

The 2019 State of Crowdsourced Innovation: Findings from the Fourth Annual Planview Spigit Benchmark Study





Introduction

Innovation. Perhaps the most often heard and spoken word in corporate meeting rooms.

Wired Magazine called innovation “The Most Important and Overused Word in America¹” and The Wall Street Journal declared innovation to be “a strong contender for the crown of business buzzword of the decade.²”

Yet innovation is also this decade’s imperative. So, how do you go beyond the buzz and breathe innovation into every corner of your company? How do you take innovation and broaden its meaning from something you talk about to something you do, every day?

It takes visible commitment from the C-suite. It takes a clear innovation strategy and process married to solid performance metrics. It takes employees who are open and passionate about what they do and willing to share their best ideas. And it takes a crowdsourcing technology partner that is committed to a rewarding user experience – one that encourages employee engagement, ideation, collaboration, and has the ability to automate your innovation program from idea to impact.

As one survey respondent put it: “A culture of innovation builds employee engagement and morale. Increased employee engagement and morale increases the value of innovation work. The ability to crowdsource has increased both.”

Having an engaged workforce is priceless in terms of employee retention and satisfaction. But the benefits of crowdsourced innovation can also boost your company’s business capabilities, processes, and bottom-line.

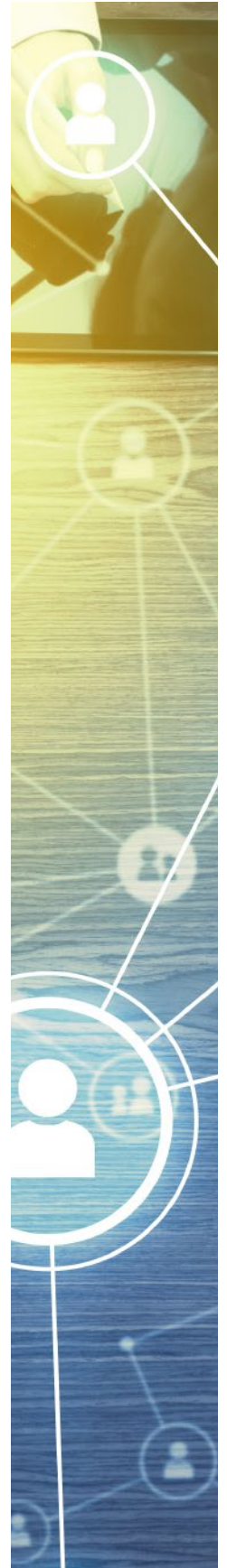
¹ <https://www.wired.com/insights/2013/11/innovation-the-most-important-and-overused-word-in-america/>

² <https://blogs.wsj.com/experts/2013/09/16/innovation-is-a-nice-but-too-often-misunderstood-buzzword/>

For the fourth year, Planview Spigit has conducted a global State of Crowdsourced Innovation survey to gather customer insights around ideation and crowdsourced innovation programs. Through this research, we examine innovation program performance, identify market trends and share best practices that drive innovation maturity and business impact. Throughout the report, you will see quotes from survey respondents so you can hear directly from innovators who are leveraging crowdsourcing technology to create an innovation culture, engage employees and deliver new solutions to real world problems.

There are a few significant data points in this year's study worth noting:

- While the top reasons to start a crowdsourced innovation program remain consistent with last year's report – creating a culture of innovation (90%) and increasing employee engagement (78%) – companies have shifted their priorities regarding the types of business objectives they are pursuing in 2019 with a 25% increase in the area of reducing costs and waste/inefficiencies and a 20% increase in improving existing innovation processes.
- Innovation remains the most often-cited department to sponsor a challenge or campaign (60%), but other departments are becoming more and more frequent sponsors:
 - Operations: 56%
 - R&D: 34%
 - IT: 32%
- We also found that 34% of winning ideas – those selected for implementation – come from outside of sponsoring business unit, slightly up from 31% last year. Even more important is that they are still achieving this type of scale across their company with 78% reporting that they utilize fewer than two FTEs to support their enterprise programs.
- Customers shared some measurable benefits – both hard and soft – from their crowdsourced innovation program:
 - Cost savings of \$300,000 in the first year
 - Launched an entirely new line of business
 - Improved cash flow
 - Increased eNPS scores
 - Improved diversity, equity, and inclusion in idea development



Unpacking this Year's Key Themes

How can you take your innovation program to the next level and avoid the pitfalls that could hinder it? Based on the results of our annual survey of customers using crowdsourced innovation, this report highlights three key themes:

1

An Evolving "Why": Creating an innovative culture and driving employee engagement are the top two reasons customers are implementing a crowdsourced innovation program. This isn't surprising, as these are foundational to successful innovation. But there's so much more that crowdsourcing can do for you. The survey shows a 52 percent increase over last year in the number of customers who cite innovation process improvements as a key reason why they are implementing crowdsourced innovation. Other customers said their key reasons are to reduce costs and waste and engage with external customers. In addition, tenure has an impact on this evolving "why." We define tenured customers as those with more than three years automating their crowdsourced Innovation program with Spigit. Not only do customers with more established programs run three times as many challenges as those newer to crowdsourcing. – their reasons for doing so are increasingly business-impact-driven.

2

Need to Focus on Value: As companies mature in their crowdsourcing programs, they realize that happy employees working in an innovative environment aren't enough to sustain a crowdsourcing program. To demonstrate innovation value, you need to establish ownership, tracking, and clear metrics for success. Because what doesn't get measured doesn't get managed – and ultimately doesn't get funded. Overall, 64 percent of respondents said they plan to track revenue or savings from ideas selected for implementation. And more than half of customers indicated they plan to track the total value generated by their program.

3

Sponsor Challenges: The survey data shows that the biggest risk to program success is lack of employee resources to work on actionable ideas. However, a lack challenge sponsorship may be the real culprit: 46 percent of customers say their program's biggest threat is a lack of sponsorship for individual challenges; 32 percent cite lack of program sponsorship. If your program champion doesn't see relevant and tangible impact from the challenges you run, you're less likely to get the funding and resources you need to build a successful program. It is critical to consider inviting new challenge sponsors, from multiple functions, to launch challenges. Not only do they benefit by solving issues in their own functions, but they can become additional evangelists for your crowdsourcing program. That is how an innovation culture is built.



