

How to Nurture New Ideas

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From Henry Ford's assembly line to Apple's iPod, every great innovation started with a great idea. But in the business world, it's a lot easier to say "no" to new ideas than it is to dedicate time, money, and resources to developing them. That's why idea-friendly companies like Toyota, Yahoo, and IBM have structures in place to encourage and capitalize on good ideas — be they flashy new products or time-saving strategies for improving efficiency on the factory floor. No matter what their precise approach, all idea-friendly companies have a few principles in common: They reward employees who suggest ideas, and they solicit feedback from across the organization to identify ideas with the greatest staying power. Read on to learn how to nurture the best new ideas — and how to harness them to improve your business.

Things you will need:

- \$0 to \$5,000 per month for optimized communications equipment (laptops, cell phones, personal data assistants). You may eventually spend several hundred thousand or even millions of dollars to test and develop new products or services.
- Good idea management is more of a conceptual shift than a time commitment, but figure a few hours each week for meetings, reviewing ideas, and testing.
- **Communication Tool:** Bigger companies like IBM have created their own software for communicating and developing new ideas. If resources are more limited, try online platforms such as Google Docs or Yahoo Groups — or develop an in-house wiki that allows users to add and edit content.
- **A Process:** If a suggestion comes along, do you know where it should be recorded, who will follow up, and on what schedule? Do your employees know where to go with their flashes of inspiration?
- **A Team or Teams:** One group (full time or volunteer) can participate collaboratively in every stage of the process, or you can give different teams specific tasks, such as outreach to experts outside the company, reviewing employee suggestions, or arranging the outsourcing of test marketing.
- **Perseverance:** Not every idea will pan out, but the pursuit will give you valuable information — and send a message to employees that you're willing to experiment. Celebrate the brilliant failures as well as the stone-cold successes.

A yellow sticky note icon with the text 'step 1' written in a handwritten style.

Institutionalize Idea Generation

GOAL: Develop a regular process to solicit and record new ideas.

Few managers would admit that they're hostile to new ideas, but on the other hand, how many times have you heard (or said), "That would be nice, but we don't have enough [time, money,

people]”? Or, “Great idea, but we did something like that once before, and it didn’t pan out”? Companies that innovate well don’t do so by accident; they make idea generation a priority for everyone — from the CEO to entry-level employees — and they have a process in place to solicit and collect new ideas so that suggestions don’t get lost in the day-to-day shuffle.

“The point is having some systematic way that allows anybody in the organization to have a voice,” says Tom Kelley, general manager of Ideo, a San Francisco company that helps corporate clients like Pepsi and Gillette foster new products and ideas. “That’s opposed to a model that says, ‘The smart people in the paneled office in the top floor have all the ideas, and everyone else is an implementer.’”

Take the example of Google executive Marissa Mayer, who regularly holds office hours, like a college professor, for employees who want to pitch ideas. One such casual meeting in 2003 led Mayer to the pet project of an Australian employee, who was developing a search engine for his own computer. Mayer helped assemble a team to work with him, and the group developed Google Desktop in just two months.

Of course, successfully nurturing good ideas doesn’t mean that nobody ever says “no” — rigorous analysis and trial are crucial steps further down the road. But the beginning of the process should be open and encouraging, because there’s nothing more disheartening than being told at the outset that your idea stinks. Indeed, negative feedback at the beginning of the process can be humiliating to the person on receiving end. Worse, it’s toxic to successful idea generation over time, and it affects everyone in the office — not just the person with the idea.

As a practical matter, this means that managers have to work hard to identify the potential that may lie hidden within an imperfectly articulated idea suggestion. Kelley calls this “learning to squint.” “When you squint,” he says, “you ignore all the surface details of a prototype or idea, and you say, ‘Hey, just looking at the shape of this idea, I think we might have something here.’”

Caterina Fake — cofounder of Flickr, the popular photo-sharing site now owned by Yahoo — agrees. “A lot of the time, you can’t really see the shape of a product in the beginning,” she says. “The first version of Flickr was an instant-messaging client where you could drag and drop photos into an IM conversation.” The IM client was popular, she explains, but it wasn’t a complete product in and of itself: “We had to keep iterating and iterating until we came up with the successful product, which was Flickr as you see it today.”

