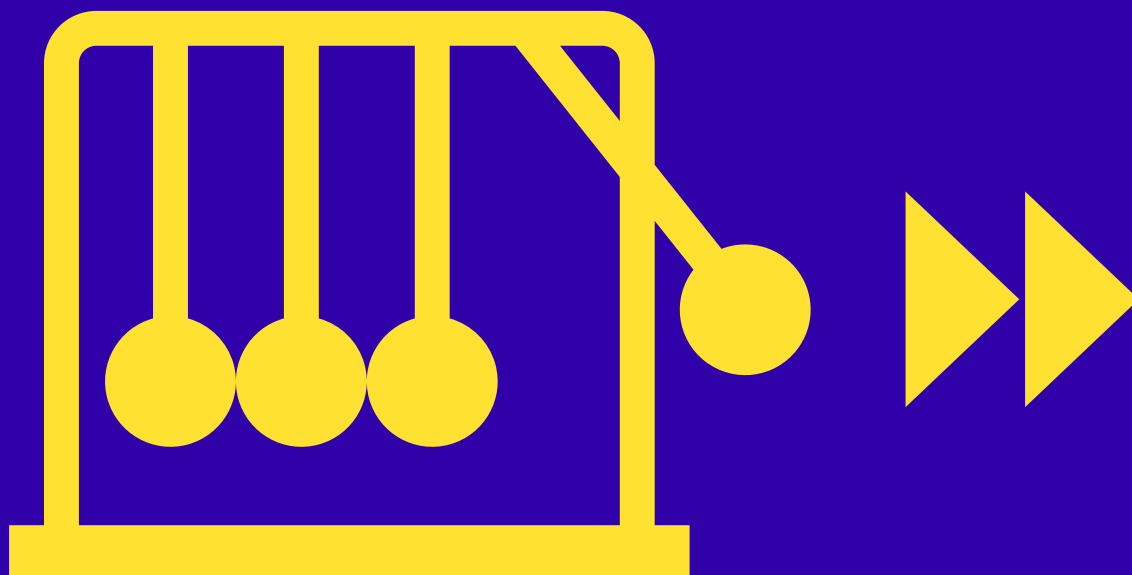Delivering Measurable ROI from your Innovation Efforts: A Series of Practical Guides

Step Four – Building Pace and Momentum

Why do we need to build pace and momentum?

The pace at which ideas are progressed (and this applies as much – possibly more – to ideas that are ultimately discarded) is a vital contributor to the ultimate ROI from innovation.

Most ideas fail, and given this reality, getting better at quickly and cheaply reaching a conclusion not to proceed with an idea will lead to less wasted time and energy.

An effective "fail fast, fail cheap" process and mindset helps identify ideas with flaws early so that more energy can be devoted to ideas with a higher chance of success. Failing fast and cheap is about reaching a conclusion to perform a justifiable "smart kill" – the idea can always be revisited when and if conditions may be more favourable.

Just as important is to progress ideas that the organisation is likely to implement quickly. Some ideas have a limited 'window of opportunity during which an idea launch will have a significant impact – such as competitor activity or to capitalise on customer sentiment or trends – leading to a better return for the organisation.

Building momentum in the innovation process therefore is key: teams that let innovation projects drift are more likely to lose focus and waste time revisiting earlier conclusions as energy dissipates from the process.

So, how do we ensure we make good progress with our new ideas? This guide sets out a practical framework to overcome this challenge, with tools and tips to help you make sure you can build real momentum into all your innovation projects!

Four Key Areas of Focus

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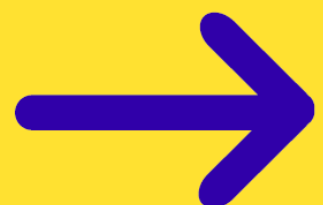
There are four things that you need to do to build pace and momentum in innovation:

✔ **Increase the level of informed collective decision-making**

✔ **Reduce the amount of time taken to review and select ideas**

✔ **Reduce the amount of time it takes to kill ideas**

✔ **Reduce the amount of time to approve and implement ideas**

Not rocket science, then, but as usual the devil is in the detail!

Read on to learn more about each of the above points, and to find out what practical steps you can take to supercharge your innovation efforts!

→

KEY AREA OF FOCUS

1

How to increase the level of informed collective decision-making

Getting more people involved in your idea is a great way to increase your confidence one way or the other. Systems and processes that communicate ideas more widely and encourage feedback and comment can help. In addition, involving subject-matter experts for insight will add even more value.

