

THE 2017 BUSINESS INNOVATION REPORT

HOW THE WORLD'S BIGGEST BRANDS
HARNESS THE COLLECTIVE
INTELLIGENCE OF EMPLOYEES,
CUSTOMERS, AND PARTNERS TO
ACCELERATE INNOVATION





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In 2017, innovation is more important than ever.

Disruption—the force that both fuels and rises out of innovation—continues to affect every industry on the planet, from financial services to healthcare to telecommunications. In the automotive world, Tesla recently surpassed Ford as the second largest automaker in the U.S. in terms of market capitalization. In the insurance and healthcare industries, innovations by startups continue apace while evolving government policies open new opportunities and shut down others. Around the world, the price of solar energy has been plummeting to the point where analysts predict it will be cheaper than coal in less than a decade.



“The only way you survive is you continuously transform into something else. It’s this idea of continuous transformation that makes you an innovation company.”

— Ginni Rometty
Chairman, President, and CEO,
IBM in *Fortune*

EXECUTIVE SUMMARY

Amidst this transformation, our work with the world's biggest brands across industries has granted us a unique perspective into some truths about innovation in the business world:

The more frequently employees ideate, the more innovations arise.

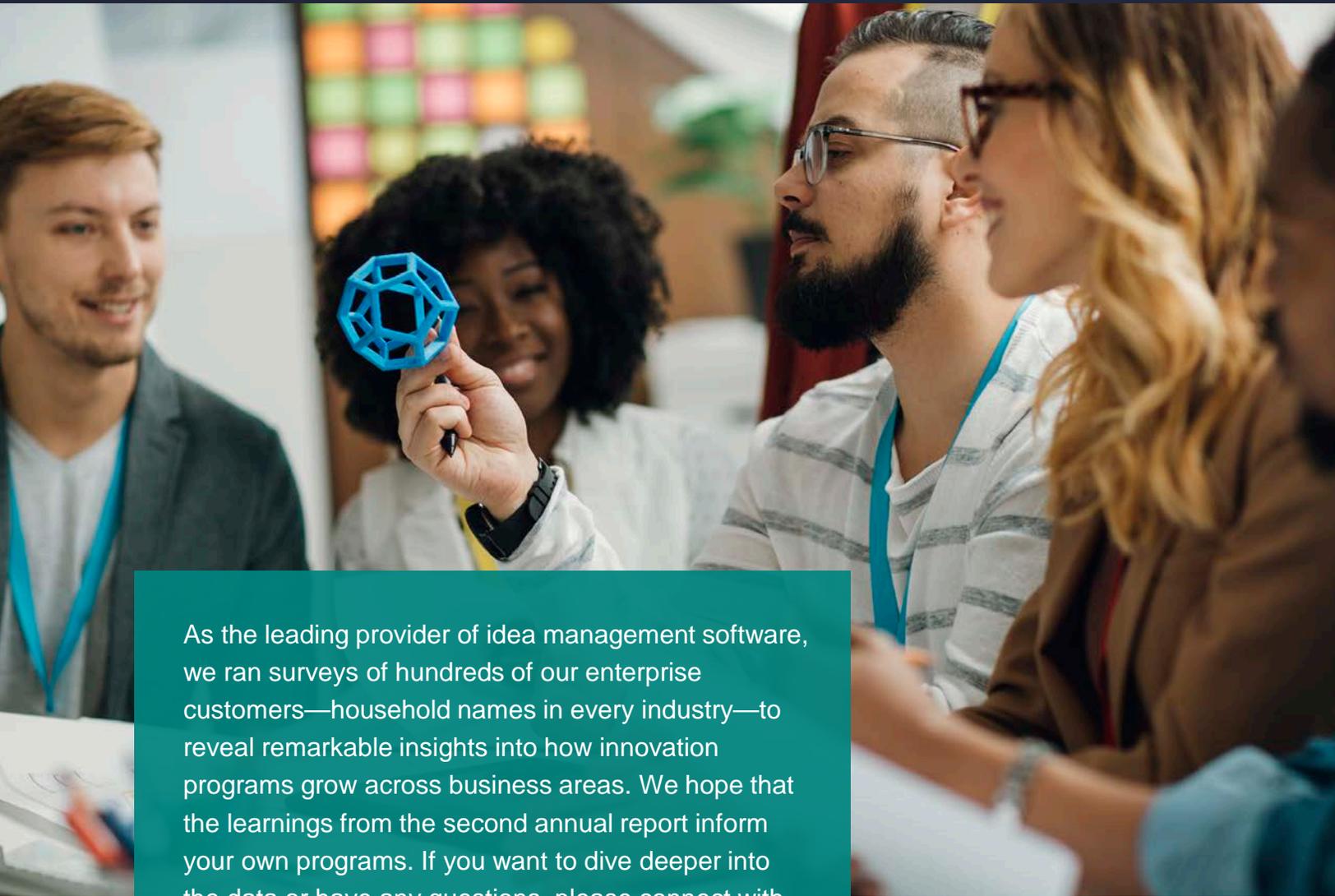
Growth and disruption across every industry threaten traditional business models, motivating companies to invest in innovation as a way of staying ahead. But while innovation remains crucial, companies have evolved how they innovate, developing new approaches to driving revenue. Forward-thinking business leaders are tapping the collective intelligence of their employee, partner, and customer crowds, and driving ideation as a daily habit throughout their businesses.

Ideating well means ideating with everyone.

Working closely with our customers, we've also discovered something else: ideating well means ideating with everyone. More and more organizations understand that distributed ideation unlocks more diverse ideas, which in turn dramatically increases the number of valuable ideas uncovered. Successful business leaders have also widened the diversity of their objectives from the broad and sweeping to the precise and strategic.

High-frequency ideation drives business value.

According to our survey, Spigit customers run an average of 9-10 time-bound challenges and approximately two always-on communities per year. Mature customers (with ideation initiatives that are three years or older) run almost double this average. Over time, frequent ideation becomes core to how companies "develop better products and services" and "reduce cost and waste/ inefficiencies" or both. And for many companies, high-frequency ideation is as much about fostering a culture of innovation and employee engagement as bottom-line business results.



As the leading provider of idea management software, we ran surveys of hundreds of our enterprise customers—household names in every industry—to reveal remarkable insights into how innovation programs grow across business areas. We hope that the learnings from the second annual report inform your own programs. If you want to dive deeper into the data or have any questions, please connect with your Spigit expert or reach out to Spigit directly.

THE 2017 BUSINESS INNOVATION REPORT

In this report, **we'll focus on five key themes**, each one playing a unique and critical role in the larger practice of crowdsourced innovation:

IDEATION
PROGRAMS

SPONSORSHIP

EMPLOYEE
ENGAGEMENT

IMPLEMENTING
IDEAS

MEASURING
IMPACT

METHODOLOGY AND PARTICIPANT PROFILE

Spigit's 2017 Business Innovation Report was an online survey fielded in February 2017 to Spigit's entire enterprise base. The 39-question survey targeted ideation program managers and was the primary source of the quantitative and qualitative data for this report. We also drew qualitative data from customer interviews and interactions.

Survey respondents represented 17 different industry verticals. From a tenure perspective, 31% of companies that participated in the survey have been using ideation software as part of their broader innovation program for more than three years.

Respondent incentives included the completed report and a gift card. Some respondents opted out of the incentives.

INDUSTRIES REPRESENTED

FINANCE	HEALTHCARE	CONSTRUCTION	TELECOM	MANUFACTURING	
					
INSURANCE	PHARMA	TECHNOLOGY	RETAIL	CONSULTING	CPG
					
INFORMATION SERVICES	LAW	ENGINEERING	BIOTECH	AGRICULTURE	PUBLIC SECTOR
					

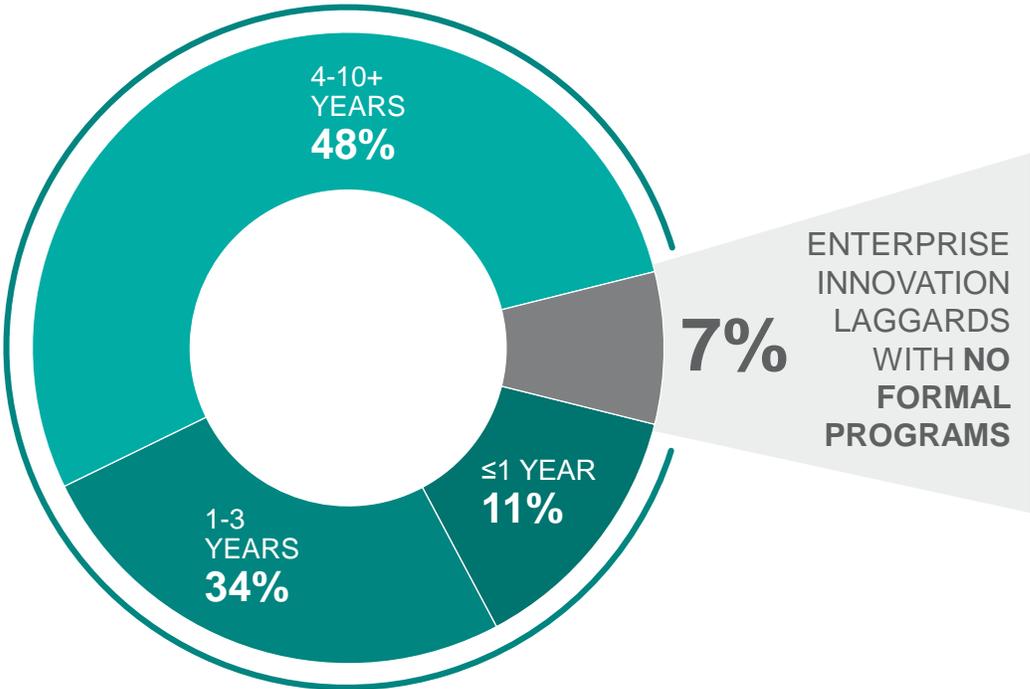
THEME 1: **IDEATION** PROGRAMS

Ideation is a core component of innovation programs today. How to ideate in order to improve and optimize innovation outcomes, however, is an emerging capability within the enterprise. Within ideation as a practice there exist companies of all shapes and sizes with programs of varying tenure. For that reason, we've collected ideation program data this year to provide insights and benchmarks for our customers and ideation community about program structure and development.

Nearly all Spigit customers have a formal innovation program, with ideation at its core. Ideation programs frequently fit into a larger corporate innovation strategy. We found that 93% of Spigit’s customers report having a formal innovation program. Additionally, nearly half (48%) of survey respondents have run innovation programs for four or more years, suggesting that program maturity and experience with regards to enterprise innovation is prevalent.

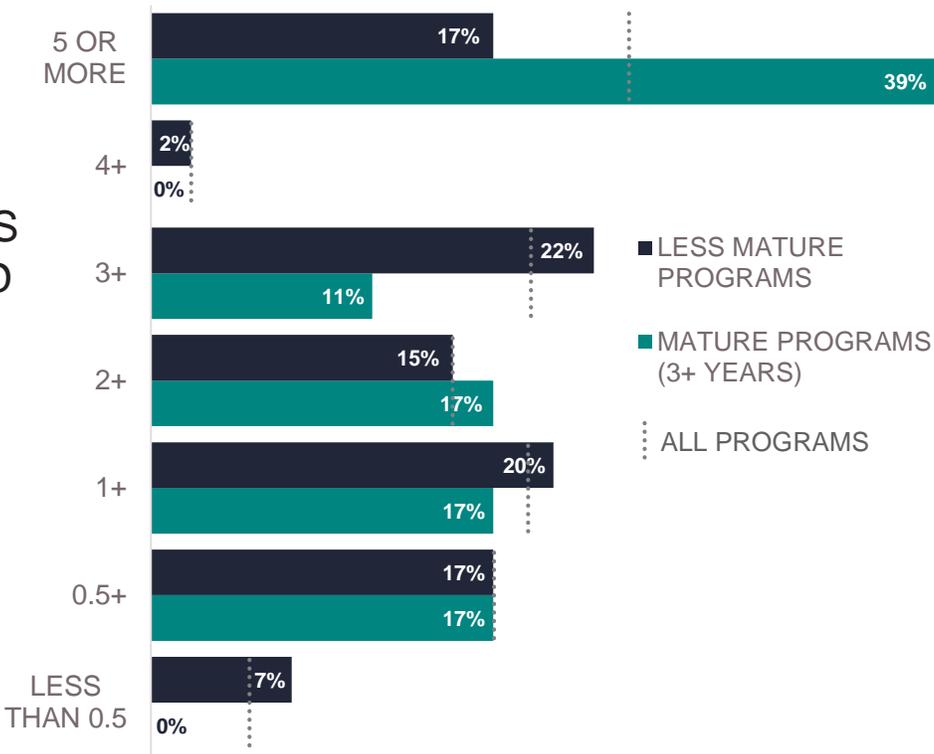
HOW LONG HAS YOUR COMPANY HAD A FORMAL INNOVATION PROGRAM?