What Not to Do

Godzilla vs. Baby Ideas

Whether it’s bandied over the cubicle wall or presented in PowerPoint, a new idea is a fragile and tender thing. It’s all too easy for managers to stomp on ideas unthinkingly — and then wonder later why their team isn’t more creative. Try to avoid these common managerial mistakes:

- **Don’t mix idea generation with idea evaluation.** These are two distinct processes, and they should be as separate as church and state. If you start to evaluate or

critique an idea the minute it's brought forth, chances are you'll not only kill the idea in question, but also any future suggestions from that person (and anyone else within earshot).

- **Don't show disdain.** All ideas should be greeted with gratitude and an open mind. If an idea strikes you as crazy (or just plain dumb), keep that to yourself. Resist the temptation to snort, roll your eyes, or slip into wizened-expert mode ("let me tell you why that won't work...").
- **Don't be opaque or fickle.** When the time does come to vet ideas — preferably after all ideas have been submitted and heard by everyone in the group — be clear about your filtering criteria. If an idea has potential but needs work, make suggestions for how to improve it. If it's way off the mark, offer tips on how to move into a more fruitful direction. Give examples of ideas that impressed you in the past and explain their appeal.
- **Don't forget your manners.** Always thank employees for their ideas (even when they're bad) and encourage them to keep making suggestions.

step 2

Identify the Problems that Need Clever Solutions

Goal: Focus the idea-generation process where it can help the most.

Idea-friendly companies don't wait for employees to dazzle them with brilliant suggestions; they actively seek out new ideas, and looking for solutions to existing problems is often the best place to start.

At Texas Instruments, new product advances in electronics are the fuel that runs the company, so managers meet regularly to envision new products — by finding and agreeing on how to meet market needs. "We have brainstorming sessions around questions like, 'What is the problem or need we think we can address? How would we apply our technologies? How long is it going to take? What is the business potential?'" says Mark Denissen, who leads TI's strategic marketing sector. A few years ago the company made a major advance by asking why touch-screen technology had never worked very well. The resulting product — a new type of interface circuit — greatly improved PDAs, smart phones, monitors, point-of-sale terminals, PC tablets, and pagers. "Now you can touch those screens with your finger, scroll in and out, do all kinds of different movement," Denissen says. "It's helped the market for such devices explode."

Anthropological research — observing customers in the field — is another effective way to identify market needs. For Gillette's Oral-B brand, Ideo watched kids brushing their teeth and determined that most of them hold the brush in their fist, not in their fingertips like adults. "The result of that insight was the first kids' toothbrush with a fat, squishy handle," says Kelley of Ideo. "Every toothbrush company seems to make such a product now, but the Squish-Grip was the best-selling kid's toothbrush in the world for a year after its release."

Hot Tip

Seven Idea-Generation Tools

Here are some helpful techniques you can use to solicit ideas:

Brainstorming Meetings

Good for: Solving a specific problem. When you want to solicit ideas on a particular topic, the best forum is a structured roundtable meeting run by a professional or third-party facilitator. See [“The Right Way to Brainstorm”](#) for tips on how to get the most from this kind of meeting.

Office Hours

Good for: Encouraging employees to come to you with their ideas. Opening your door to everyone in the company for a few hours a week sends the message that you value employee ingenuity. It’s also a great opportunity to give early direction and help shape unpolished ideas that need a second opinion.

Offsite Gatherings

Good for: Breaking through creatively when your team is stuck. Whether it’s a beach cabin a few hours away or a local restaurant around the corner, a change in physical environment can break old social and cognitive habits.

Public Events

Good for: Targeting the expertise of outside communities, getting feedback on ideas in development. In India, Google has held “code jams,” where members of the public compete in writing software code; top performers are sometimes offered job interviews.