The following practical activities will help get more people involved in your ideas process and inform decisions from the outset.

→

1   Make your ideas easy to understand

It's virtually impossible to garner opinion from the broader workforce if they can't understand the idea in the first place.

As discussed in earlier Guides, it's best to use a simple structure for your ideas, not just so they are possible to understand, but rather that they are <u>impossible to misunderstand</u>. A high bar but very much worth the effort in the long run.

2   Use surveys for answers to key questions

Any new idea is just a theory that may or may not turn out to be practical and/or valuable. Therefore, project teams can feel a little unsure of themselves and have limited confidence in the idea.

Reaching out to a wider group – customers, colleagues, stakeholders – and asking simple questions like "do you like this?" or "how new and different is this?" will usually provide feedback that has a major impact on confidence and therefore project momentum.

3   Look for technology that helps to "socialise" ideas

The more visible the ideas and their progress the more likely it is that a wider group will get involved, pass comments, or provide feedback.

This visibility is an aid to accountability and ensures that the project team stays focused and does everything they can to move the idea forward. Project teams can feed off the interest and excitement that their idea is generating, and this provides its own incentive to keep things moving.

4   Publicise the criteria for making decisions

Make sure that the wider workforce understands how it is decided whether to progress an idea or not.

Transparency allows for more informed feedback and enables fairness to be observable in the process. There are often several factors in determining the potential worth of an idea, but good communication of these factors is important in generating and maintaining engagement.

5   Look for champions to bring energy

Good systems – technology-based or otherwise – can help identify people with a special interest or special skills that may help contribute to the idea development.

Nothing beats someone with a real passion for adding energy and enthusiasm. Different people may bring their energy at various stages of the project, so it is vital to keep ideas visible and to continually encourage involvement. It's not always obvious who will really love any given idea!
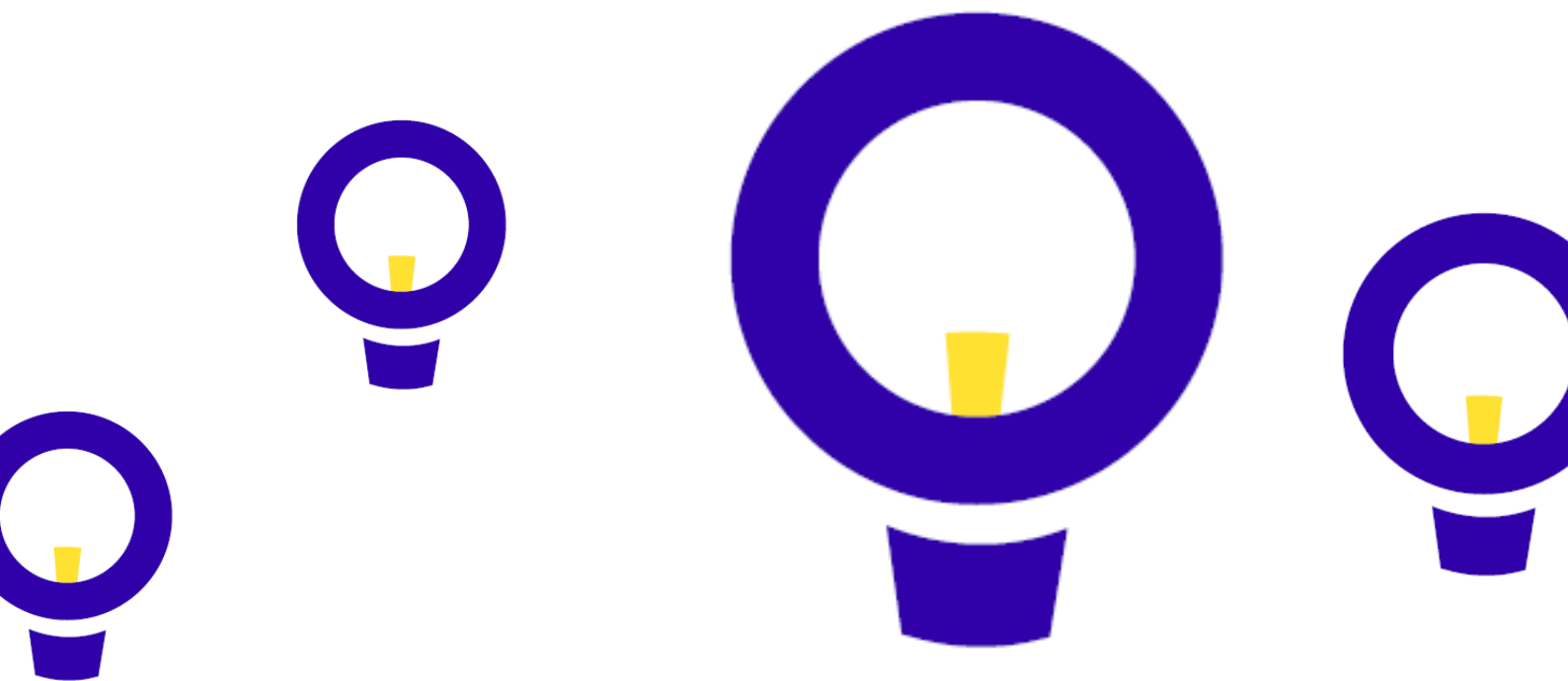
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How to reduce the amount of time taken to review and select ideas