93%
ENTERPRISE INNOVATION LEADERS WITH FORMAL PROGRAMS



Ideation program teams typically start lean, but grow as the program grows in value to the organization. When it comes to ideation companies can accomplish much with small teams and efficient resources. Seventy-six percent (76%) of survey respondents have teams consisting of fewer than five full-time equivalent (FTE) employees who actively and regularly contribute to the ideation program, though many work with even less: 41% said they have fewer than two FTEs. Our experience working with hundreds of enterprise customers supports this data. We've often found that many key contributors devote only a small fraction of their workweek to the development and support of the company's ideation program. Program maturity and value strongly correlates to team size: When a company has had a successful ideation program for more than three years, 39% have five or more FTEs involved (vs. just 17% of less mature programs).

HOW MANY FTES ACTIVELY AND REGULARLY CONTRIBUTE TO YOUR COMPANY'S CROWDSOURCED INNOVATION PROGRAM?



One customer in the construction industry confided that three of the four people working on their crowdsourcing program held “day jobs” in other parts of the company, and volunteered time on nights and weekends to help grow the program. There’s only one word that captures that level of commitment: passion.

Successful companies leverage ideation in different forms and business areas. Our customers' use of Spigit underscores their focus on building a culture of innovation and engagement with employees while simultaneously solving problems aligned to the company's strategic imperatives. While the time-bound challenge is the most common tool in a team's toolbox (as demonstrated by the fact that 76% of our customers have conducted such challenges), a wide variety of use cases, supported by the Spigit platform, can meet the needs of the business:

Company-wide challenges. These time-bound challenges are typically open to everyone (or a very large portion of employees), sponsored by the CEO or another senior executive leading a business unit or function, and geared toward generating disruptive or transformational ideas.

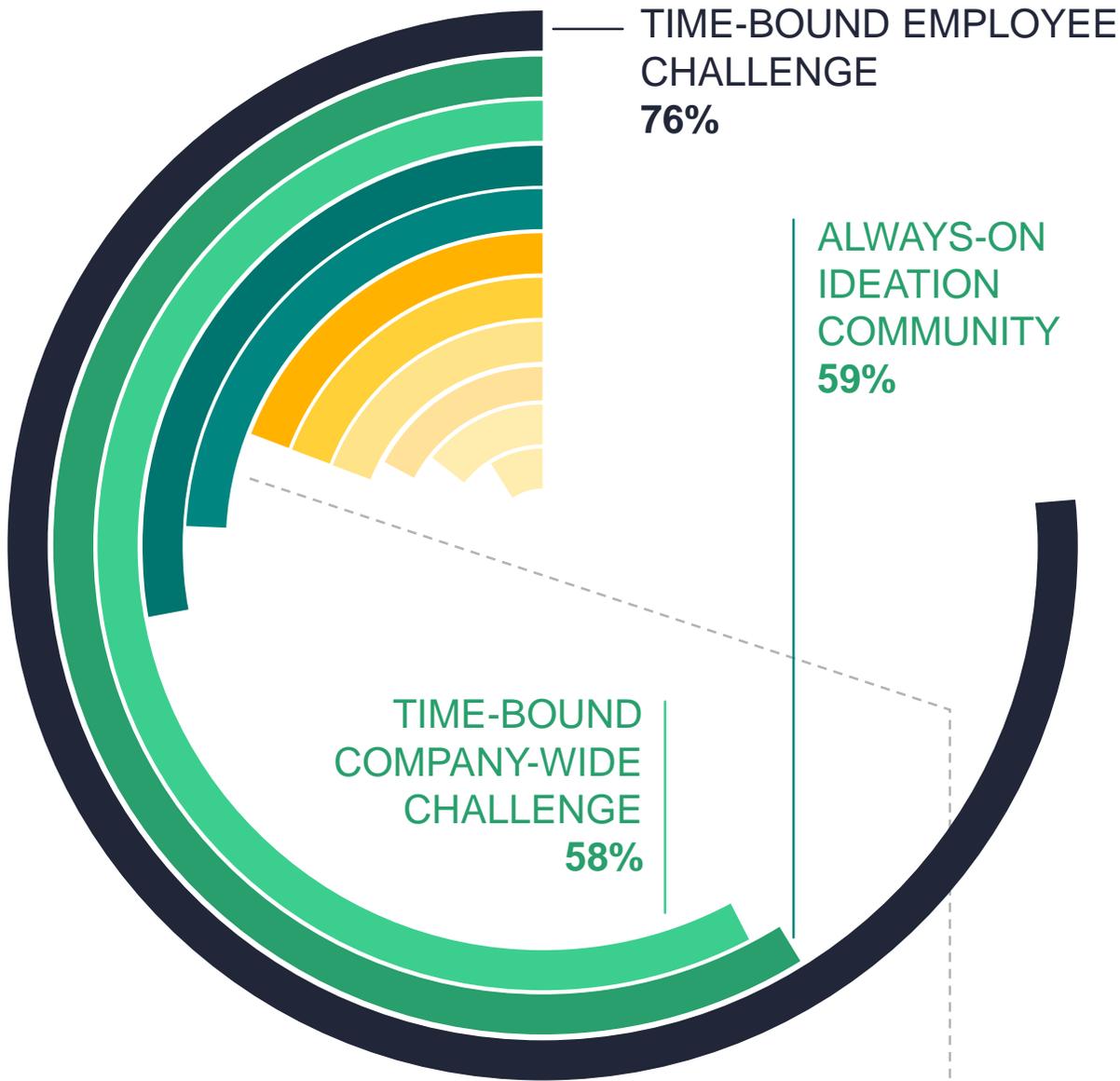
Always-on communities. The opposite of a time-bound challenge, these communities grant employees the opportunity to share and collaborate on ideas to improve a business area at any time, from anywhere.

Nominations for recognition or awards. Crowdsourcing nominees for rewards and recognition programs is a practical and efficient method for activating employees, democratizing the review process, and simplifying selection based on transparent criteria.

Pairwise-only prioritization exercises. Pairwise-only challenges, which can last anywhere from a few hours to a couple of days, provide a fun and simple way to engage crowds in prioritizing a list of topics, ideas, and initiatives while avoiding herd behavior.

External challenges. While most of our customers begin ideating with internal groups of employees, there's nothing restricting organizations from expanding their programs to include external crowds, including partners, suppliers, vendors, customers, targeted consumer groups, and more.

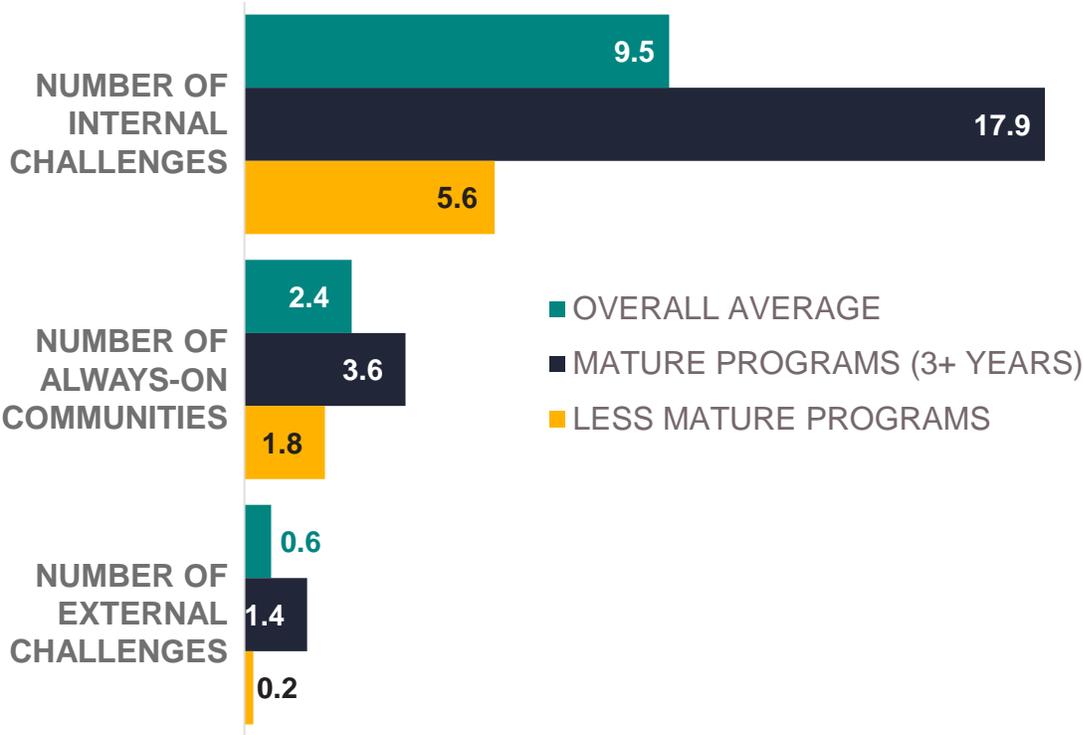
FOR WHICH TYPES OF INNOVATION ACTIVITIES HAVE YOU USED SPIGIT?



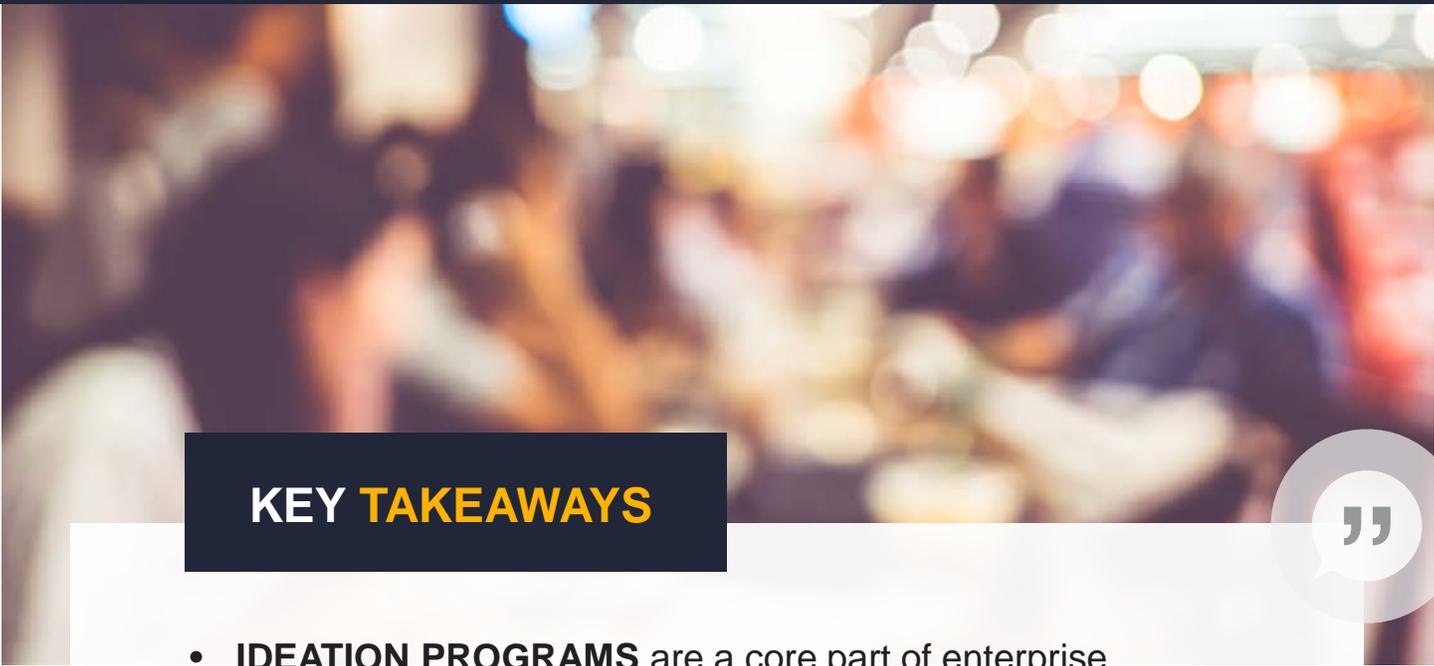
- NOMINATION, REVIEW, AND SELECTION OF AWARD WINNERS 27%
- SHARK TANK/DAGON'S DEN PITCH SESSION 24%
- PAIRWISE-ONLY CHALLENGE 19%
- SUBMISSION/SELECTION FOR HACKATHON PARTICIPANTS/PROJECTS 19%
- LIVE INNOVATION WORKSHOP OR MEETING 19%
- POST-CHALLENGE IDEA TRACKING COMMUNITY 17%
- EXTERNAL CHALLENGE 14%
- OTHER / NONE OF THE ABOVE 8%

Successful programs run more ideation projects. When we surveyed our customers, we found that they run an average of 9-10 time-bound challenges and approximately two always-on communities per year. Each customer with a tenured program of three years or more runs double this amount across their business, making ideation a daily habit among employees, and even partners and customers.