Ideation Programs: The Foundation for Enterprise Innovation

A fiercely competitive and disruptive global business environment has shifted power from the brand to the hands and hearts of customers. Whether new or loyal, these customers are demanding better, groundbreaking products, services, and experiences, and companies that can't keep up will be relegated to the rearview mirror.

Industry surveys of CEOs reveal that:

- 84 percent say innovation is a top priority.³ Buzzwords aside, few can deny that most companies recognize the need to innovate to stay competitive.
- 75 percent are concerned they don't have enough ideas. Ideas are the kindling that fuel the innovation fire, and without enough of them, innovation will falter.
- 66 percent don't have a well-defined innovation strategy. Despite the clear recognition that innovation is important, and that ideas are a necessary first step, two out of three CEOs are not equipped to deliver innovation to the organization. That's a critical risk factor not just for leaders but for entire companies.



³ <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/innovation-and-commercialization-2010-mckinsey-global-survey-results>

The Call to Drive Change

In this year's survey, the top reasons to start a crowdsourced innovation program begin with the workforce – 90 percent of respondents cite building a culture of innovation, 78 percent cite increasing employee engagement, and 56 percent cite building collaboration and creativity among employees.

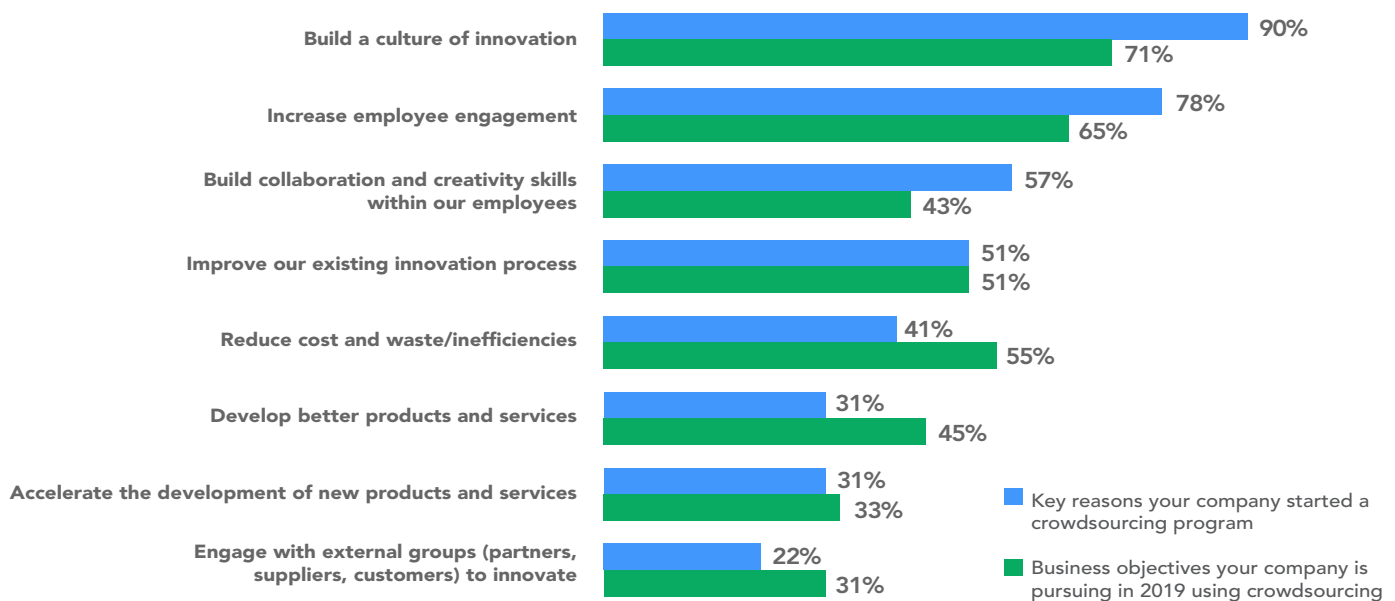
These results are consistent with those of previous years' surveys – further evidence that an innovative culture and engaged employees are foundational to helping you accomplish your strategic outcomes.

However, this year's survey shows a shift in priorities in regards to the types of business objectives companies are pursuing in 2019 using crowdsourcing. There is a marked increase in the areas of reducing cost and waste/inefficiencies (up 25 percent over 2018) and improving existing innovation processes (up more than 20 percent over 2018).

Top 5 Reasons Customers Implemented Crowdsourced Innovation Software

1. Build a culture of innovation
2. Increase employee engagement
3. Build collaboration and creativity skills within our employees
4. Improve our existing innovation process
5. Reduce cost and waste/efficiencies

Aside from monetary value/ROI, what other outcomes from your crowdsourcing program are valued by your organization? (Select all that apply)



Creating a World-class Culture

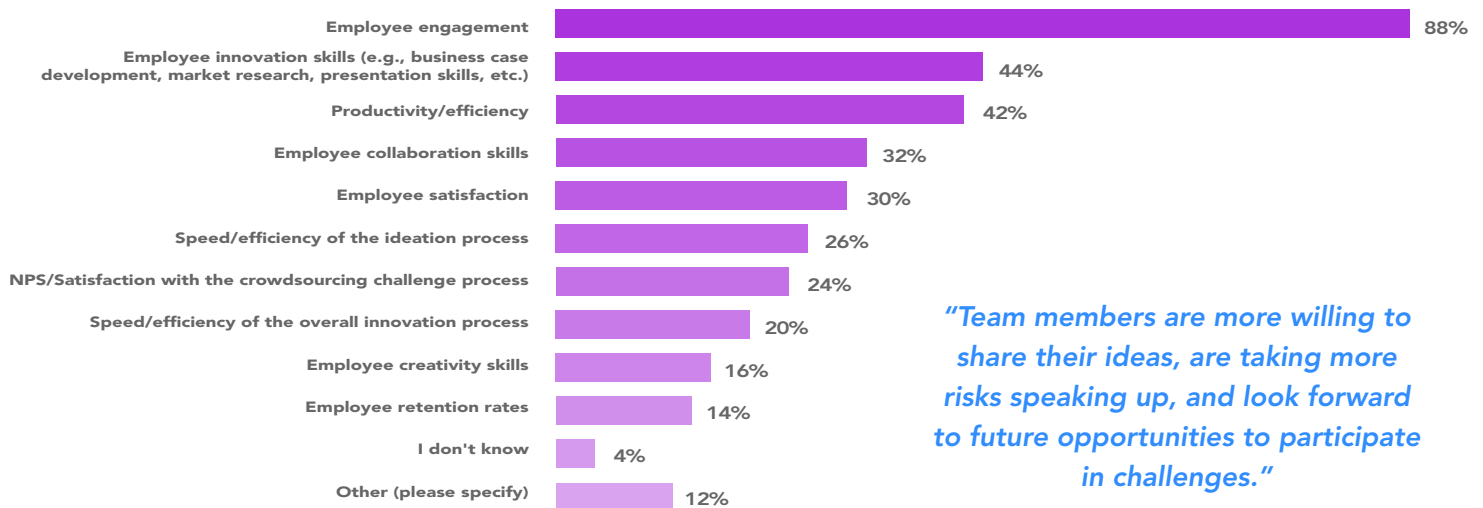
In 2019, employee engagement again emerged as one of the most valuable outcomes of crowdsourcing. With 88 percent of customers citing it as a top outcome, employee engagement received double the number of votes as the second ranked outcome of employee innovation skills – 44 percent. Productivity/efficiency was rated similarly at 42 percent, while employee collaboration skills ranked fourth at 32 percent.