Online Suggestion Boxes

Good for: Capturing internal ideas and making sure they don’t get lost. Security-protected private websites are a good way for employees to share and analyze ideas and organize development. A public website can solicit feedback from customers and the general public.

Targeted Partners

Good for: Gathering and applying industry wisdom. Non-company experts such as members of academia, government, related businesses, nonprofits, or media can offer tremendous insight and ideas. Boeing, for example, involved 100 different manufacturing partners when it [designed the 787 Dreamliner](#).

Market Research

Good for: Product development, solving problems for customers. Firms like San Francisco’s Ideo and Portland, Oregon’s Ziba help companies conduct a blend of marketing and anthropological research that can guide and give sharper focus to idea generation by rooting it in well-defined market needs.

Filter and Prioritize

Goal: Gather a team to decide which ideas are worth pursuing.

Regardless of how many ideas you start out with, you only want to fund, prototype, and test those that have real potential to succeed. That means a significant amount of attention must be devoted to hearing each idea, deciding which ones to decline and which to support, and negotiating political battles or other potential project killers.

This work requires multiple points of view, which is why many companies form an institutionalized group devoted to idea management. In many cases, such groups consist of people from a variety of disciplines within the company who have collectively volunteered to look at new ideas on a regular basis.

At Black & Decker, for example, a product idea goes to the Advanced Engineering department, where it's evaluated against criteria like whether it fits within the company's core competencies, whether it's unique, and whether there's a strong need for it. "Meanwhile, my department defines and gathers consumer insights through market research," says Sharianne James, director of strategic marketing for Black & Decker's appliance division. "Our two groups meet on a regular basis and collate the top-tier ideas." Those move along to an Innovation Board of executives representing most major departments. "If it passes the Innovation Board screen," James says, "it makes it to end-user testing, which we do with a market-research firm."

The selection process should be rigorous. Here's what you'll need to do to get started:

- **Form a team:** You need an assortment of players with different sets of skills — both those who can view the big picture (how this idea fits within the company's business model and the market) and those who know the nitty-gritty details (experts whose work relates directly to the proposals). Any department that will be affected should be included.
- **Assign tasks:** Some ideas may require a lot of research and analysis between team meetings. Assign each team member an aspect of the prioritization and analysis process. Tasks could include reading and grading proposals and gathering necessary support from other important parties in or out of the company.
- **Communicate:** Don't waste meeting time learning what the ideas are. Give team members the chance to read and comment on proposals in advance.
- **Establish criteria:** Ideas should meet strict standards before they receive funding. Questions might include: Does it solve a problem?; Is it within our company's core competency?; Does it fit in with our long-term business strategy and goals?; and What is the return on investment?
- **Set a schedule:** You can't just throw money at a project and expect it to succeed: milestones and deadlines create a structure for progress — as well as opportunities for support and guidance.

Other Resources

It Takes a Village

In his 2005 book “[The Ten Faces of Innovation: Ideo's Strategies for Defeating the Devil's Advocate and Driving Creativity Throughout Your Organization](#),” Tom Kelley suggests that there are ten different roles colleagues can play in nurturing new ideas within a company. You don't necessarily need people playing all ten parts in order to have good ideas, but the more you incorporate different perspectives, the greater your chances of developing ideas into realities. Kelley arranges these roles into three groups:

The Learning Personas

- The Anthropologist: observes how people interact with products, services, and experiences
- The Experimenter: tests and retests potential scenarios
- The Cross Pollinator: draws associations and connections between seemingly unrelated ideas or concepts

The Organizing Personas

- The Hurdler: a tireless problem solver who, when confronted with a challenge, gracefully sidesteps the obstacle
- The Collaborator: coaxes people out of their work silos to form multidisciplinary teams, is more of a coach than a boss
- The Director: has an acute understanding of the bigger picture and motivates those around them to take center stage

The Building Personas

- The Experience Architect: facilitates positive encounters with your organization through products, services, digital interactions, spaces, or events
- The Set Designer: makes adjustments to a physical space to balance private and collaborative work opportunities
- The Storyteller: captures the imagination with compelling narratives; sparks emotion and action by rooting stories in authenticity
- The Caregiver: through empathy, works to understand each individual customer and create a relationship; provides a human-centered experience

Field Test the Very Best

GOAL: Prototype the strongest ideas, and try them out in the real world.