PLEASE ESTIMATE THE QUANTITY OF EACH TYPE OF CHALLENGE/ACTIVITY YOU CONDUCTED IN THE PAST 12 MONTHS.



Over time, program teams, challenge sponsors, and the employees engaged in the challenges become more adept at ideation. As the program matures, the capabilities, expectations, and successful results build and grow, which leads to more engagement and greater value.



KEY TAKEAWAYS

- **IDEATION PROGRAMS** are a core part of enterprise innovation programs today, and program maturity is on the rise. If you haven't built ideation as a practice into your programs, you will be left behind.
- **CUSTOMERS USE SPIGIT** to support a variety of ideation needs across a business. Beyond time-bound challenges and always-on communities, customers also use Spigit to reward employees, prioritize existing initiatives, and ideate with customers.
- **IDEATION PROGRAM TEAMS** run lean and start small but have big impact. As the success of the program grows, so does demand for ideation initiatives from across the business.

THEME 2: **SPONSORSHIP**

As ideation programs grow in size and visibility, sponsorship plays an essential role in championing programs to everyone, from executives to individual contributors. Typically, sponsors fall under one of two categories:

Program sponsors provide support for the concept and adoption of ideation technology as a tool to drive business results and employee engagement across the organization.

Project sponsors provide support for an individual ideation challenge or community by defining the topic, engaging the crowd, and taking action on the results.

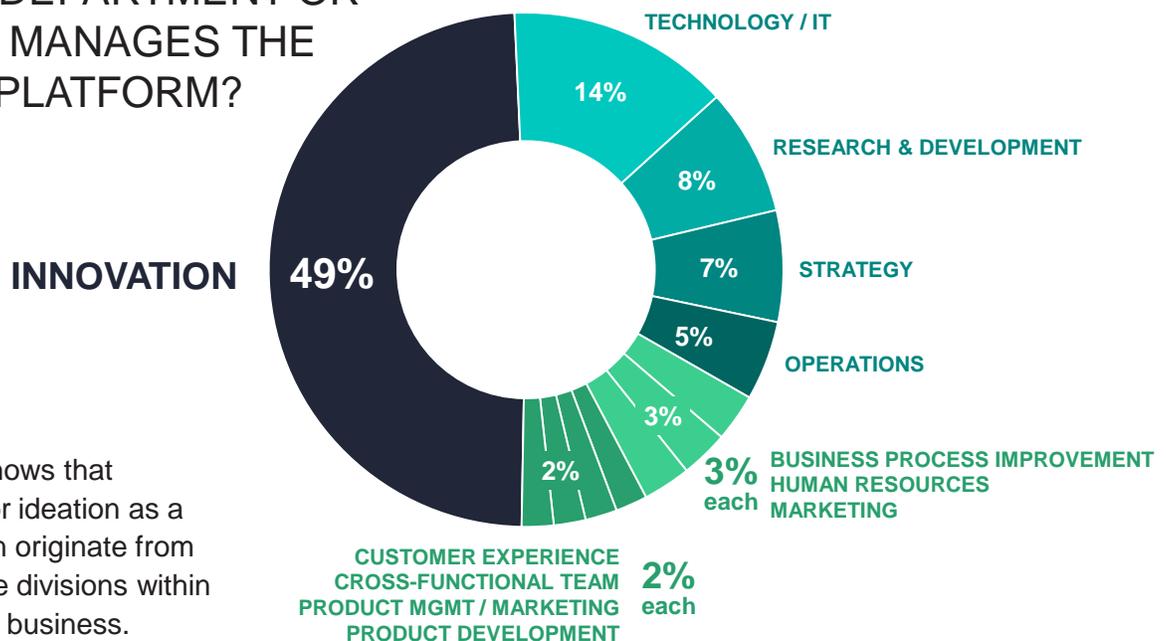
In this section, we'll share data around how sponsors play unique and shared roles in the development of ideation programs.

Sponsorship—at both the program and project levels—is key to program success. We asked our customers about the biggest risks to success for their ideation programs. Nearly half (44%) identified a lack of sponsorship for individual idea challenges as being a significant risk, and 22% pointed to a lack of program sponsorship. Failure to secure and retain sponsorship can be detrimental to the long-term success and results of any ideation program.

Strong executive sponsorship yields results. Sponsors can emerge from any business unit. Ideation programs are most successful with support from a sponsor within the executive or senior leadership team. Executive sponsors set the tone both for department leaders to use ideation to develop business solutions as well as for employees (i.e. the crowd) to participate in challenges. Additionally, when executive sponsors have a stake in ideation, they will often proactively seek results from project sponsors. This ensures that, instead of fizzling out, ideation initiatives will only conclude once the managing teams have assessed the impact of their accepted ideas on the business.

Ideation platforms are not “owned” by a corporate innovation group. Ideation emerges from a variety of business areas within an organization. Typically, it’s driven by a group that believes in the power of collective intelligence to solve a specific business problem they have. Despite the fact that most of our customers have formal innovation programs, the ideation platform is managed by an official “Innovation” team only about half the time (49%). Core functional business areas make up the majority, 51%, led by Technology/IT (14%), Research & Development (8%), and Strategy (7%).

WHICH DEPARTMENT OR GROUP MANAGES THE SPIGIT PLATFORM?



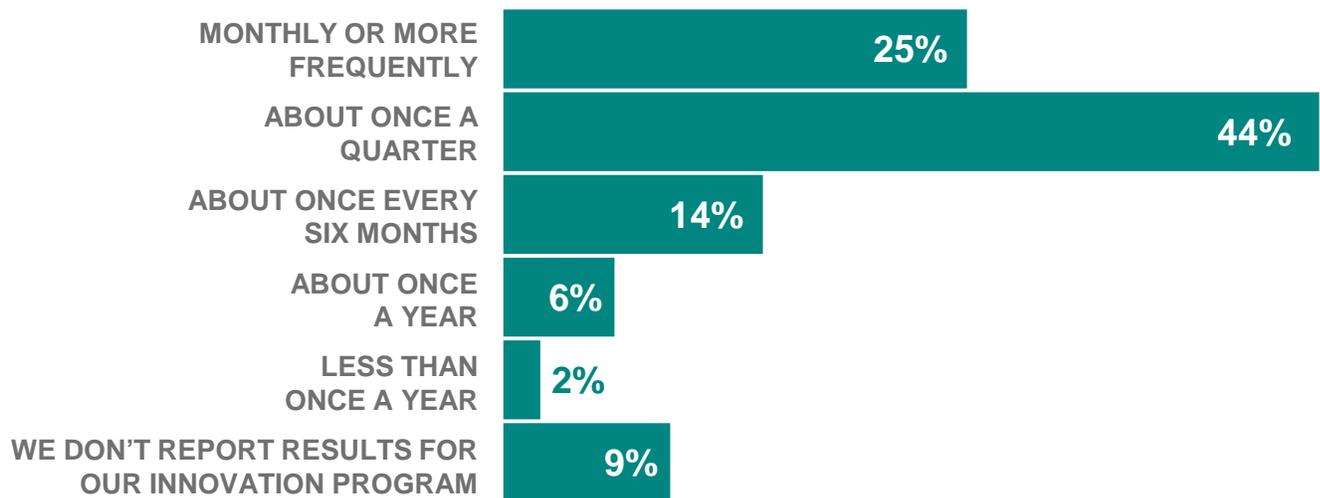
The data shows that sponsors for ideation as a practice can originate from any of these divisions within the broader business.

Ideation matters to the most senior executives. Further demonstrating a strong tie between ideation programs and executive sponsorship, 71% of Spigit customers report results to the most senior levels of the organization—be it the leadership team, executive team, and/or board of directors. Some companies also share program results more broadly: for example, 34% of customers report sharing results with leaders in other business areas. Socialization of ideation outcomes leads to wider acceptance of and demand for ideation as a tool to solve business problems.

Only a small percentage of customers (15%) share their results with all employees. This may be a missed opportunity: the more the crowd knows about the ideation program and its success, the more likely individuals will be motivated to continue participating.

Frequent and regular reporting of results keep ideation top of mind. Customers see the value in regularly reporting data about their ideation programs. Nearly three quarters (70%) report quarterly or more frequently, while 25% report at least monthly. Frequency of reporting does not vary much between new and longer-standing programs, suggesting that sponsors see the value in regularly reporting results, even in a program’s infancy.

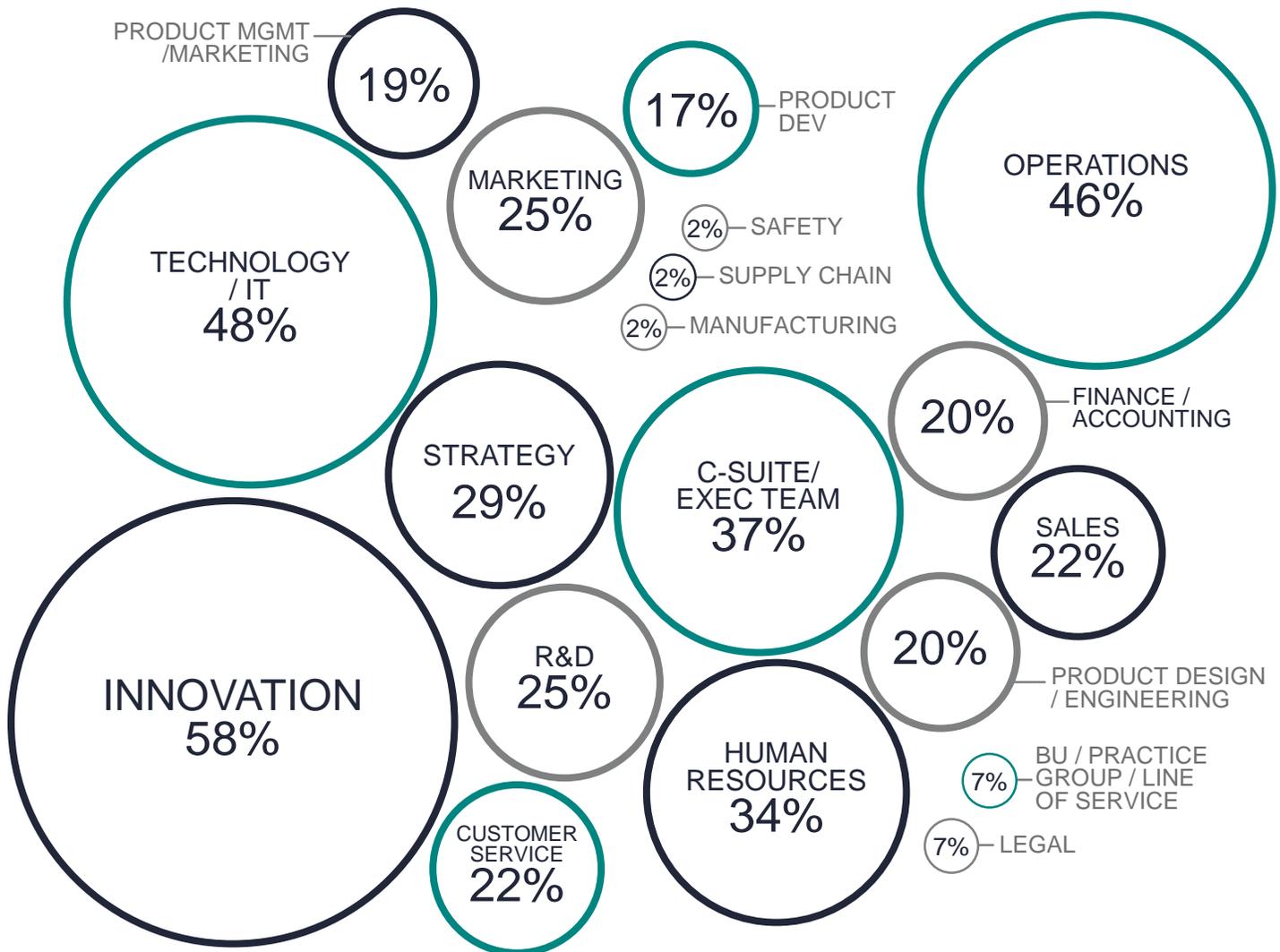
ABOUT HOW OFTEN DO YOU REPORT RESULTS FOR YOUR CROWDSOURCING PROGRAM?