A recent report showed that 66 percent of employees globally are not engaged or are actively disengaged from their jobs, meaning they have no emotional attachment to the work they do or the company for whom they do it. Another study reported in Forbes found this disengagement is costing companies \$3,400 for every \$10,000 that an employee makes. Coupled with our learnings, it is clear that employee engagement is at the top of mind for most organizations.

Top 5 Reported Improvements from an Innovation Culture

1. Increased employee engagement
2. Broader innovation participation and business unit cross-collaboration
3. Higher quantity and quality of ideas submitted
4. Heightened interest in the ability to drive change and results
5. Greater awareness and transparency to the overall innovation process

Aside from monetary value/ROI, what other outcomes from your crowdsourcing program are valued by your organization? (Select all that apply)



"Team members are more willing to share their ideas, are taking more risks speaking up, and look forward to future opportunities to participate in challenges."

Crowdsourced ideation creates an opportunity to reverse that outcome as employees are the foundation of a program. What better way to engage your employees than by inviting them to share their ideas for solving meaningful business problems? This encourages participation and collaboration among large groups of employees ultimately builds an innovation culture. In fact, approximately 85 percent of respondents said their program has improved the company's overall culture of innovation. When asked about the specific ways they've seen that culture improvement, answers varied from "Broader inclusion in innovation" to "Higher level of engagement and interest knowing they get to take part. Less resistance. More understanding of what we do." Bottom line: culture matters.

One respondent said the company's culture has improved through "connectivity and cross-pollination between businesses, and empowering and engaging employees at all levels to contribute to defining the company's future business opportunities."

Finding Value Beyond ROI

Aside from return on investment, employee engagement in 2019 again emerged as the most valuable outcome of crowdsourcing. With 88 percent of customers citing it as the top outcome of their crowdsourcing program, employee engagement received double the number of votes as the second ranked outcome of employee innovation skills – 44 percent. Productivity/efficiency was rated similarly at 42 percent, while and employee collaboration skills ranked fourth at 32 percent.

“We feel our employee engagement as well as retention have increased (in an area with traditionally high attrition) because of our use of the software along with processes in place for rewards and recognition, and processes for ensuring ideas move forward.”

Crowdsourced innovation that encourages participation and collaboration among large groups of employees ultimately builds an innovation culture. In fact, approximately 85 percent of respondents said their program has improved the company's overall culture of innovation. When asked about the specific ways they've seen that culture improvement, answers varied from “Broader inclusion in innovation” to “Higher level of engagement and interest knowing they get to take part. Less resistance. More understanding of what we do.” Bottom line: culture matters.

Some respondents said their company doesn't yet have key performance indicators for the softer metrics of employee engagement, culture, and collaboration, such as an established Employee Net Promoter Score (eNPS) or internal employee surveys showing how “innovative” employees thought the company was. Other respondents noted that it's difficult to quantify certain benefits, such as client experience, behaviors or process changes. Others said they struggle with getting responses and feedback from challenge teams. Some listed the need for a better tracking system.



Program Governance: The Power of Approach, Sponsorship, and Tracking

The way you administer, structure, and design your crowdsourcing program is key to moving innovation beyond ideation to implementation, and ultimately, impact. In fact, three of the five best practices for a successful crowdsourced innovation program are in the program governance area: an evolving program structure, diverse challenge sponsorship, and staffing your innovation team.

Best Practices for Overall Program Success

1. Start with centralized approach
2. Secure a variety of challenge sponsors
3. Staff your program
4. Embrace diversity of thought
5. Track metrics and measure impact

Structure Shifts with Tenure

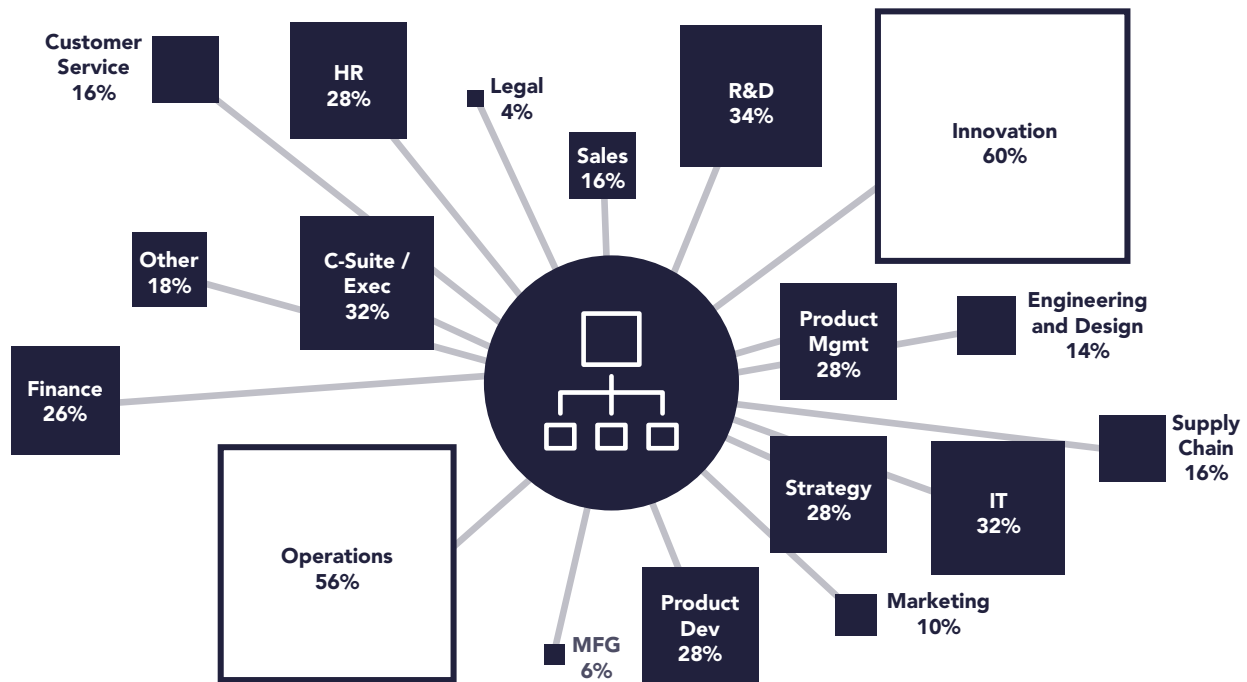
In terms of program structure, a completely ad hoc approach to crowdsourced innovation can lead to chaos, a state in which processes aren't consistent, results are measured differently, and lessons learned are difficult to quantify and apply across teams. As a result, more than half of customers – both tenured (3+ years of experience) and non-tenured – begin with a centralized team that uses a consistent, standardized approach, with a process and governance structure to support it. But as your program scales, the best practice is to migrate to a federated model. This is where a central team maintains ownership of the program, processes, software, training, and metrics, but different groups or business units administer challenges, while following the defined process. Doing so allows the program to scale quicker, engage more sponsors within discrete parts of the business, gather more ideas from employees, and ultimately deliver more impact to the organization.

