Ideas are Free
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What's in an idea?
- Ideas begin with a problem.
- Ideas are the engine of progress.
- Every employee idea, not matter how small, improves an organization in some way.
- There is a clear link between an organization's ability to tap ideas and its overall performance.

The Power of Small Ideas
- Managers are often primarily interested in "home run" ideas—those worth millions of dollars or leading to breakthrough innovations. But in many respects, small ideas are more valuable than big ones.
- Large numbers of small ideas allow an organization to reach levels of performance that are otherwise unachievable. Without them, it is impossible to attain excellence.
- Small ideas are the primary tool for organizational learning. The ability to tap them moves an organization onto a faster learning curve.
- Small ideas provide far more sustainable competitive advantage than big ones, because unlike big ideas, they tend to remain proprietary.
- Often the only lasting competitive advantage from a big idea comes from all the small ideas that exploit the further opportunities it creates.
- Small ideas are the best source of big ideas, if one knows how to ask the right questions about them.
- Big ideas come along so rarely and unpredictably that they offer little to measure and manage. But because employees can be expected to come up with small ideas on a regular and consistent basis, these provide organizations with something measurable that allows them to truly *manage* their employees' ideas, and so create profound change.

The Pitfalls of Rewards
- An organization can get all the ideas it wants *without* offering rewards. Most people already have lots of ideas, want to share them, and would be thrilled to see them used. They feel pride in their work and like to contribute to their organizations' success. For them, the best reward is to see their ideas used.

Making Ideas Everyone's Job
- Traditional management practice is to take thinking *out* of the jobs of front-line employees. Best-practice companies put it explicitly in. Employees are expected to come up with ideas as part of their normal work.
- A supervisor has three important roles to play when it comes to managing ideas:
  - To create a supportive environment
  - To coach, mentor, and develop subordinates' skills in coming up with ideas (the best learning opportunities often come from the worst ideas)

- o To help flesh out and properly develop employee ideas, champion them, and look for their larger implications.
- The middle manager's job is to promote ideas in his or her area, assure resources are available for training and implementation, and become personally involved with more substantial ideas that require his or her attention. To assure that middle managers are not put in conflicted positions, top management has to eliminate any misalignments in policies or practices that send inconsistent messages.
- Leaders should be personally involved in the idea system for two reasons: to champion it and oversee its performance and to increase their personal effectiveness. Regular contact with front-line employees reminds them that employees are a tremendous resource— thoughtful and observant people who often see things their managers don't.
- The way the organization governs how work is done should be aligned to promote ideas. The best idea systems are extremely well integrated into the way the organization operates.
- Guerrilla Tactics.
  - o **Make ideas a priority for everyone**. Make consideration and discussion of ideas the *first* item in your regular department meetings. Incorporate ideas into the annual performance review process. Assess how well each person does at coming up with or encouraging ideas. Talk about how he or she might improve, and identify training and development opportunities.
  - o **Publicize results**. Track the number of ideas people are submitting. For supervisors and managers, track the number of ideas they are *getting*. Post the results.
  - o **Address the bottlenecks**. If it takes too long to process ideas, find out why. Are people sitting on ideas for good reasons? Is the problem caused by a misalignment? Ask people about unintended consequences of policies or practices that are getting in the way of dealing with ideas.
  - o **Exploit learning opportunities**. When someone suggests a bad idea, treat it as a learning opportunity. Why did that person think it made sense? What information, knowledge, or training do you need to provide to that person?

Putting the Process in Place
An effective idea process has eight key characteristics:
- **Ideas are encouraged and welcomed.** The best way to encourage ideas is to be responsive to them. The challenge in the beginning is to get employees to believe managers truly want their ideas.
- **Submitting ideas is simple.** Many processes are geared for the biggest and most complex ides that might come along. An effective process targets *small* ideas and treats the bigger proposals are exceptions.
- **Evaluation of ideas is quick and effective.** Pushing decision making down to the front lines for as many ideas as possible leads to *better* decisions, *faster* implementation, and *lower* processing costs, and frees up mangers' time.
- **Feedback is timely, constructive, and informative.** This keeps employees engaged in the process, demonstrates that their ideas are taken seriously, and promotes learning. If

the idea was rejected and misunderstood, feedback allows people to find ways to improve it or to communicate it better.

- **Implementation is rapid and smooth.** Quick implementation results in more ideas and faster realization of their benefits. To handle large numbers of small ideas efficiently, an organization has to provide resources that can be easily tapped by front-line employees.
- **Ideas are reviewed for additional potential.** The power of an idea system increases exponentially with the ability to spot the larger issues that small ideas point to. Instead of nibbling away at problems, the organization can now systematically address their root causes.
- **People are recognized, and success is celebrated.** The most effective form of recognition for ideas is to implement them rapidly and to give credit to the employees involved.
- **Idea system performance is measured, reviewed and improved.**
- Guerrilla Tactics
  - o Give extra attention to that first idea.
  - o Make a personal commitment.
  - o Help people with their ideas.
  - o Pass it along.
  - o Don't be stymied by bottlenecks in implementation.

Focusing on What Matters Most
- If management needs ideas on a specific topic, the; most straightforward thing to do is ask for them. This conceptually simple tactic can be very powerful.
- A good theme for employee ideas is simple to understand and measure, takes advantage of critical interrelationships that drive bottom-line results, and resonates with employees.
- Focusing ideas need not be a one-time, or even an occasional, activity. It can be incorporated permanently into the way an organization operates. Bonus programs or well-designed policies can be effective tools in this regard.

Getting More and Better Ideas
- Once an organization has an idea system in place, it should take action to help employees come up with more and better ideas.
- Every idea results from a mix of a person's *knowledge* related to the problem or opportunity and the *perspective* he or she brings in.
- The late policy analyst Aaron Wildavsky observed that a *difficulty is only a problem if something can be done about it*. Problems and opportunities remain unnoticed by people who are unaware of a better alternative, or at least the possibility that one might exist. This is the rationale behind the two main ways to increase the quantity of employee ideas: increase people's knowledge and expand their perspectives.
- Idea activators give employees a deeper understanding of critical areas where their ideas are particularly needed.
- Managers can help their employees gain different perspectives on their work in many ways: job rotation, benchmarking, listening to customers, ongoing learning, reading groups, study missions, and trips to conferences and trade shows.

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- Once people have perspectives that sensitize them to the importance of ideas in a particular area, their ability to spot a specific problem or opportunity often comes down to their alertness. Unusually prolific suggesters discipline themselves to *notice* exceptions, *record* what they observe, and spend time *studying* the problem or opportunity.
- Change creates the need for further change. Unfortunately, the force of habit often blinds people to the need for these subsequent changes. Whenever change occurs, it is important to ask, "What new opportunities does this change create?"

Liberation and Transformation
- Most organizations struggle with dysfunctional cultures, and most managers would agree that a dysfunctional culture results in lower performance. The problem is that elements of culture such as trust, respect, commitment, and involvement are difficult things to manage and measure.
- Many of the best idea systems began with the aim of improving some aspect of the corporate culture.
- Organizations with good idea systems have learned that there is a strong link between culture and the flow of employee ideas. This is why an idea system, whose performance can be measured and managed, provides such an effective way to improve corporate culture.
- Knowing how to promote employee ideas will become a critical core competency for managers. Mastery of this competency will separate effective managers from ineffective ones.

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