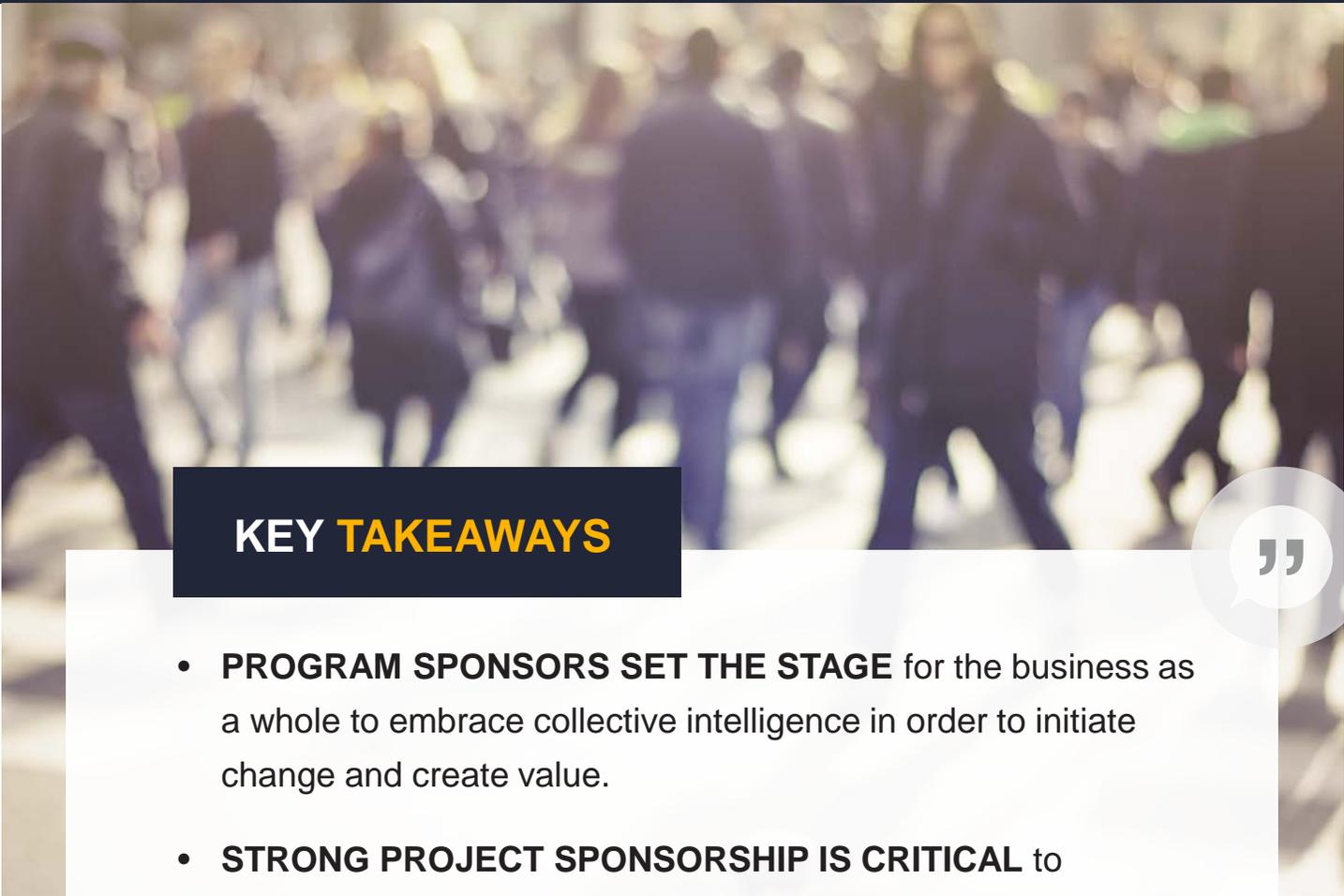
For newer programs, regular reporting allows companies to track their investment in ideas, while more established programs likely continue the practice to fine-tune how ideation impacts various business objectives. For programs of any maturity, regular reporting offers transparency, both for individual contributors (e.g. employees) and program sponsors. Additionally, regular reporting allows executive sponsors to showcase the success of ideation efforts.

Project sponsors can emerge from anywhere within the enterprise. As wide and varied as program sponsors can be, individual project sponsors are even more diverse. Spigit customers identify nearly 20 different departments that sponsor ideation challenges and communities.

WHICH DEPARTMENTS OR GROUPS HAVE SPONSORED A CHALLENGE, COMMUNITY, OR CAMPAIGN USING THE SPIGIT PLATFORM AT YOUR COMPANY?



Groups that sit near the practice of innovation and new technology—Innovation (58%), Technology/IT (48%), and Operations (46%)—are the primary sponsoring groups. But every business unit has a need for fresh ideas and thus a hand in sponsorship—from Sales (22%) and Marketing (25%) to Manufacturing (2%) and Supply Chain (2%). To be a challenge sponsor, knowledge of how to ideate is not required. The business area only needs a goal to solve for and an employee, partner, or customer audience from which to source potential solutions.



KEY TAKEAWAYS

- **PROGRAM SPONSORS SET THE STAGE** for the business as a whole to embrace collective intelligence in order to initiate change and create value.
- **STRONG PROJECT SPONSORSHIP IS CRITICAL** to achieving success across all three phases of ideation:
 - Identifying the business problem and framing the challenge question
 - Engaging moderators, experts, and the crowd
 - Following through on implementation and measuring impact
- **FREQUENT REPORTING** to the most senior levels of the organization keeps ideation top of mind amongst executives, ensuring transparency into the value that the program creates.

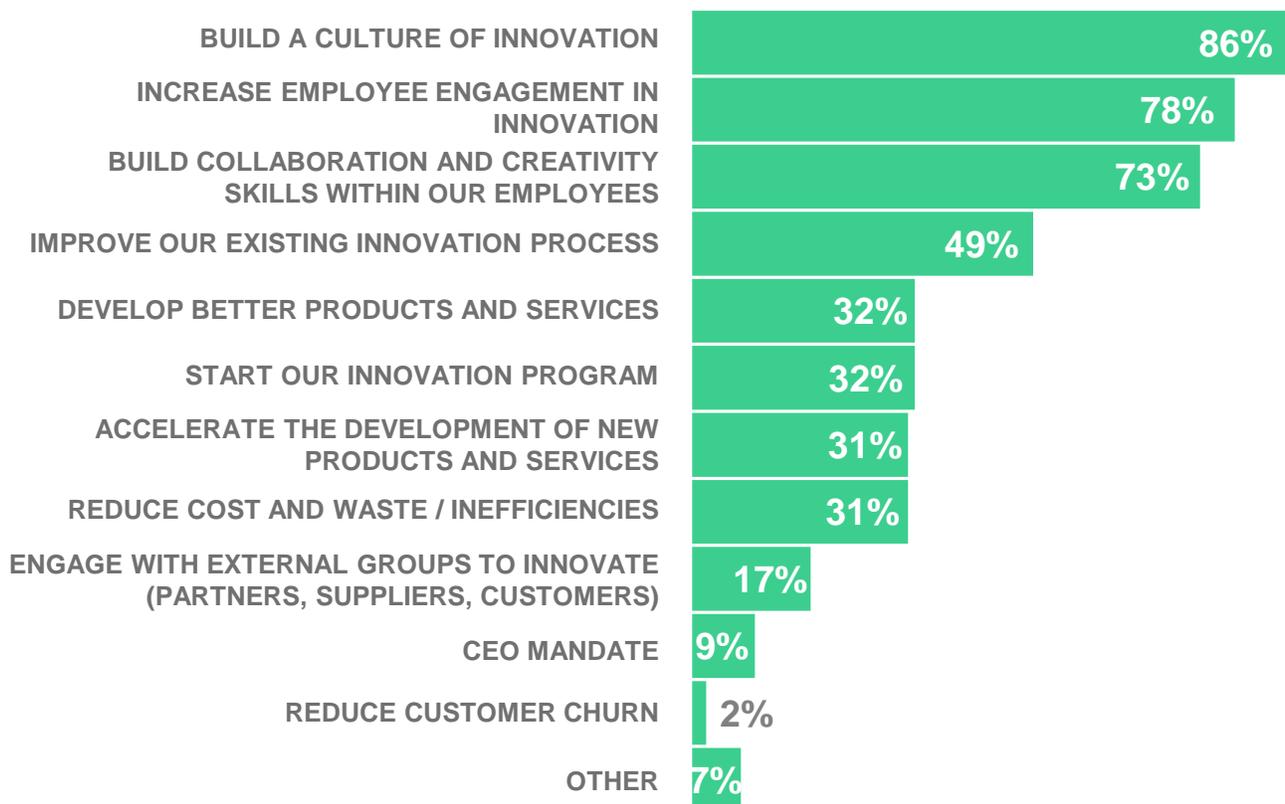
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THEME 3: EMPLOYEE ENGAGEMENT

Aside from the financial reasons to establish the practice of ideation, employee engagement itself often provides compelling motivation. The majority of businesses cite culture, engagement, collaboration, and creativity as core motivators for growing their ideation programs and platforms. When ideation becomes a habit through long-term engagement, a culture of innovation can thrive.

Culture-building and employee engagement often encourage development of ideation programs. The vast majority of organizations (86%) cite “building a culture of innovation” as a key reason for implementing their programs. The next most popular reasons—“increasing employee engagement in innovation” (78%) and “building collaboration and creativity skills within employees” (73%)—show that the majority of companies seek to foster culture, engagement, and collaboration through ideation. For many organizations, ideation platforms offer a path to purposeful collaboration between employees, driving new solutions to the company’s business challenges.

WHAT WERE THE KEY REASONS YOUR COMPANY DECIDED TO IMPLEMENT A CROWDSOURCED INNOVATION PROGRAM?



The top most cited reasons do not diminish the importance of other motivating factors, such as the need to avoid disruption, rethink products and services, and improve the customer experience. Nearly a third of respondents cited the desire to “develop better products and services” (32%) and “reduce cost and waste” (31%) as key motivators for their ideation programs.

WHY DID YOU IMPLEMENT IDEATION SOFTWARE AS PART OF YOUR BROADER INNOVATION PROGRAM?

“Our innovation team mantra is that innovation is a team sport. Culturally, we want the whole firm to participate because the innovation team doesn't have all the answers. Ideation software is a great way to engage all our staff.”

“Our focus is on innovation culture, and thus ideation software was the best way to engage staff from all levels.”

“An ideation platform helps meet the strategic priorities of improving customer experience, increasing revenue, reducing costs, and better managing our risk environment.”