This year, customers reported that they are using crowdsourcing software primarily for time-bound employee challenges (82 percent of respondents) and time-bound company-wide challenges (60 percent of respondents). In addition, more than half indicate that they have an always-on ideation community, which allows employees to submit ideas at any time.

"We launched crowdsourcing to the supply chain as a new initiative, received over 70 ideason process efficiency, and engaged with 15 percent of the audience."

Expanding Your Stable of Sponsors

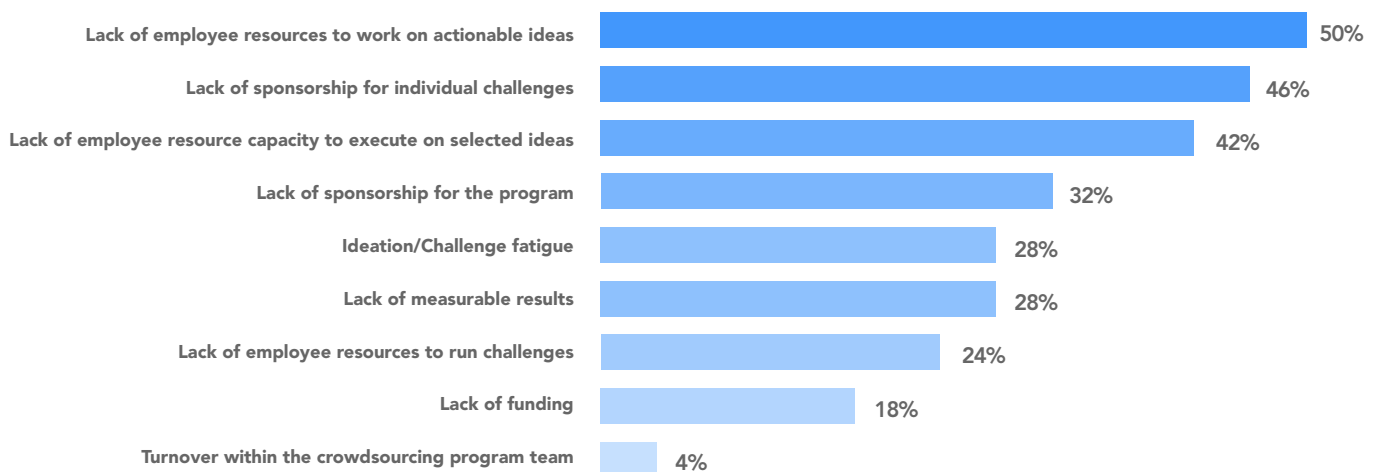
Successful crowdsourcing programs keep a strong pipeline of future challenges and campaigns. Employees and external groups stay engaged and innovation stays top of mind. According to survey respondents, these challenges are often being sponsored not just by the innovation department, but by departments all across the enterprise.



While innovation is the most often-cited department to sponsor a challenge or campaign at 60 percent, other departments are becoming engaged as sponsors. Tenured customers hold Technology/IT-sponsored challenges twice as frequently as non-tenured customers. Product-oriented challenge sponsors, encompassing design, engineering, R&D, and product management, are also more popular among our more tenured respondents. HR-sponsored challenges increasingly prevalent—very likely the result of crowdsourcing’s measurable impact on employee engagement and culture.

Having a variety of challenge sponsors strengthens your program by expanding innovation practices throughout the company – beyond being just the responsibility of a single department or innovation team. In fact, respondents reported that the second biggest risk to the success of their crowdsourced innovation program as being lack of sponsorship for individual challenges at 46% - nearly half. Nearly a third reported a similar threat as the lack of program sponsorship. Continued sponsorship is key and requires reviewing recently completed challenges, socializing campaign results to key stakeholders, keeping a pipeline of future challenges, and tracking value of implemented ideas.

**What are the biggest risks to the success of your crowdsourced innovation program?
(Select up to 3 responses)**



Every team has difficult challenges to solve, such as improving the customer experience, cutting costs, accelerating new product development, etc. Crowdsourcing can help, especially when you create a strong stable of sponsors who hail from functions throughout your company. In turn, these sponsors benefit by generating ideas to solve issues in their own functions. Just as important, they can evangelize for your crowdsourcing program, building the foundation for an innovation culture.



Accelerating Your Program: Strength in Scale and Diversity

The research shows that more and more companies are establishing a formal innovation program, but having a program is not enough to make a sustainable difference to impact culture across the enterprise and drive measurable innovation results. That's where the strength of crowdsourced innovation software.

