

Employee Innovation: What you need to know

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Being innovative is crucial to the success of all organisations. Unfortunately, all business models will eventually fail one day, so organisations need to come up with new, viable offerings, to stay competitive on the market. It is the task of every business owner or executive to drive innovation.

As lockdown eases and we move from response to recovery, Gartner recommends that organisations take this opportunity to take stock of the lessons learned from Covid-19 and apply them to reconfigure their business and operating models for this new business landscape. The past few months have highlighted the importance of resilience, adaptivity, and innovation.

The most innovative ideas often come from a business's junior and mid-level employees. After all, who better knows what your company is lacking, or how it might improve, than the people who are on the frontlines every day? These employees can easily spot challenges and brainstorm possible solutions to the issues they encounter daily. Therefore making sure every individual is involved in the innovation process is important.

What Is Innovation?

Innovation isn't solely represented by new devices, ideas or methods, but also by the process of uncovering new ways to do things. It can also pertain to modifying business models and adapting to changes to achieve better products and services.

According to Merriam-Webster, the term creation means having the quality or power to create and is the act of making, inventing, or producing.

Innovation is defined as the introduction of something new or different. The act of innovating leads to the introduction of new ideas, devices, or methods.

Why is innovation important for the employees and the company?

1. If you're not doing it, someone else is.

From a competitive perspective, staying relevant is directly tied to staying innovative. If you aren't constantly striving to find new ways to grow, you'll soon be left behind by the competitors who are.

Innovation affects every facet of the organisation from sales, to team dynamics, to client relations. As the need for innovation is so pervasive, the burden of doing so rests on everyone's shoulders. Each member of the organisation should focus on finding new ways to be successful, and this should be reinforced and supported by management or leadership. Only when a common goal of continuous

innovation exists, will you and your team be able to stay ahead of the competition.

According to a study by McKinsey & Company, 80% of executives considered their existing business model to be at risk, while 84% agreed that innovation is important to a growth strategy.

2. Innovation helps retain talented employees.

Innovation doesn't only affect your ability to be successful with clients. It also plays a large role in the engagement and satisfaction of your employees or team. Talented team members, especially those classified as Millennials, are particularly motivated by staying at the forefront of their field. If your environment remains stagnant and they feel that their creativity is being crushed, even the most loyal employees will begin to entertain offers from competitors.

To remain the preferred employer, it's imperative to stay ahead of the trends and changes in your field. This means taking the time to research and develop new tactics and strategies. By emphasizing this as a leader, you show both loyalties to the professional growth of your employees and an understanding of the importance of their contributions.

3. Staying ahead is important for your clients.

If you fail to innovate and create relevant, forward-thinking solutions, your sales will go down and your existing consumers will suffer.

A simple first step in fixing a dynamic like the one described above would be to regularly survey clients to identify any potential improvements that can be made to the products or services you provide.

Taking an interest in your consumers' well-being and staying engaged in their business or general life goals demonstrates that you are the type of company prospects will want to work with.

Innovation Programs

To ensure that all those valuable insights and ideas of your employees are recognized and followed up, you should create an "Innovation program for employee engagement".

The overall goal of this program is to implement an "innovation mindset" within the organization so everybody is able and willing to contribute to the organization's innovation efforts. Everybody should clearly understand:

1. Innovative ideas should not exclusively be brought up by a specific "Innovation Team", it is everybody's duty to contribute ideas.
2. Every employee, who brings up an innovative idea, can take ownership of this idea and even execute on it.
3. The organization has processes in place, to recognize new ideas and to reward the idea giver.
4. The organization encourages collaboration between the idea giver and further subject matter

experts.

Some of the companies that are seriously applying these innovation programs are; LinkedIn Incubator, Adobe Kickstart, Whirlpool, and Ericsson Ideaboxes.

How to operate an Innovation Program

For you to succeed as an organisation in applying for the innovation program, you need to apply the following process;

a. Employee brings up an idea

An employee that has an innovative idea that he wants to report to the innovation department should be able to easily communicate the idea to management. The idea may be communicated to the innovation or research department directly or through an email.