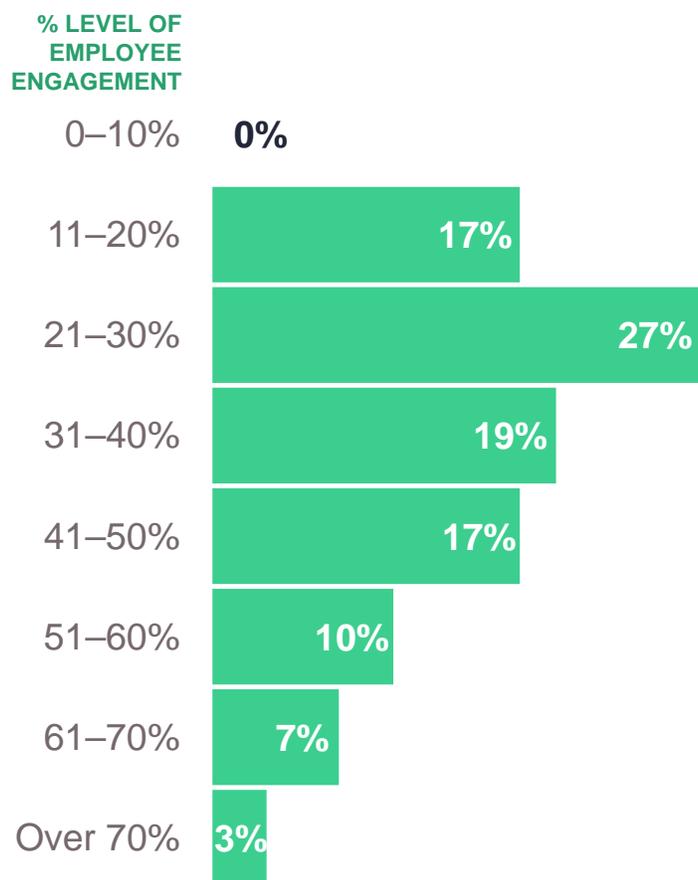
“We implemented crowdsourcing software in order to expand our Innovation Agenda beyond existing pockets of innovation. Tapping into the wellspring of creativity that exists within our tens of thousands of employees around the world, we can develop recommendations for product and process innovations that improve our competitiveness and create value for our customers.”

Ideation differentiates itself from other innovation practices by bringing diverse groups of people and harnessing their collective intelligence to solve key business problems. Our customers clearly recognize that ideation platforms serve a number of purposes, including the need to foster an innovative culture while also addressing specific business challenges head-on.



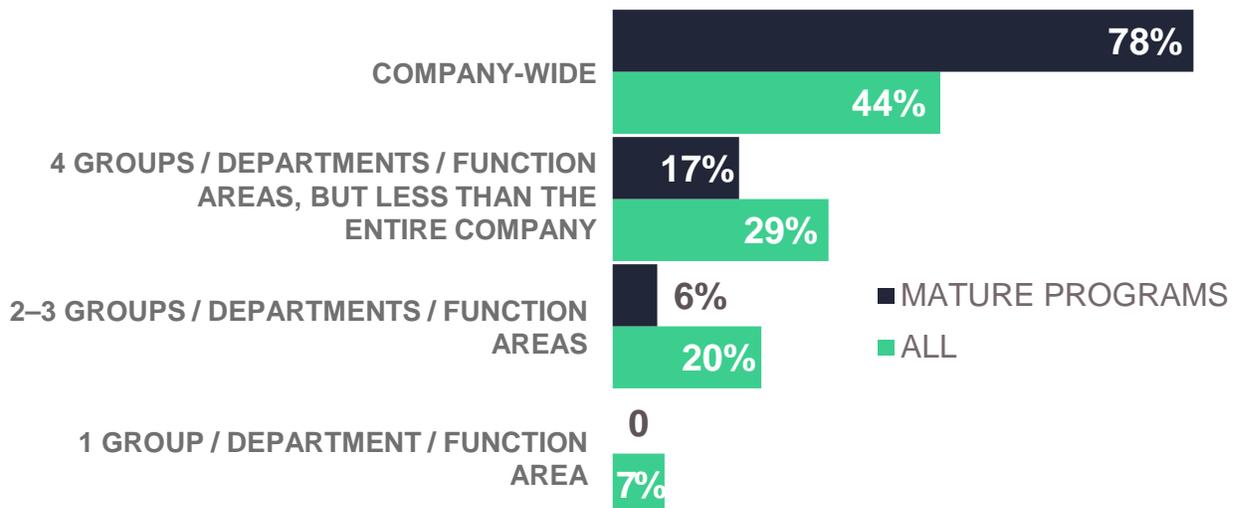
Successful ideation does not require full participation from the crowd to be deemed successful. Diverse crowds generate new and unique perspectives, knowledge, and insights, but that doesn't mean the entire crowd must contribute to every challenge. The largest contingent of companies (27%) consider 21-30% engagement to be successful for any given challenge. In the aggregate, 80% of those surveyed consider a challenge successful if employee engagement is around 50%.

WHEN YOU RUN A CHALLENGE/CAMPAIGN TODAY, WHAT LEVEL OF EMPLOYEE ENGAGEMENT DO YOU CONSIDER SUCCESSFUL?



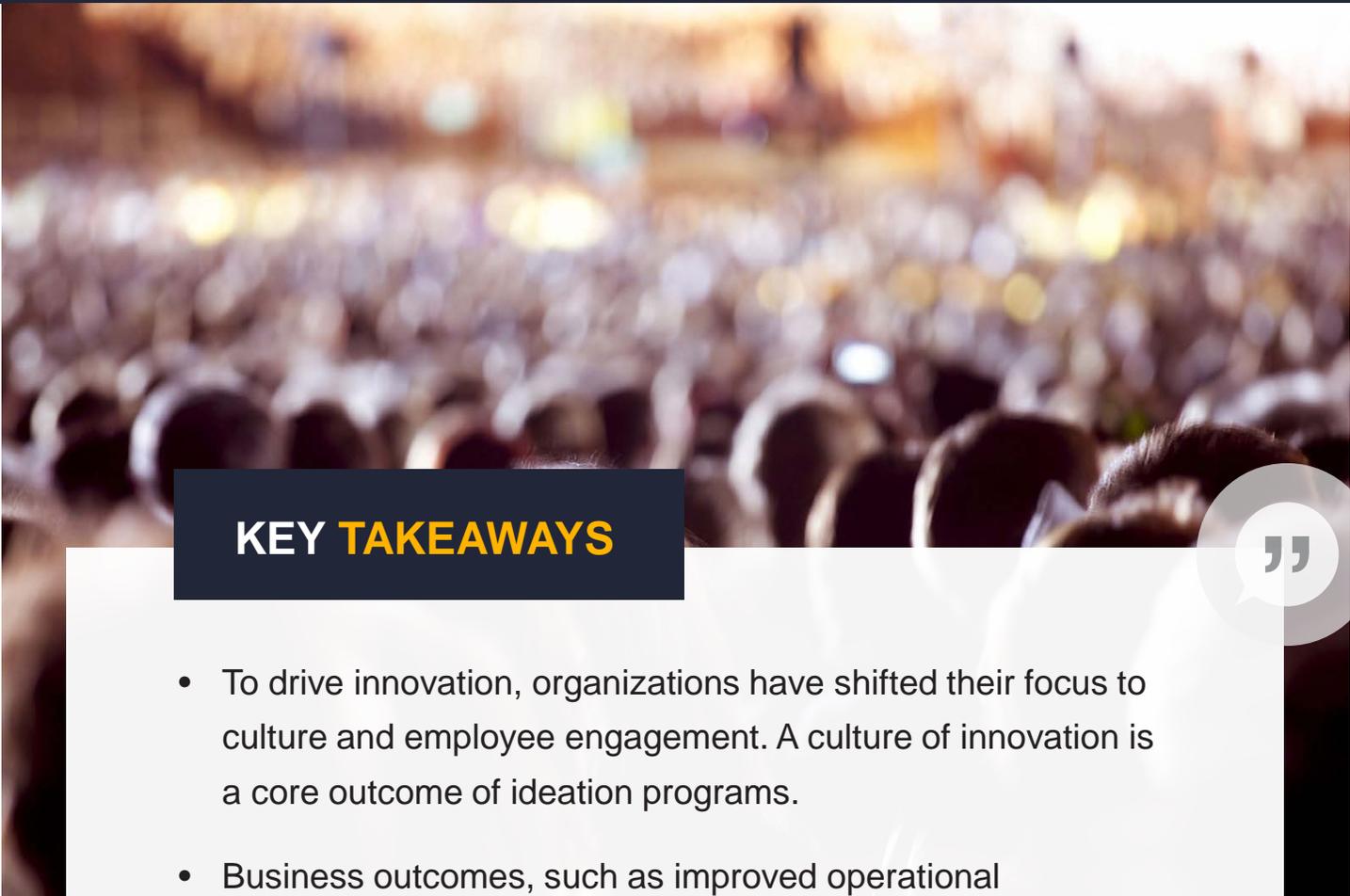
The majority of companies use their ideation platform throughout the business, not just in the innovation group. Only seven percent of companies say they use Spigit within just one business unit or area. In fact, no company with a more seasoned program runs campaigns in just one, isolated unit. On the contrary, the majority (73%) say they use Spigit in at least four groups, departments, or function areas. And nearly half (44%) say they use the software company-wide.

HOW WIDESPREAD IS YOUR USE OF SPIGIT WITHIN THE COMPANY?



As ideation programs grow in tenure, they become even more widely used throughout the organization. The majority (78%) of our customers who have been running ideation initiatives for three or more years deploy platforms enterprise-wide.

Running ideation campaigns across the business produces many benefits. At the most fundamental level, allowing more units to run their own challenges enables them to frequently seek new solutions to their most pressing business problems. Furthermore, widening the reach of campaigns allows organizations to engage diverse crowds and surface new ways of thinking. Given that many launch their ideation programs to build a culture of innovation, organizations also understand that they must include as many employees as possible in order to attain that goal. In this way, rather than becoming a line of business in and of itself, ideation as a frequent habit permeates the business and repeatedly leads to positive business impact.



KEY TAKEAWAYS

- To drive innovation, organizations have shifted their focus to culture and employee engagement. A culture of innovation is a core outcome of ideation programs.
- Business outcomes, such as improved operational efficiency, new products and services, and better customer experiences are also core to successful ideation programs. It is important to the longevity of programs that ideation efforts be tied to business objectives beyond culture-building.
- Mature, successful programs focus more on expanding ideation frequency and habits across a company as opposed to driving up engagement rates for challenges. The majority of companies deploy their ideation platform in at least four different business units.

THEME 4: **IMPLEMENTING** **IDEAS**

Without implementation, an idea is just an idea. Ideation platforms handle the heavy lifting of uncovering great ideas hidden within the crowd, but successful programs continue to evaluate and track implementation of many ideas through the funnel. Here we explore some of the risk factors preventing more ideas from moving forward, and how sponsors identify and execute their crowds' best ideas.

Employees, customers, and partners don't just generate ideas, they also help implement them. More often than not, program teams participate in the commercialization and implementation of ideas generated by the program itself. Our survey found that 24% of customers' teams are always involved, 29% are often involved, and 15% are involved about half the time—in total, over two thirds (68%) are involved at least half the time.

Ideas aligned to business strategy have the best chance for implementation. The majority of our customers (71%) cite "alignment to business strategy" as a criterion used to identify the top ideas in a challenge or community. The next most named criteria—each selected by more than half of survey respondents—indicate various hurdles that must be overcome for an idea to be worth implementing. Over half (56%) of companies say "feasibility" of an idea is an important criterion, while 51% of companies indicate estimated value (e.g. ROI, savings, financial impact) and estimated cost to implement.