Enabling Success with Software

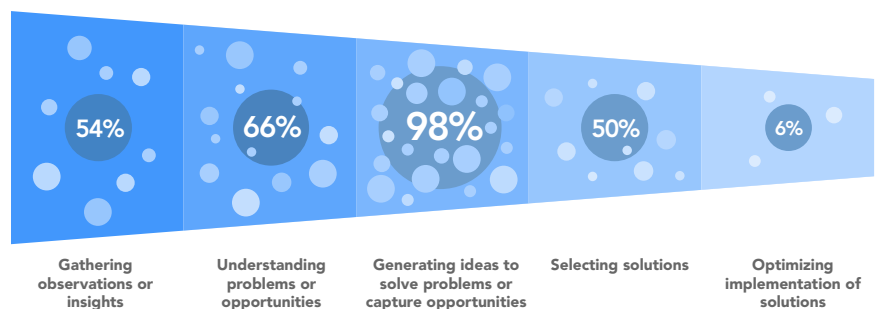
While those surveyed are first establishing a formal innovation program, they quickly realize that having a program may not be enough to make a sustainable difference. That's where the strength of crowdsourced innovation management software comes in, helping ideas to take flight and innovation to scale across the enterprise. This year's data shows that while the average length of innovation programs is three years, customers on average have used innovation software for less than two years.



What can crowdsourcing software do?

Nearly 100 percent of customers cite idea generation and problem-solving as a phase of the innovation lifecycle where crowdsourcing is used, with understanding problems and gathering observations or insights as second and third at 66 percent and 54 percent respectively.

However, crowdsourcing software has the power to do so much more throughout the innovation lifecycle, helping companies grow and scale their ability to generate, vet, and de-risk ideas on which to take further action.



"A customer came to us with a problem in one of their systems that we helped to install. Instead of a closed-door meeting to determine the solution, we used Spigit to crowdsource the solution. Not only did we find a great solution, but we also determined alternative designs that we can implement in the future to avoid a similar problem."

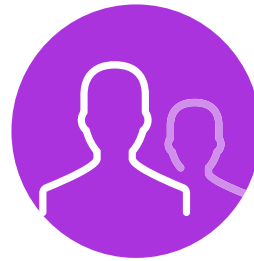
One customer noted in the survey: "Employees have so many ideas that are in their head and on their desk, but they have nowhere to put it. That is the power of Spigit." Another customer reported, "Our Service Division has seen improved engagement, problem-solving abilities, desire to hold innovation events, and has exercised their innovation muscles in new ways. Based on our experience we are working to spread our crowdsourcing tools across the organization."

The innovation imperative has driven more and more customers to begin the journey of crowdsourced innovation and powering it with software. As a result, they're reporting measurable improvements both in culture and engagement, and in bottom-line areas such as reducing cost and growing revenue.

Innovate...but Automate

This year's survey shows that the majority of respondents are running challenges enterprise-wide. But the prospect of managing hundreds or thousands of ideas with spreadsheets and manual processes would overwhelm any innovation team.

Enter crowdsourcing software, which is purpose-built to collect, track, and graduate ideas through the process. Such tools allow for a much more efficient execution of the activities required to manage an innovation program at scale. In fact, 78 percent of survey respondents said they have two or fewer full-time equivalents (FTEs) actively and regularly developing their company's crowdsourced innovation program.



78%
of respondents
use 2 or fewer FTEs
to run challenges
for the enterprise

While crowdsourcing software helps minimize program overhead, you do need dedicated resources to staff your program. And with software able to do the heavy lifting of data collection and crunching, your resources are freed up to focus on the bigger and more strategic facets of your program.



The More the Mightier – Scale and Engage

Scale and diversity are required to achieve cultural change and generate the best ideas. This year's respondents clearly understand the benefits that crowdsourcing innovation software can bring, with 66 percent reporting usage company-wide or in four or more departments/functional areas. Expanding challenges outside of a single department breaks down departmental and geographical boundaries, eliminates idea bias, and invites new perspectives and creative solutions to the company's biggest challenges.

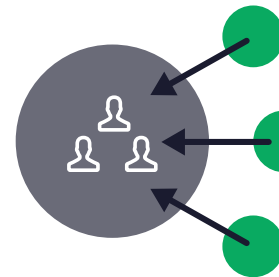
With that size of scale, companies have been able to reach a broader and more diverse crowd, creating greater the volume and depth of ideas. In fact, 34 percent of customers reported that ideas selected for action are submitted by someone outside the group sponsoring the challenge.

If you keep your ideation crowd small or siloed, you're cheating yourself out of the opportunity to identify the best actionable ideas.



66%

of respondents report using crowdsourcing software in 4+ departments or company-wide



34%

One customer was faced with a severe water shortage at a plant in South Africa. An idea submitted by a medical device worker more than 8,000 miles away in Indiana won the challenge, and that idea is currently being implemented. As a company executive put it, "We were able to see our global company come together and solve a planet problem."

Full-time employees remain the main audience for customers using crowdsourcing innovation software, with 96 percent engaging them in innovation campaigns. However, respondents reported they are becoming more inclusive – expanding their reach beyond full-time employees closest to or most directly impacted by the problem. This year, there is a marked shift to including part-time, hourly or contract workers in campaigns. In 2019, 64 percent of companies (vs. only 39 percent in 2018) reported including part-time/hourly workers; 46 percent (vs. 26 percent in 2018) expanded their audience to contract workers. The data also show a transition into external crowd segments, such as customers and potential new partners, especially by tenured companies.

The bottom line is that crowdsourced ideation can – and is – increasing employee engagement and changing the culture of companies around the world. One respondent reported, "invaluable engagement across a diverse mix of key stakeholders." Importantly, said another, "We're giving a voice to those who might not have otherwise been heard."

"We ran a company-wide challenge to generate ideas for improving cash flow. It was sponsored by the CFO and finance department, but two of the three winning ideas came from outside the finance unit. Generated great engagement across the company."

Implementing the Best Ideas: Uniting Ideation with Business Strategy

You've got ideas. Lots of ideas. Lots of exceptional ideas. But collecting winning ideas is not enough – to drive success, you need to marry ideation with strategy, implementation, and tracking. It's in the implementation stage – perhaps more so than any other – that there are significant opportunities for improvement.

Not surprisingly, survey respondents this year reported that “Alignment to Business Strategy” remains their number one criteria to pick winning ideas. This is a great approach, because if the winning idea doesn't satisfy a strategic need, it makes no sense to use limited resources – both time and money – to implement the idea it's far more impactful to run a challenge tied directly to a strategic imperative and show employees how their valuable ideas can directly influence the bottom line. When strategy drives the crowdsourcing program, organizations see results.