Pace and momentum are especially vital if you are using time-bound innovation challenges and if you have been working with ideation "set-pieces". These mechanisms will inevitably lead to an expectation that something will happen with the ideas. Making fast initial decisions on which ideas to pursue first will set the tone for the rest of the innovation project.

The following steps will help you make quicker selection decisions and move ideas forward sooner.

→

1   Be clear about what you are looking for

It's much easier to select ideas if you know what they should deliver. So, we recommend setting innovation challenges as clearly as possible as to what is required.

A good challenge will provide context for the idea, it will clarify what is in scope and what is not, and it will also specify how big an impact is required. In addition, suitable, relevant assessment measures will help those assessing ideas to make confident, fast decisions about what to progress first.

2   Ensure you have a portfolio of ideas in play

Innovation challenges are likely to elicit ideas of varying risk and magnitude. Don't agonise over an acceptable level of risk; work with a small portfolio of ideas – some lower risk and some higher risk, on an 80% to 20% ratio.

You would expect to see a good turnover of smaller scale and lower risk ideas while – in parallel – work is done to evaluate and progress more complex and longer-term ideas. Having a regular churn of lower-risk ideas provides a sense of momentum across the organisation.

3 Don't get too hung up on precision in early assessments

It's tempting to look for high accuracy and precision when describing and assessing ideas in the early stages of the process; this can be especially true if project teams feel they will be held accountable for the estimates and predictions used for assessment purposes!

However, ideas are about the future – they are just theories about what may or not come to pass. Someone once said, "...all estimates are wrong – but some are useful". So, making projections of impact and other factors is essential, but they are estimates; improvement will come as we move through the process.

4 Leverage excitement and interest in an idea

Well-developed assessment criteria have their place, but in some circumstances, it might be best to make an early choice based on the level of energy and excitement that an idea generates.

For example, it's not unusual that some ideas create a buzz and capture people's imagination in the organisation. In those circumstances, it can be advantageous to get the idea into the next stage as quickly as possible and without too much detailed assessment.

5 Don't look for "the best" idea – look for good ideas

Be careful not to get sucked into the "golden egg hunt" because there is one best idea amongst those you have collected in each challenge. Unfortunately, there is rarely a "best" idea. The main reason for that is that any idea at this stage is just a theory with lots of unknowns and lots of risks associated.

The next step in the process, 'exploration and development', reveals what might be "best". At this stage, look for ideas that have potential – good sounding ideas – that can be processed quickly. A good exploration process will reveal the winners and losers in good time.

3

How to reduce the amount of time it takes to kill ideas

It's as essential to kill ideas quickly as it is to progress ideas rapidly, but impossible to tell which ideas will and won't work initially. Rather than trying to figure this out at early idea vetting, your exploration process should be where you do this work – though 'idea attachment' can often make this a difficult concept for project teams to accept. Becoming skilled at deciding when to call time on an idea is a foundation of a smooth and productive innovation process.

The following tips will help you build momentum by killing unsuitable ideas more quickly.

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1 Promote a "fail fast, fail cheap" mentality

As we've said before in this series of Practical Guides, most new ideas will fail – but it's impossible to tell with certainty which will succeed, and which ones won't before the commencement of any actual work. The trick is to fail any idea as quickly as possible without spending too much money.

We must identify those actions – research, tests, modelling – that can produce the most learning to an idea's viability. An exploration process is a form of accelerated learning. We must confront reality and decide if what we have learned should lead to confining the idea to the archive.