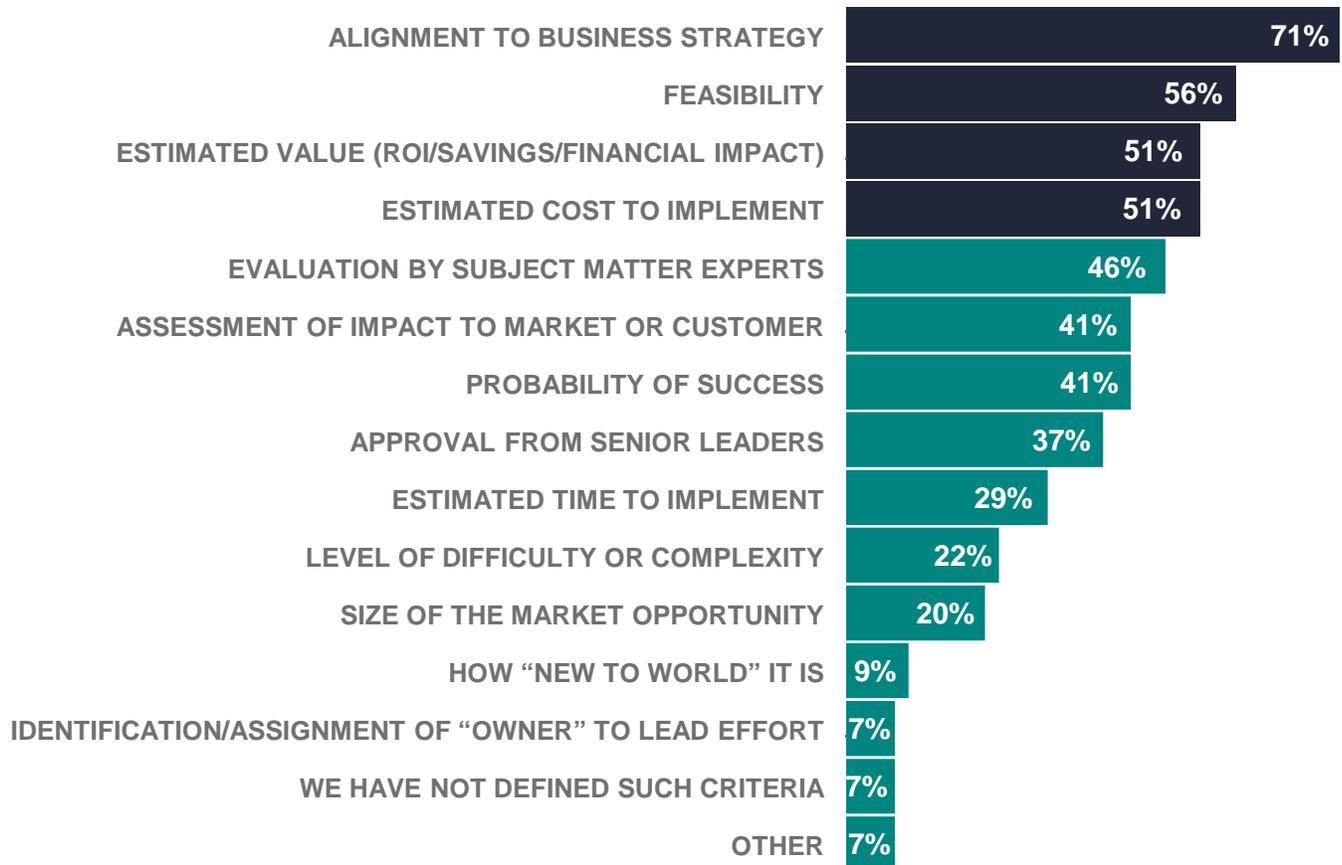
"Ideas have to matter to our clients. That is the absolute top priority but they also have to be key to our business in that there is a potential for ROI."

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"Improving the customer experience is the driving strategic priority when it comes to implementation of ideas. New processes and technologies give us new ways to wow the customer."

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WHAT ARE THE MOST IMPORTANT CRITERIA YOUR COMPANY USES TO IDENTIFY THE TOP CROWDSOURCED IDEAS ON WHICH A CHALLENGE SPONSOR WILL TAKE FURTHER ACTION?

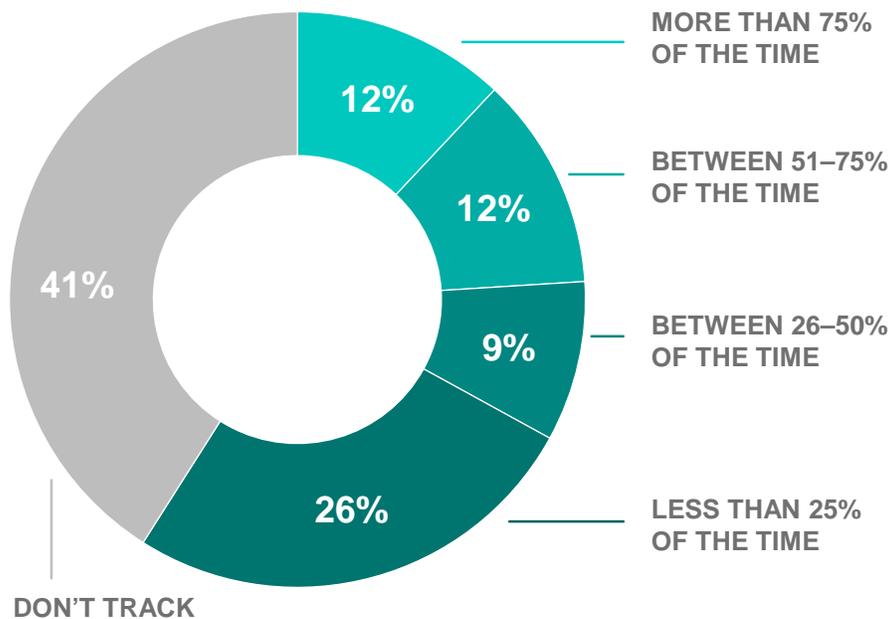


Survey respondents could select up to five top criteria, so the less popular choices also reveal insights into companies' implementation processes. For example, just over one in five (22%) of companies cite "level of difficulty or complexity" as important to identifying top ideas, suggesting that companies are willing to consider significant changes to the business in order to drive innovation.

A diverse crowd drives opportunities to take action on outside-the-box ideas. Our customers put significant weight behind subject matter expert (SME) evaluations. For 46% of our customers, SME evaluation of ideas is a top-five priority. One customer, a multinational insurance company, put it this way: “Evaluation by SMEs is the most important criteria we use to identify the top ideas because they are closest to the 'business' or particular category at issue.”

Nevertheless, our customer data suggests that many companies have proven that creative, original, and impactful ideas can come from anywhere. When asked how often ideas selected for action are submitted by someone outside the group or business unit sponsoring the challenge, 24% of our customers say this happens more than half the time.

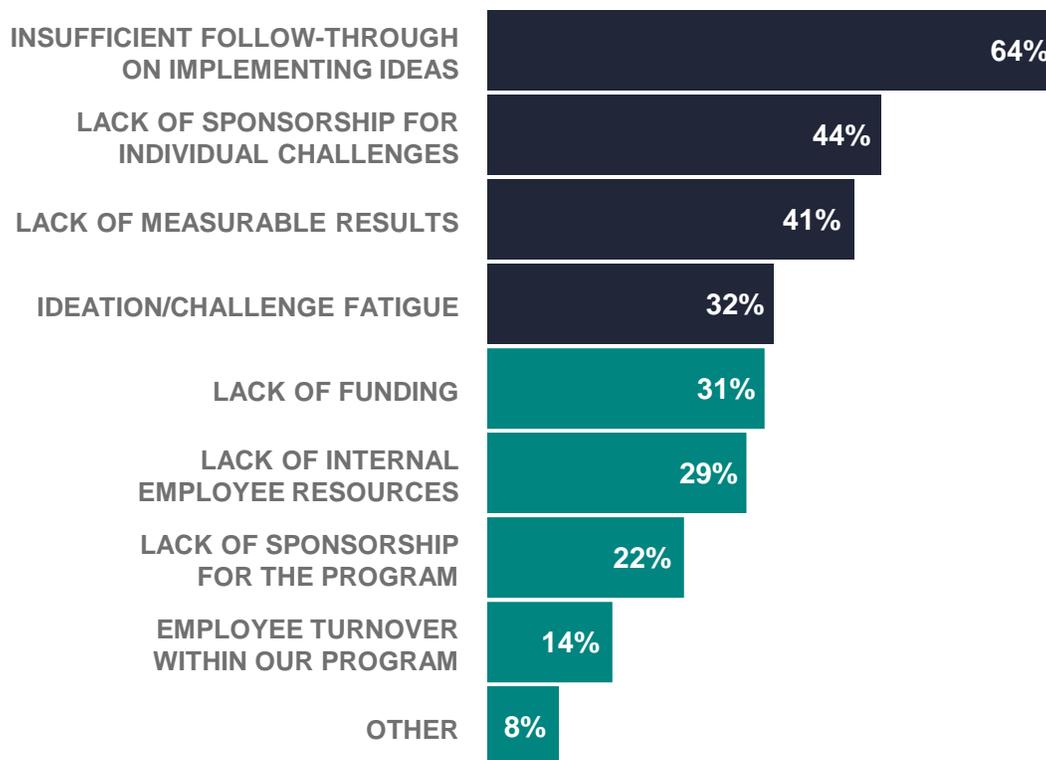
ABOUT HOW OFTEN ARE IDEAS THAT ARE SELECTED FOR ACTION SUBMITTED BY SOMEONE FROM OUTSIDE THE GROUP OR BUSINESS UNIT SPONSORING THE CHALLENGE?



Opening up challenges to individuals outside the core group or business unit sponsoring the challenge—and thereby making the crowd more diverse—can lead to more impactful, outside-the-box ideas. One of the world's largest telecommunications providers, for example, opened up ideation to employees around the world. In less than four years, the program attracted 130,000 participants and generated 25,000 ideas, leading to over \$30 million invested in a wide range of innovation projects and positive ROI for the organization. One of the most valuable product ideas came from a call center employee.

Success for ideation programs doesn't come at the close of the challenge. Every ideation challenge aims to engage a diverse group of individuals to ideate, collaborate, vet, and ultimately select top ideas that will solve a specific business problem for the challenge sponsor. That said, even the most successful ideation project—with high participation rates and a host of great ideas—will be deemed a failure if ideas sourced from the challenge are not implemented. The majority of our customers (64%) cite “insufficient follow-through on implementing ideas” as the number one risk to the success of their ideation programs.

WHAT ARE THE BIGGEST RISKS TO THE SUCCESS OF YOUR IDEATION PROGRAM?



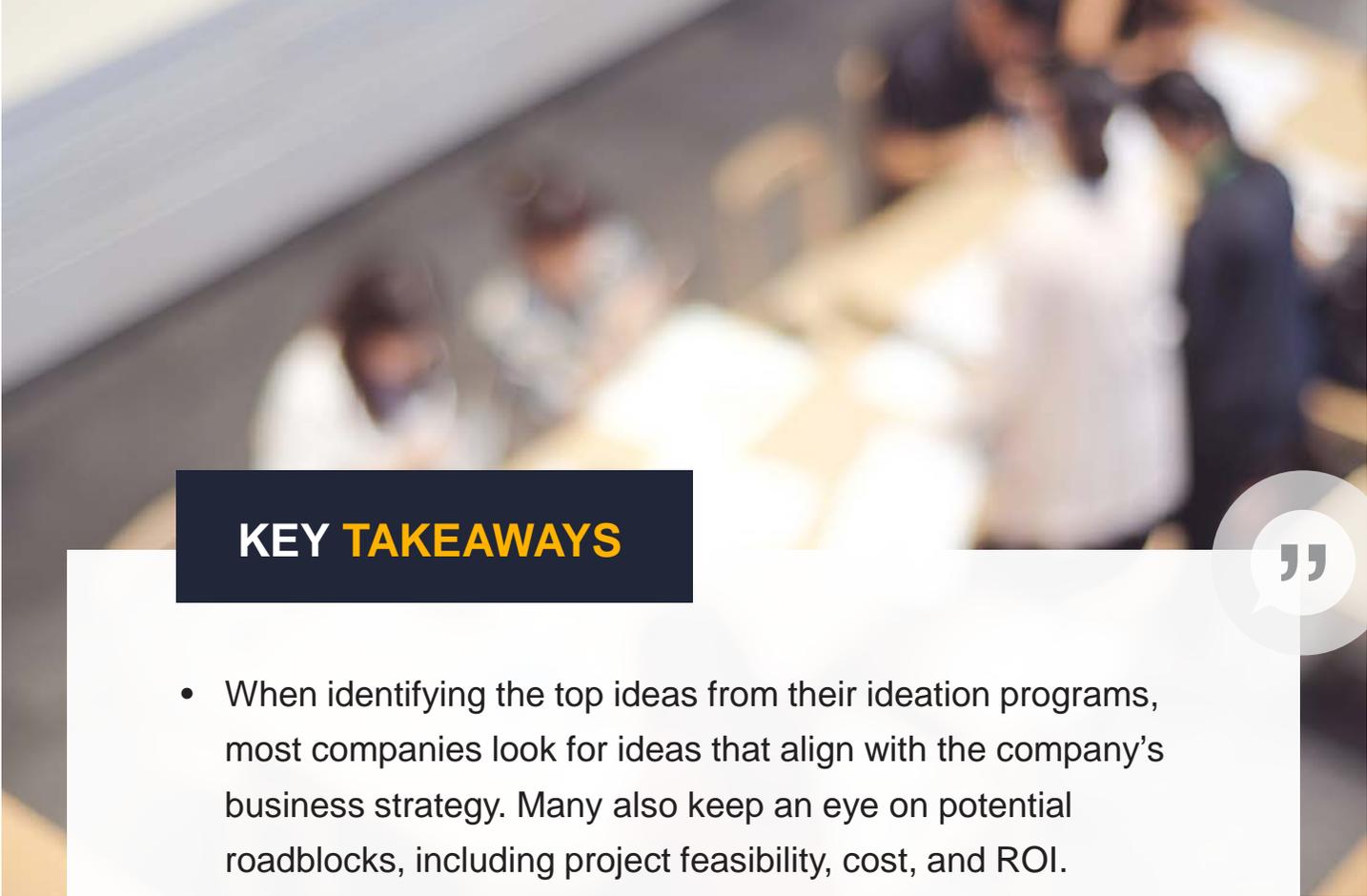
Lack of follow-through not only fails to deliver value on the company's investment in its ideation program, but it also fails to deliver a business solution for the problem the challenge was designed to solve. Likewise, lack of follow-through will thwart the expectations of the participating crowd.