Interesting to note, “Evaluation by Subject Matter Experts” in 2019 displaced feasibility as the fourth most selected criteria, highlighting the interest in ensuring the people closest to work are influencing the decisions on what to action.

Top 5 Criteria Customers Reported for Selecting Winning Ideas

1. Alignment to business strategy
2. Estimated value (ROI/savings/financial impact)
3. Estimated cost to implement
4. Evaluation by subject matter experts
5. Approval by senior leaders

What are the most important criteria your company uses to identify the top crowdsourced ideas on which a challenge sponsor will take further action? (Select up to 5)



“We ran an operations challenge asking the following question, ‘What are your operational improvement ideas for implementation in/by 2019 that will improve our productivity and efficiency and have a positive financial impact (savings and/or margin improvement) for the site/business?’ The winning idea was to shift to generic packaging so that we didn't have to carry so much packaging stock. We're in the process of implementing this now and it should save us about \$300K the first year.”

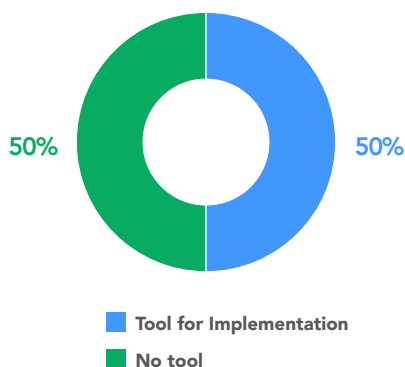
Driving Selected Ideas Over the Finish Line

Ideas need to be shepherded from selection to implementation and delivery. But that doesn't have to fall on the shoulders of the innovation team. When asked how often their crowdsourced innovation team was involved in developing the ideas for commercialization or implementation, 58 percent said they have some level of involvement. It's even less for tenured customers, with 25 percent saying their innovation team is involved in the process.

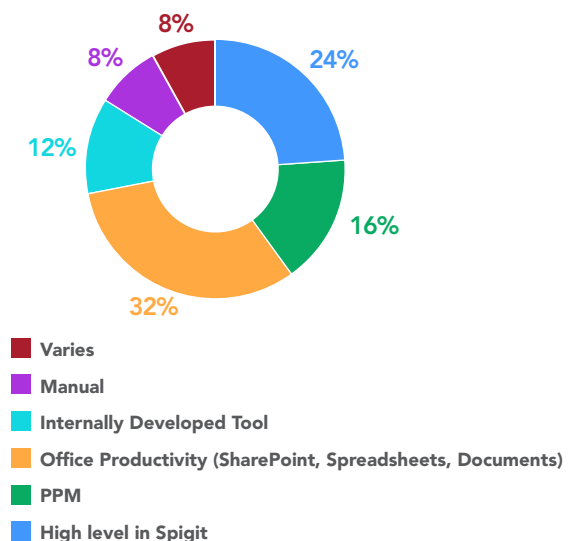
It's clear that as a program begins to mature and its innovation pipeline grows, organizations see it necessary to separate the responsibility for the front- and back-end of innovation. The catch is that they must track innovation results through delivery of the idea. The best way to make that happen is to identify and assign an advocate or program manager to lead the idea through to completion – and to actively track and report progress and impact.

Unfortunately, only half of survey respondents said they don't have a system or tool for tracking the development or implementation of a crowdsourced idea after it gets selected for action. The other half said they have a tool, but many of those tools aren't necessarily robust or purpose-built.

Do you have a system or tool for tracking the development or implementation of a crowdsourced idea after it has been selected for action?



Please identify and describe the system(s) or tool(s) that you use to track the development or implementation of crowdsourced ideas.



Many customers have sought out easily accessible desktop tools like Excel, Slack, SharePoint or Yammer, spending more time and money on software that may be terrific for communication and collaboration but is not designed to track ideas at scale.

As the study results show, those companies who start their innovation program via manual methods quickly learn that innovation management software is necessary to automate the innovation process. The same holds true for the implementation and delivery phases of the innovation lifecycle.

"Collaboration has resulted in good ideas being made better and spurring additional ideas/inventions Crowdsourcing software has enabled us to collect, identify, and implement winning ideas much more quickly and efficiently."

Measuring Program Impact and Value: The Key to Sustained Innovation Success

To build a strong program, you need to manage and measure innovation like any other discipline, or it will lose support, funding, and the hearts and minds of the employees you've fought so hard to engage. Creating a culture of innovation requires communicated impact.

More Experience = More Activity

More established crowdsourcing programs run more challenges; in fact, across the board, tenured customers (those with more than three years automating their crowdsourced Innovation program with Spigit) have three times the number of ideation campaigns as non-tenured customers. Plus, with tenured customers, 47 percent of customers reported an increase in the number of internal challenges over the past 12 months. This shows continued interest in program growth and internal demand for challenges.

All that activity requires reviewing and tracking, and 26 percent of all respondents this year said they track progress on ideas in action and value of implemented ideas on a weekly basis. Another 56 percent do so monthly. It is this reporting on winning ideas that creates the engagement, outcomes and culture shift.

Focus More on Implementation and Delivery Metrics

This year's survey asked customers what metrics they currently track across three categories: engagement, collaboration, and implementation. The most commonly tracked metrics are those associated with engagement and collaboration – and while these are valuable, you're missing out on a significant opportunity to show your program's value through implementation.