2 Clarify the role of the project team

A small but significant step here is to ensure the project team knows its remit. So often, project teams can mistakenly believe their job is to figure out how to make any given idea work and bring it forward to commercialisation. This attitude will inevitably lead the team to hold on to ideas for too long.

A better remit is to bring forward the most appropriate recommendation – archive or progress. By establishing this remit, the team should be clear that good guidance to archive is more valuable than a bad recommendation to proceed.

3 Pursue the early stages with a disciplined rhythm

Critical to building momentum in the assessment and exploration processes is having project teams work very disciplined and rhythmically. Using a plan-do-study-act method, set weekly learning tasks, following which we convene the project team to conclude on what they've learned before deciding what to do next.

Commit to the weekly cycle, and this rhythm accelerates the idea's progress. This disciplined approach sharpens the thinking to be more specific about the idea, the key unknowns, and what else needs to be learned to allow progress. The focus on the weekly cycle also ensures that the project team cannot decide to defer a smart kill, a behaviour likely to incur an added expense.

4 Insist on getting numbers into the idea definition

Whilst we recommend not getting too hung up on precision during the assessment phase, it is crucial to encourage project teams to build some estimated numbers into the idea definition during the exploration phase.

Numbers such as projected sales, likely impact and costs are all essential parts of defining how an idea implementation may look in practice. Teams will often argue that exploration is too early to be firming up some of the key numbers associated with an idea, however making useable estimates at this stage will often lead to justifiable kill decisions quicker.

Want some help with this?

[Download] our worked example of an Innovation Sales Forecast.

5   Make sure you have a bank of ideas to fall back on

It's challenging, psychologically, to kill an idea if there is genuine concern that there is nothing else to fall back on. "If you only have one idea, it must work, right?!" When an innovation process has developed a healthy bank of relevant ideas, it is easier to direct teams to kill an idea when it makes sense.

If there is a shortage of ideas, then use an organised, structured ideation session to generate lots of ideas quickly.
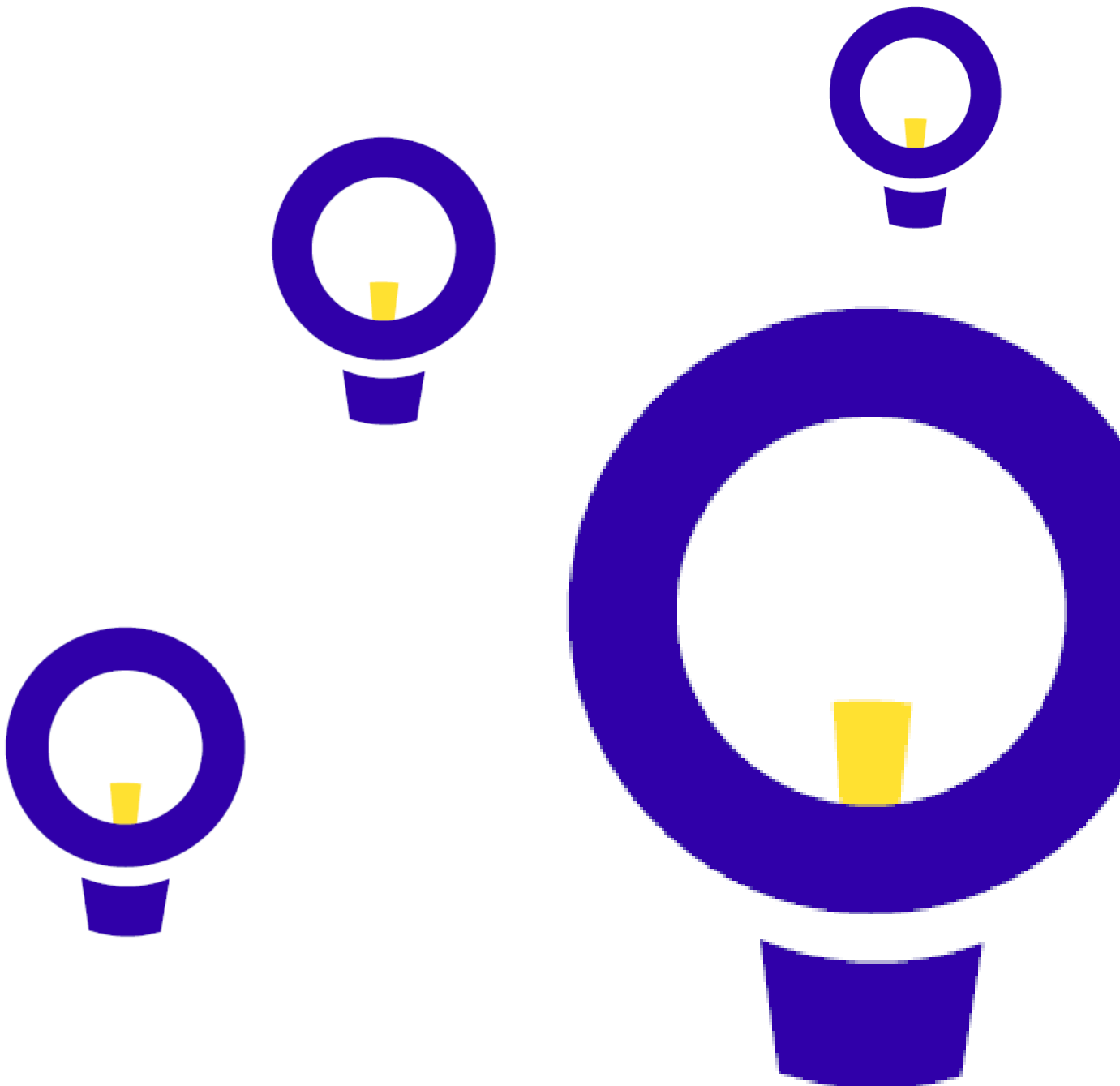
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How to reduce the amount of time taken to approve and implement ideas