Innovation teams should take more ownership of program success by actively tracking ideas for implementation. Numerous tools on the market—including Spigit itself—can be used to track the progress and impact of ideas that have been selected through an ideation program. In spite of recognizing insufficient follow-through as a risk factor, however, many companies still lack the systems or processes to bridge ideation with implementation. Nearly half (48%) of companies surveyed said they do not use any tool to track progress or impact of ideas coming out of a challenge.

“Implementation of ideas must be in service of our business strategy, to serve our members and create an exceptional customer experience.”

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A project tracking system helps reduce the risk of insufficient follow-through on idea implementation in two ways. First, it establishes an ongoing connection between the ideation team and the implementation team. Additionally, it provides a transparent view into the implementation process (either tracking specific tasks or just the approval process), which can be visible top to bottom and horizontally across the organization. Finally, such a system provides the team with a powerful tool to track and measure the value delivered by their innovation program—a critical need at a time when market uncertainty remains high.



KEY TAKEAWAYS

- When identifying the top ideas from their ideation programs, most companies look for ideas that align with the company's business strategy. Many also keep an eye on potential roadblocks, including project feasibility, cost, and ROI.
- Many innovation teams have learned to keep an open mind when selecting a crowd to engage in their challenges. It's to their benefit, as top ideas frequently come from employees who sit outside the group or team with the business problem.
- Companies already recognize the risk of insufficient follow-through on idea implementation, but many have still not fully addressed this business risk.

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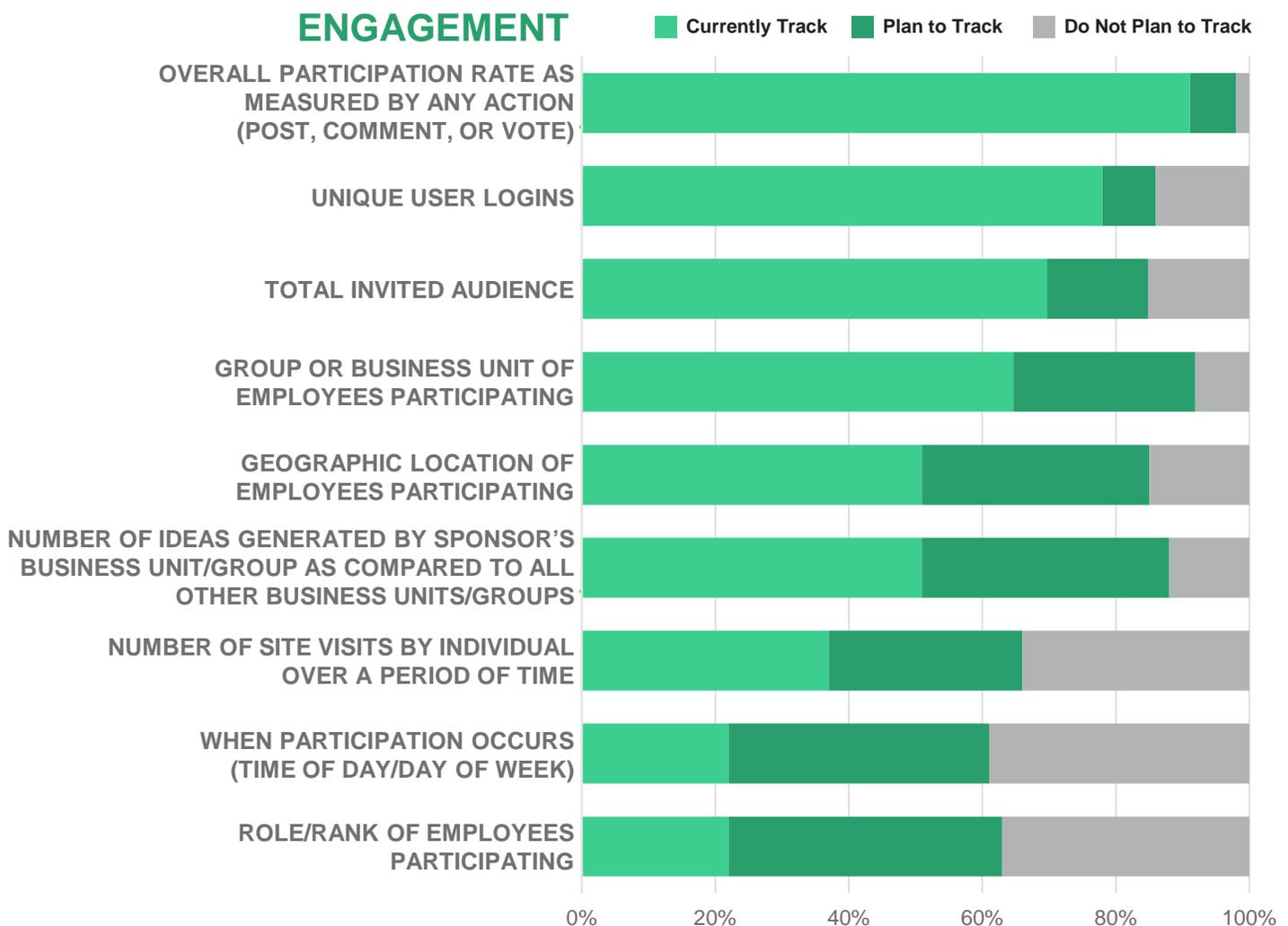
THEME 5: **MEASURING IMPACT**

From engagement to implementation, measuring the impact of an ideation program is as important as it is challenging. Often, companies imagine they will focus on a single metric—direct monetary return on investment (ROI). Yet there exist numerous forms of indirect ROI that an ideation program can deliver.

In this section, we explore how program managers and sponsors measure impact delivered as a result of ideation.

Most companies measure engagement—but only at a high level. Measuring engagement is often done at the challenge level, where most crowd participation takes place. Nearly all (92%) of our customers measure the overall participation rate of the crowd through idea submissions, commenting, or voting. But more sophisticated engagement metrics are less common: nearly two thirds (64%) of those surveyed track the group or business unit of participating employees, over half (51%) track geographic location, and only about one in five (22%) track role or rank of employees.

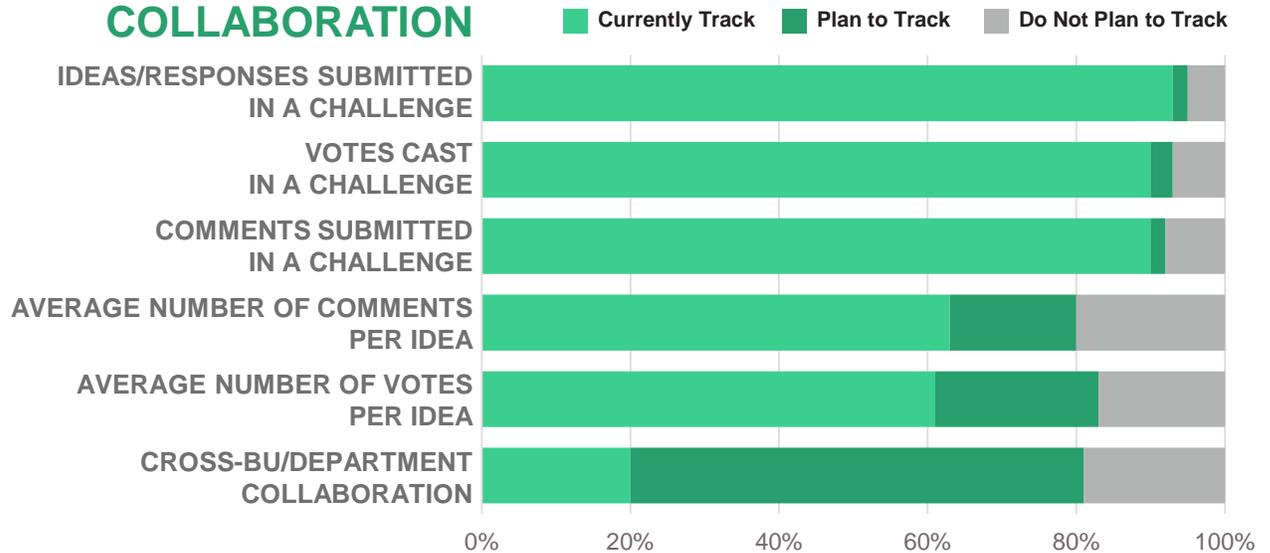
PLEASE REVIEW THE FOLLOWING ENGAGEMENT METRICS, AND INDICATE WHICH YOU CURRENTLY TRACK, WHICH YOU WOULD LIKE TO TRACK IN THE FUTURE, AND WHICH YOU DO NOT PLAN TO TRACK.



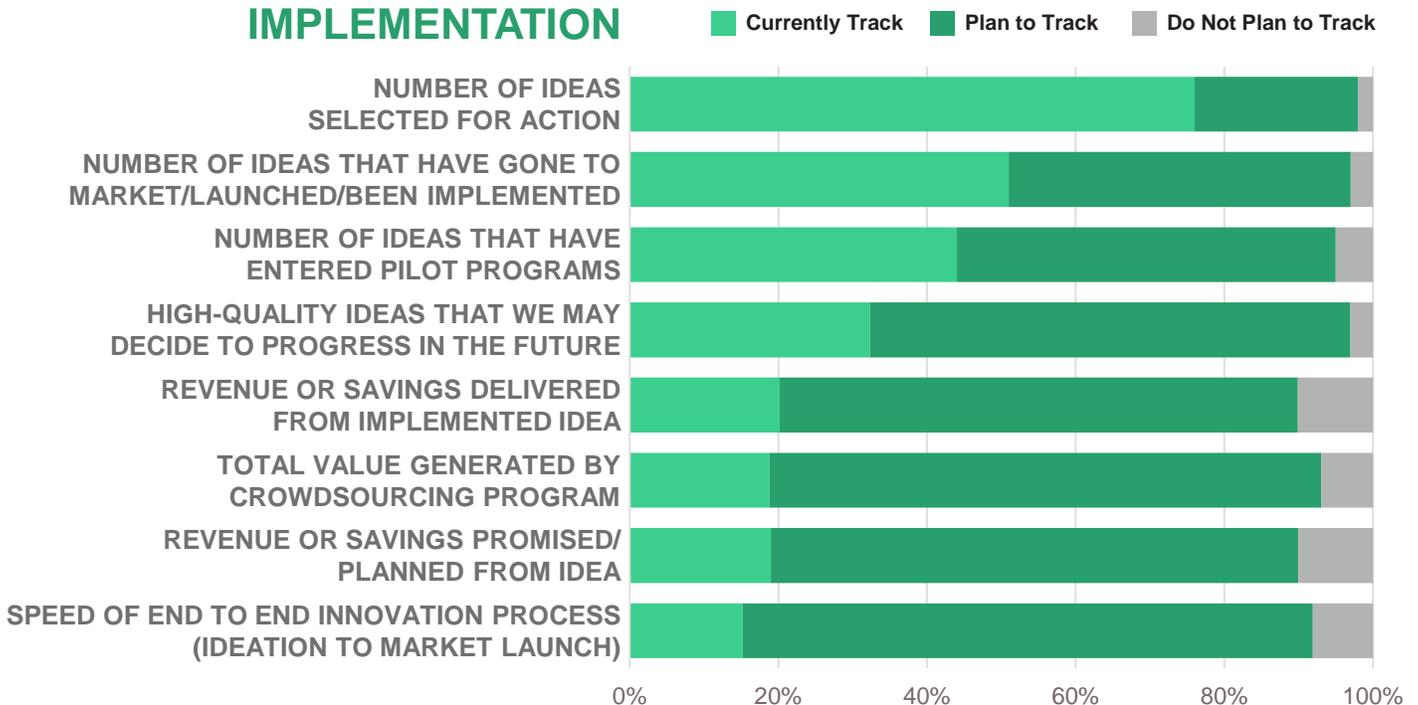
MEASURING ENGAGEMENT (CONTINUED)

PLEASE REVIEW THE FOLLOWING ENGAGEMENT METRICS, AND INDICATE WHICH YOU CURRENTLY TRACK, WHICH YOU WOULD LIKE TO TRACK IN THE FUTURE, AND WHICH YOU DO NOT PLAN TO TRACK.