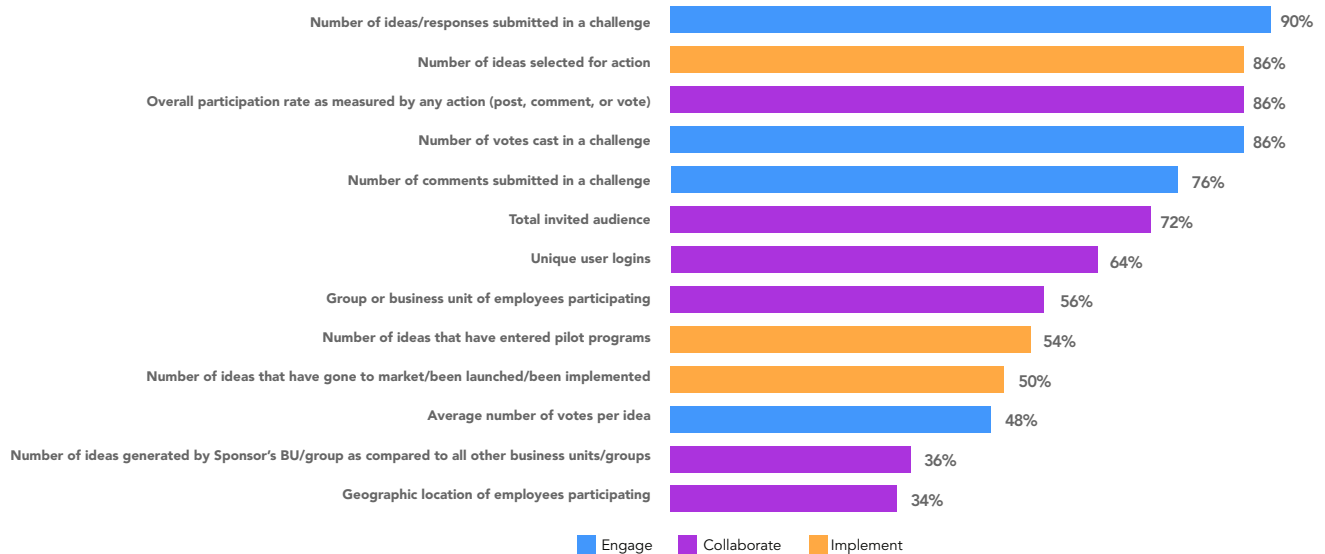
Even within the implementation metrics, most customers surveyed (86 percent) claim to track "number of ideas selected for action." That's important, but it's only the first step. And unfortunately, the rigor seems to stop there. The metrics that start to truly measure implementation, such as the number of ideas that have entered pilot (54 percent) and the number of ideas that have been implemented, launched, or have gone to market (50 percent) are markedly lower.

Roughly only a quarter of respondents are tracking revenue, savings or the total value generated by the program. In fact, 22 percent said they don't plan to track the total value generated by the crowdsourcing program at all and that puts the innovation program at serious risk, because no value delivered equals no funding.

Top 5 Implementation Metrics Tracked by Customers

1. Number of ideas selected for action
2. Number of ideas that have entered pilot programs
3. Number of ideas that have gone to market, been launched, or been implemented
4. High-quality ideas we may decide to progress in the future
5. Revenue or savings promised/planned from selected idea

Please review the following engagement, collaboration, and implementation metrics, and indicate which you currently track, which you plan to track in the future, and which you do not plan to track.

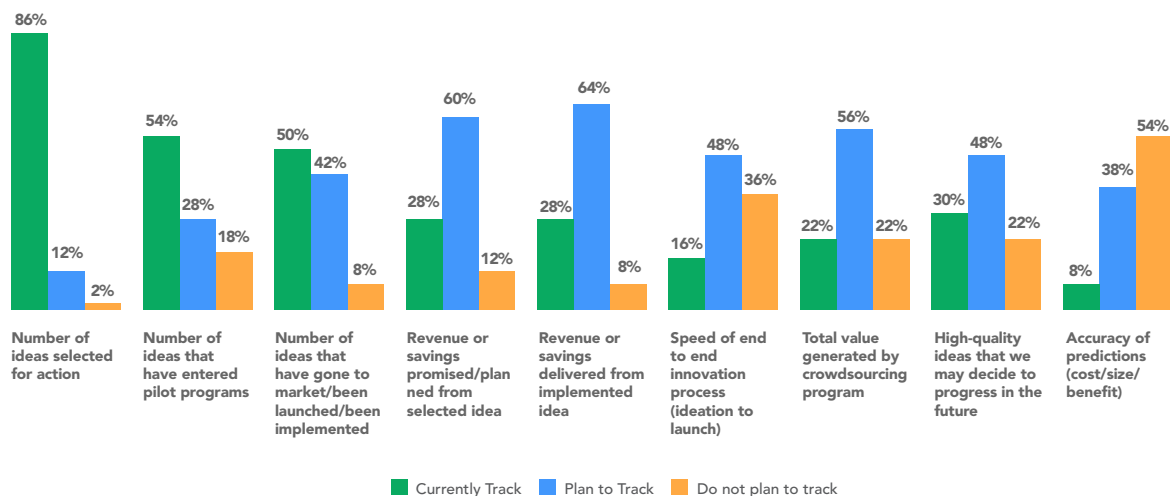


Few metrics can boost the health and longevity of your crowdsourcing program like conclusive ROI. This year's survey showed about 48 percent of respondents track monetary value or ROI on all or most actionable ideas. But 44 percent aren't tracking ROI on actionable ideas at all. Even among those who are tracking ROI, many are using basic spreadsheets or word-of-mouth to do so.

These are red flags. It will be difficult if not impossible to get sustained investment and attention for a program whose value can't be measured and articulated.

Fully tracking implementation seems like an obvious win, and the good news is many customers said they plan to track these hard metrics in the future. The top three metrics they plan to track are: Revenue savings planned; revenue savings delivered; and total value generated by the crowdsourcing program. This is a great start.

Please review the following metrics related to the implementation of crowdsourced ideas, and indicate which you currently track, which you plan to track in the future, and which you do not plan to track.



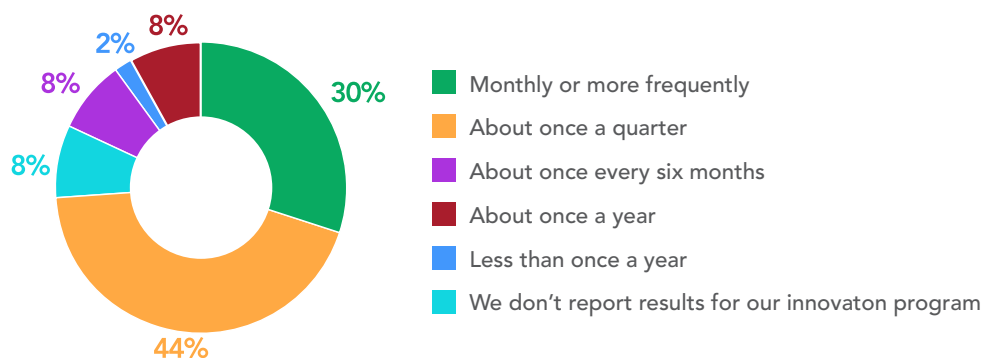
Reporting Results

Your champion provided a strong and strategic campaign question. Your challenge participants provided great ideas. You selected the best ideas using key business criteria. Your champions successfully guided these ideas through implementation. The positive results are in. And you've been able to measure their impact.