It's easy to make the mistake of thinking that the hard part of innovation is generating the idea in the first place. But this is about 5% of the work and effort required for successful innovation - the other 95% of the work explores, develops, and ultimately implements the idea. A good exploration process will produce a thought-through recommendation that is arrived at with a minimum of elapsed time and expense.

The following steps will help create an efficient, productive innovation process that can maintain the earlier momentum even though more may be at stake.

1. Use a simple structure for implementation recommendations

Project teams should make their progress recommendations in a one-page format with any detail required consigned to appendices.

A one-page proposal should clarify the request, what the team is asking for (e.g., investment), the anticipated impact, the key risks, the mitigations, and the next steps. Sticking to a one-page limit will make it easier for the decision-makers to do their work quickly.

2. Be prepared to take a risk

The exploration phase of the innovation process is designed to build confidence that the new idea will be desirable (to customers), feasible (technically), and viable (financially).

However, no amount of this work can completely mitigate the risk when implementing anything new. Those responsible for making decisions on implementation must realise that there is always an inherent risk. Do what's possible to minimise risk; entirely avoiding risk is not an option. Decide to implement or not in good time and recognise that momentum is vital for success.

3. Use the learnings from the exploration phase to inform implementation

The exploration process should identify how the new idea needs to operate in practice to be successful. The 'plan-do-study-act' cycles should help determine features and implementation requirements; include them in the final implementation plan. Exploration might identify the most attractive target audience for the idea, or determine required performance standards and a host of other factors; bring these findings forward to implementation.

Ensure that the learnings from exploration are taken forward to make implementation more manageable, faster, and more likely to succeed.

4 Leverage the enthusiasm of the project team

The energy and drive of the project team will make a significant difference to the ability to maintain momentum into the implementation phase. Depending on the nature of the idea, the exploration team may be the right team to take it forward to the next stage – or possibly not.

Picking the right team is not just about the right skills, knowledge, or aligned responsibilities. It is also about enthusiasm for the project and the passion they can bring to implementation. The exploration team are likely to feel some ownership for the project, and it would be wise to carry this forward to confront the inevitable challenges of making it work in practice.

5 Get the stakeholders on board and into the plan

The implementation phase will likely require a range of stakeholders to get the idea into full implementation. These stakeholders are most likely from internal functions like finance, HR, operations, and possibly external suppliers or agencies. Whilst it will be hard for these stakeholders to feel the same ownership as the project team, getting them excited about the idea and what it will deliver for the organisation as early as possible should be attempted.

Help them understand where this idea has come from, what it intends to address, and the work done to validate the opportunity. Ensure the stakeholders understand their role in delivering the idea and agree on how they will be accountable for holding up their end.

What's Next?

Congratulations! With our four Practical Guides, you now have many of the tools needed to make a success of your innovation programme.

To really get you motoring, why not get in touch with the smartcrowds team to find out how we can get you further down the innovation superhighway, faster!

REQUEST AN ROII CALCULATION

Our Innovation Consultants will carry out a short review and prepare an **ROII 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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