COLLABORATION



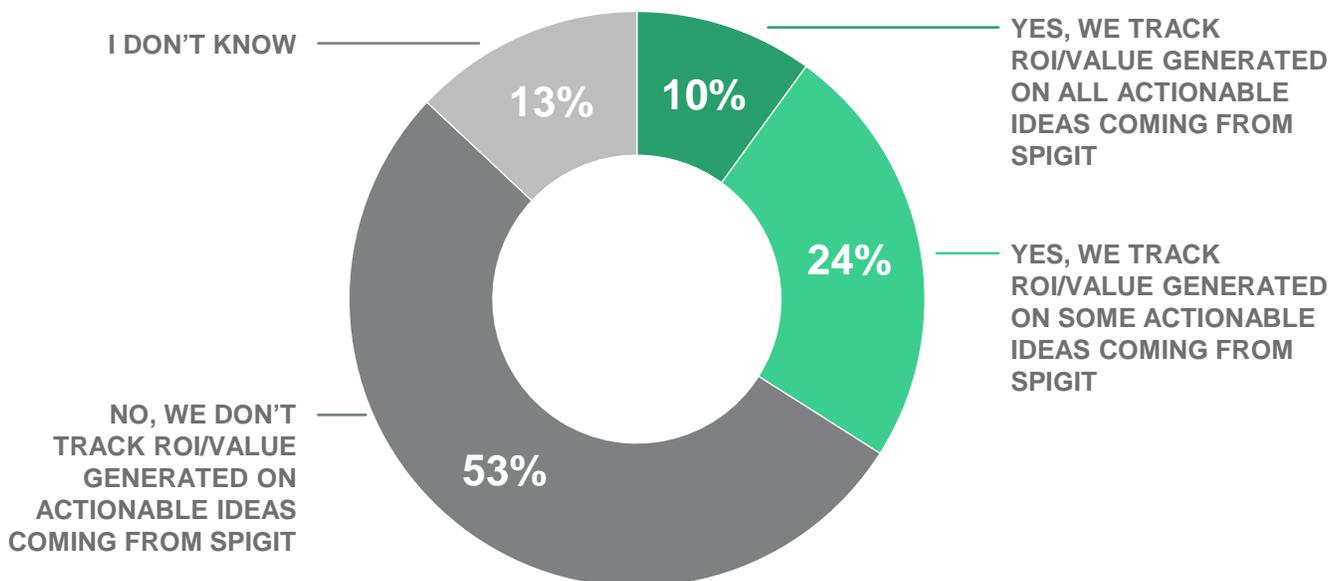
IMPLEMENTATION



So while most companies can speak about program engagement in general terms, only some share specific levels of engagement in terms of business unit, geography, or employee rank. Though most engagement tracking takes place at the challenge or community level, tracking metrics at the program level can be extremely valuable. Tracking invited and active audiences by business unit, location, and rank or role over time helps visualize how the program has extended throughout the organization; this in turn provides the program team with useful benchmarks when expanding the program to additional groups.

Measuring implementation allows ideation programs to track monetary ROI. When it comes to ideation (and innovation programs in general), program sponsors often want to see results in the form of financial impact on the business, or “monetary” ROI. Based on their professed interest, our customers recognize the value of tracking metrics relating to the development of ideas—but few track this today.

DOES YOUR COMPANY CURRENTLY TRACK THE VALUE GENERATED OR MONETARY RETURN ON INVESTMENT (ROI) ON SOME OR ALL OF THE IDEAS GENERATED THROUGH SPIGIT?

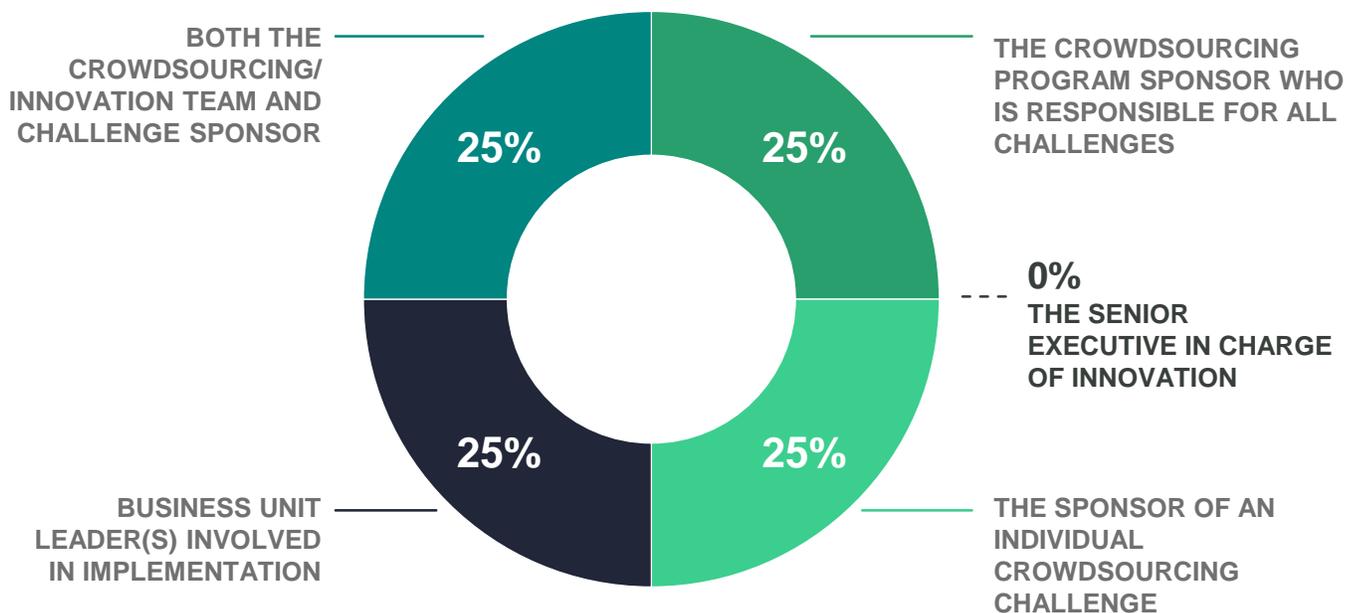


In our survey, one in three customers (34%) report that they track the value generated or monetary ROI of ideas generated through their ideation programs. About half (53%) don't track value or ROI at this time. As a result, many organizations rely on a simple count of ideas: those selected for action, those advanced to pilot or development programs, and, finally, those that have been implemented or gone to market.

But counting ideas isn't enough. Program sponsors, especially those at the executive or senior level, want to see value created through new revenue or cost savings. Ideation teams should implement a plan for tracking monetary ROI linked to their program.

The responsibility for tracking ROI varies from organization to organization—but it's never the senior executive. Respondents in our survey share little common ground regarding to whom they currently assign responsibility for tracking ROI. The survey results split evenly at 25% apiece between the ideation program sponsor, the challenge sponsor, both the program and challenge sponsor, and the business unit leader involved in implementing the idea. Respondents did agree on one point: no company said that the responsibility for tracking ROI lies with the innovation executive, despite the fact that they may be the very person held accountable for generating monetary ROI from the program.

WHO IS CURRENTLY RESPONSIBLE FOR TRACKING ROI/VALUE GENERATED ON SOME OR ALL ACTIONABLE IDEAS COMING FROM SPIGIT?



When asked who should be responsible for tracking monetary ROI, a strong majority (63%) said that the innovation team and challenge sponsor should work together to track the value of ideas coming through the program. This makes sense since they are the two stakeholders who share responsibility for making sure actionable, valuable ideas emerge from the challenge. Shared responsibility leads to shared accountability.

Indirect ROI delivered by ideation proves beneficial in unique ways. Just as measuring direct monetary ROI rarely proves quick or easy, the same holds true for measuring indirect ROI. Indeed, indirect ROI can take a wide variety of forms, including increased employee engagement, a stronger culture of innovation, higher employee satisfaction, and improved collaborative working environments. Each of these results, however indirect and elusive to measure, would have a positive impact on the company and represent positive ROI.

Companies seeking to assess the overall value of their ideation programs should include these ancillary benefits alongside more traditional monetary metrics such as increases in revenue or reductions in cost.

One respondent specifically referenced tracking employee retention and career advancement for those who make it to the finalist stage; this ties back to cost savings through reduced employee turnover.

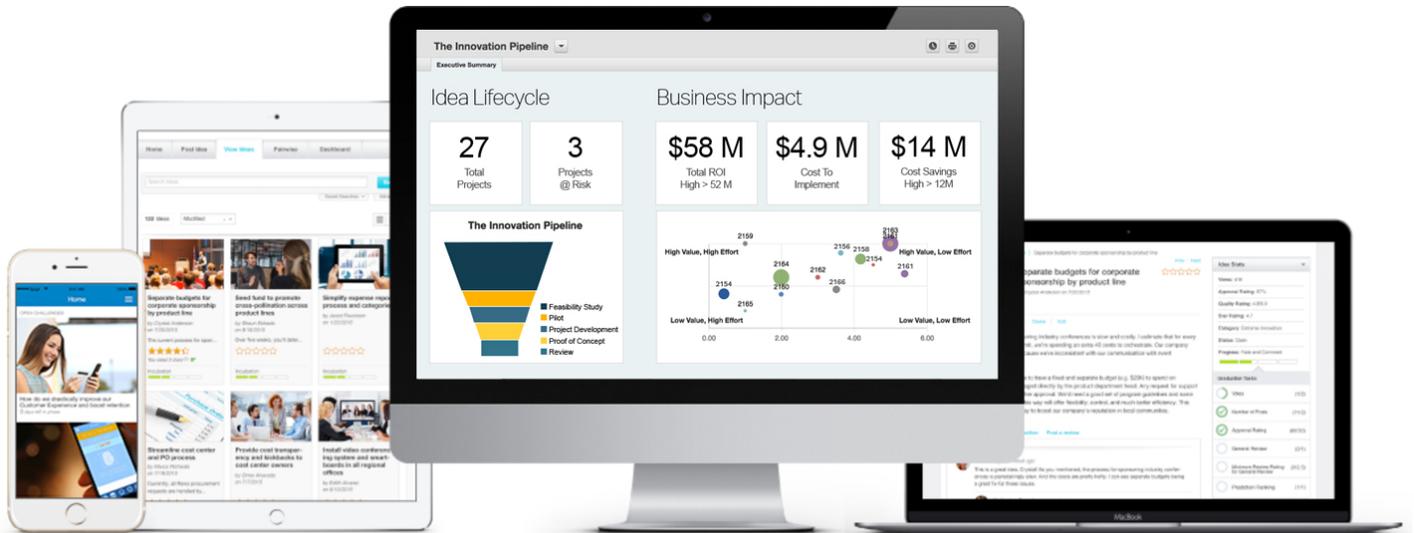


KEY TAKEAWAYS

- Engagement and collaboration metrics are the low-hanging fruit of measurement, but will prove insufficient to forecast specific business impact in the long run.
- Gathering and analyzing the data generated by challenges will showcase how increasing numbers of employees engage across role, geography, and business units, building culture as an ancillary benefit.
- Though most innovation teams want to (or will be asked to) demonstrate value through traditional monetary ROI, many don't measure this yet. A collaborative effort between the team and challenge sponsors is essential to successfully defining and tracking value.

Your next eureka moment is waiting.

Discover actionable ideas from everyone in your organization with Spigit ideation management software.



ABOUT SPIGIT

Spigit is the largest provider of ideation management software to some of the world’s foremost companies, including AT&T, Citibank, Duke Energy, MetLife, Pfizer, Unilever, UnitedHealth Group and more. Spigit has powered ideation for large enterprises across major industries of financial services, manufacturing, healthcare, and energy.

Spigit enables enterprises to harness the collective intelligence of their employees, customers and partners to solve today’s problems, maximize tomorrow’s opportunities and accelerate innovation. Spigit’s ideation management platform scales across the enterprise to surface the best ideas. Spigit global HQ is in San Francisco, European HQ in London, and our Asia-Pacific HQ is in Sydney. Learn more at www.spigit.com.



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