Additionally, the idea giver can let the innovation department know, whether he wants to participate in the further innovation process or not. In case he doesn't want to be involved, the process ends here for him.

b. The innovation department decides on strategic alignment of the idea and its priority

The Innovation department should discuss during weekly meetings the ideas that were reported. Two main decisions need to be made:

1. Is the idea aligned with our overall strategy? If yes, then continue with the next process step. If it is not aligned, the idea is rejected.
2. Have an innovation backlog in the mind; If the priority is low, then following up on the idea is postponed. If the priority is high or even urgent, then the process continues immediately.

The postponed ideas should be checked regularly within backlog reviews.

c. Create a temporary research team that elaborates the pre-conditions for a proof of concept of the new idea.

The innovation department aligns with the manager of the idea giver. A certain amount of "research time", usually between 1 and 5 days. The idea giver is completely exempt from his usual tasks during this time.

Additionally, a subject matter expert within the organization is added to the idea giver, to form the temporary research team. Within this team, one person is responsible for the technical research and one person is responsible for the business analysis.

d. Start working on researching the pre-conditions for a proof of concept

The following questions should be ideally answered after the research phase:

Product idea and product roadmap

1. Which problem is solved by your idea?
2. Is your idea an innovation or an evolutionary development of existing solutions?
3. Who is the user persona buying your idea? What kind of characteristics does he have?
4. Were customers involved in the identification of the problem?
5. What is your unique selling proposition?
6. What is the ideal vision for the next 5–10 years?

Business, Market, Competition

1. Does this idea help to increase sales revenues significantly?
2. Which market are you addressing? How big is the market size and what is its growth? What phase is the market in (e.g. growth or saturated?)
3. If the market is still not established, how do you want to create the market need?
4. Which market share is realistic?
5. Have you already talked to customers within this market? How big are they (revenues, headcounts, etc.)?
6. Via which channels are customers acquired? How does the sales concept look like? Direct sales, telesales, partnership models, etc.
7. How long is a sales cycle? From the first contact to deal closure.
8. What is the market entry strategy and which concrete activities should be planned?
9. Are there any market entry barriers?
10. Can you create market entry barriers?
11. What is the decision-making process at the customer site?
12. What is the marketing concept? Which concrete activities are planned?
13. Which competitors exist in the target markets?
14. Create a S.W.A.T. analysis of your product vs. the competition.
15. Which innovation was the last to change the market sustainably?
16. If there is no direct competition to your product, what can be used as a similar substitute?
17. How will existing competitors react to your market entry? Any risks?

Technical questions

1. Which technologies, frameworks, and programming languages are going to be used?
2. How is the product/functionality going to be deployed (on-premise, SaaS, etc.)
3. What is your unique technical differentiator?
4. Which IP do you already own? Is IP relevant for success? Should the idea/product be filed for a patent?
5. Do you have the freedom to operate or are there any licensing issues?
6. Do competitors have any relevant IP?

e. Presenting the results to the Innovation Board

The research team should present the results to the Innovation Board. The board decides on:

1. The results are sufficient and it makes sense to follow up on them and start creating a “proof of concept” or handing it over to another department like product management or product development.
2. The results are sufficient but show, that the idea is not worth pursuing.
3. The results are insufficient. The decision on whether the research team should get additional research time or not.

Innovation has been a buzzword for years, and it remains a prominent topic across all industries. Staying ahead of the pack has wide-ranging benefits, but you should shape the way you develop new tactics, strategies, and processes. Remaining devoted to innovation is beneficial to your company, your team, and most importantly, your clients.

Tremendous efficiencies are experienced because of the development and use of new strategies. One way to experience this is when distinctly different ideas come from different minds. Don't be afraid to surround yourself with people who have ideas that differ from yours. You'll come up with diverse ideas that you can pool to achieve a different approach from what has always been done and that is what you call motivation.

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