Once you've decided that an idea is worth pursuing, it's time to put resources behind it, says Jim O'Connor, vice president of Motorola's Early Stage Accelerator Program, which funds the development of new ideas within the company. Rather than betting the farm on one or two ideas, the ESA spreads funding among 30 or so a year, knowing that many will fail. "You're asking questions like, 'What if we get that to market in a year?'" he says. "That might include early customer trials and other market research. You're taking it out of PowerPoint and making it real, which means a lot of testing. That's how you get it to graduation."

For Hollywood movie studios like Universal or 20th Century Fox, this means screening rough cuts of new pictures for test audiences. At a sneaker company like Nike or Reebok, it means working with athletes to test samples. For Motorola, it's bringing different groups into the lab to test prototypes and debate their merits. "We bring together researchers, designers, marketers, and customers to battle over a business model," O'Connor says. "They're constantly challenging each other with different perspectives. The point is to think beyond the confines of our organization and from the perspective of the marketplace." Only ideas that survive the battle and prove themselves move forward into production.

O'Connor emphasizes that fostering new ideas is an inherently disruptive process — but smart companies find a way to embrace the upheaval. "It's hard for an operating business to disrupt itself," he says. "That's why we started the Early Stage Accelerator Program."

Case Study

Competing with the Kids in the Garage

When Yahoo acquired photo-sharing site Flickr in 2005, the company tasked Flickr cofounder Caterina Fake with figuring out how to develop other cutting-edge technologies inside the company. "For Yahoo, the competition is no longer just Microsoft, Google, and AOL — it's two kids in a garage," Fake says, citing Flickr, MySpace, and YouTube as examples. "To compete with them effectively, you have to borrow best practices from them."

At Yahoo, that meant founding Brickhouse, an in-house incubator that Fake runs much like a start-up. Its processes for fostering new ideas are far more relaxed than those at other large companies, but if the division's initial success is any indicator, there's a lot to be learned from its methods. When Brickhouse launched its first product, a data mashup service called Yahoo Pipes, Web guru Tim O'Reilly called it "a milestone in the history of the Internet."

Here are Fake's basic principles for operation:

- **Detach from the Mothership** - Depending on your parent company is tempting but dangerous. For example, if a new product relies too much on a sales funnel developed for another product, it won't mature on its own. The opposite danger is getting too far away from the parent company and building things that nobody wants or needs. Brickhouse balances a healthy degree of physical distance (its offices are 40 miles from Yahoo's headquarters) and relative autonomy (an advisory board provides direction, but projects don't need to be approved before they can move forward).
- **Form "Two Pizza" Teams** - If you can't feed your team with two pizzas, it's too big. Small teams that sit clustered together are more nimble, work faster, and communicate better. "Instead of holding meetings, you just flip around in your chair, ask a question, and then go back to work," Fake says. Pare down project teams to the smallest size possible. Yahoo Pipes, for example, was built with four full-time people and two part-time people. On big projects, it's best to scale your process so that several small teams work on different pieces of the whole.
- **Get to Prototype ASAP** - Some companies are so focused on avoiding mistakes that their projects get mired in endless planning and debate. Your process shouldn't require a lot of time spent writing product requirement documents or trying to sell an idea to others inside the company. Instead, write the briefest requirement document possible, start prototyping right away, and iterate repeatedly. "We call this the 'F up fast' method," Fake says. "You make your mistakes early and figure out how to fix them."
- **Launch Early and Often** - It's scary to put imperfect offerings before the public, but today many customers like to be involved in product development and will develop a loyal bond with your brand as a result. Fake encourages large companies to muster their "organizational courage" and tap into the wisdom of their customers. "A bunch of people sitting in a room can guess how users are going to interact with their product," she says, "but until you put it out in front of them, you're never really going to know."