Time to relax? Not just yet. It's time to close the loop and communicate the results back to your key stakeholders.

How often do you need to report results? You will determine the optimum frequency for your organization based on the business needs of the organization. However if your crowdsourcing program is newer, you will want to do report results more often to maintain transparency and keep participants engaged. This is exactly what the survey data shows: In 2019, 34 percent of customers with less than three years of tenure report results from their crowdsourcing program monthly vs. about 17 percent of customers with more tenure. Regardless of tenure, 44 percent of customers report results on a quarterly basis.

Roughly how often to report results for your crowdsourcing program?



What's concerning, however, is that 8 percent don't report results at all, and that number jumps to 17 percent in companies with three or more years of tenure. Not reporting results to leadership or employees is detrimental because you're not showcasing the business impact of ideas, and you're missing a great opportunity to give your crowdsourcing audience some well-earned recognition. Don't assume that once your innovation program is firmly established that reporting is less important.

When you do report results, who is in your audience? This year, there was an uptick in customers who shared results among their company's top leadership, with 63 percent reporting to the leadership team and 57 percent to the executive team/C-Suite. There was also a jump in reporting results to employees – 33 percent of survey respondents this year said they do so vs. 18 percent in 2018.

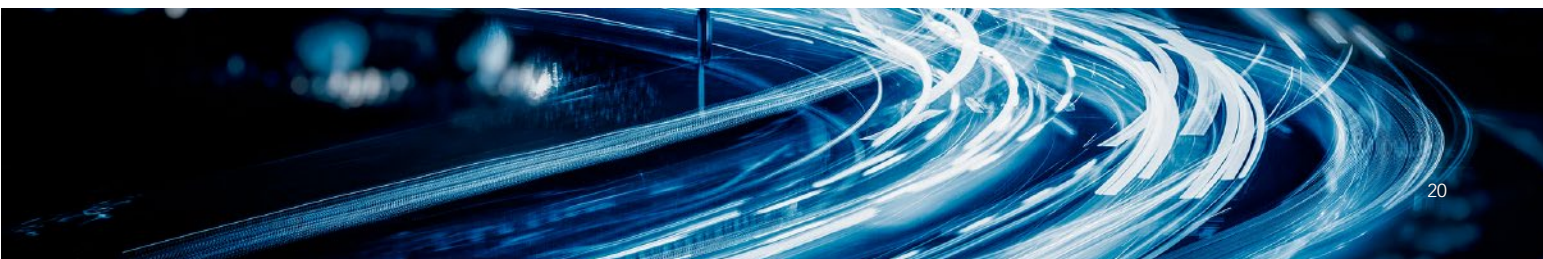
No matter how challenging it can be, you need to track implementation and ROI or other value to show the value of your innovation program. When you can definitively show value, your program receives more funding. With more funding comes the opportunity to expand the operating model, which generates more challenges and communities, more ideas, more value – all of which can boost your company's competitiveness and bottom line.

Final Thoughts

Crowdsourced innovation is powerful on multiple levels, from jumpstarting employee engagement to reducing costs to expanding into new businesses. This year's survey shows that while the softer metrics of cultural change and employee engagement remain top reasons for establishing a crowdsourcing program, customers are widening their "why" to more bottom-line business goals, such as cost or waste reduction and efficiency improvements. As a result, there's an even more urgent need to put in place rigorous tracking and clear metrics for idea delivery. If you can't show your innovation program's value, happy employees aside, chances are you won't receive the necessary resources or funding. Above and beyond clear metrics and tracking, you also need to have diverse, passionate sponsors who are not only beneficiaries of but evangelists for your company's crowdsourced program success.

Recommendations Based on the Research: A Crowdsourcing Roadmap for Success

1. **Go full circle.** Follow the full innovation lifecycle end-to-end. Go beyond idea selection to delivery. There is a wave of value and rewards if you take the leap to source and implement the best ideas, measure impact, and keep the organization engaged.
2. **Go wide with your communications.** Keep your audiences engaged from ideation to impact by communicating how their efforts created clear results. Communicate far and wide – don't stop at a single business unit or the C-Suite. And remember, program leads may not be responsible for the results of the challenge, but they are responsible for reporting the results.
3. **Go for challenges tied to business strategy.** In choosing which idea to implement, 61 percent of this year's respondents say they look for alignment to business strategy – not surprising or especially noteworthy. But if you want a step-function change in your crowdsourcing program and overall results, then tie your crowdsourcing program objectives, goals, and efforts to the company's strategic objectives.
4. **Develop a centralized process, then shift to a federated model.** Centralized models are effective at creating consistency and focus, but tend to stall on the growth curb because demand becomes too heavy. Once you've established a program with a repeatable process, migrate to a federated model, where individuals within departments or business units are empowered to get trained and run challenges on their own. The reward: more challenges engaging more employees in more parts of the business, generating more positive impact for the company.



Your Next Steps

1. Think long term by setting program objectives, goals, and a challenge pipeline that are aligned to what your leaders care most about, as this will ensure that the challenges you run are aligned to what the business cares most about.
2. Assess your program's identity and governance model. Is it in need of a refresh, or does it not even exist? A defined charter and governance structure will lay the groundwork for developing a successful federated model.
3. Ensure your challenges are not running within silos. Virtual crowdsourcing challenges are designed to enable diverse groups to work together to source and build on ideas. Encourage challenge sponsors to broaden the scope of their invited audience to increase the chances of finding the best possible ideas.
4. If you aren't already tracking idea implementation, it's time to start. Be a partner with your challenge sponsor, follow up on actionable ideas being worked on, and measure impact – it'll help both you and them.
5. Take a hard look at your reporting activities, making sure that you are reporting meaningful metrics to a senior audience on a steady basis.

Methodology/About the Study

The 2019 State of Crowdsourced Innovation Report is based on quantitative and qualitative data from an invitation-only online survey to one representative from each Planview Spigit customer. The survey, fielded in March and April of 2019, yielded more than 50 unique responses across North America, Europe and APAC.

Survey respondents represent a variety of industries, including Health Care, Energy, Financial Services and Technology. Their companies vary in terms of size, ranging from more than 100,000 employees to less than 1,000 employees. In terms of tenure, 32 percent have had a formal innovation program for over three years, and 44 percent have been using crowdsourcing software for more than two years as part of their overall program.