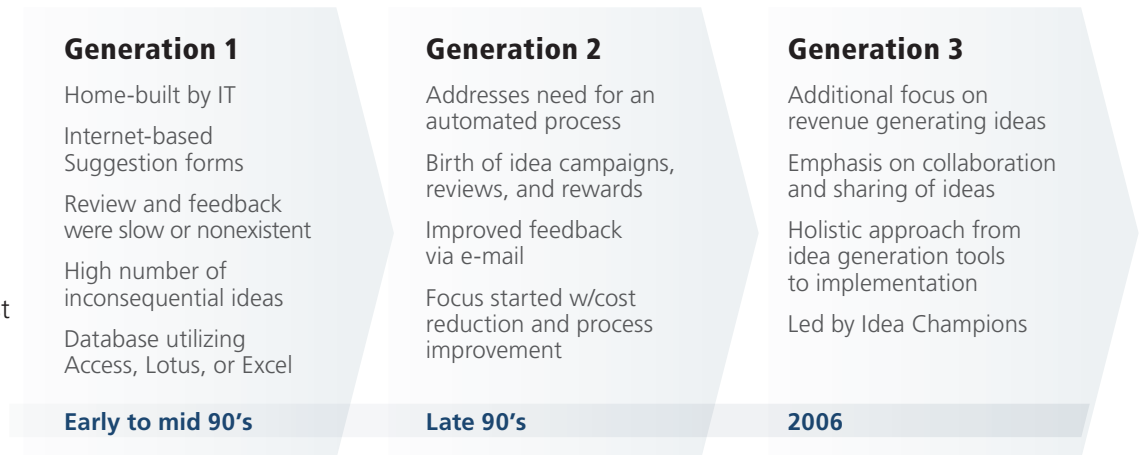


Idea Management: A Critical Capability for Innovation Growth

Innovation is a key component of most companies' growth strategies. While specific goals and types of innovation may change over time, successful companies will adjust their efforts to stay in tune with changing customer needs. The strategic growth imperative requires a constant flow of good ideas to fill the pipeline. Different businesses require different magnitudes of early ideas to bring one successful idea to market (e.g. Pharmaceuticals- 10,000 for one successful idea; Movies- 500; Industrial- 80)¹. While much has been written about the breakthrough approaches of the creative, lone inventor, the best industry performers have strong idea management processes and capabilities in place to create the kind of sustainable innovation success expected by Wall Street.

Given the number of ideas that need to be generated to come up with just one winner, companies have realized they need an Idea Management information system to organize and keep track of the process. There are a large number of vendors of Idea Management solutions in the marketplace but there is no comprehensive, objective evaluation of the various software packages available. Kalypso conducted a six-month global study to help clients select the right Idea Management information system to meet their unique requirements. We completed a side-by-side comparison of vendors of Idea Management products and services and evaluated the relative strengths and weaknesses across the spectrum - for both standalone and integrated systems. We also created a step-by-step approach to help companies select the right tool for their situation, building on a similar, successful approach Kalypso has used to help companies select the right tools for other innovation elements.

Figure 1: Idea Management Solutions Have Evolved from Home-Grown to High-Tech



In the course of the study, Kalypso found that Idea Management software vendors can be distinguished by their level of maturity, sophistication, and leadership. We defined the three classes of vendors as follows:

Laggards

Long-term viability in the market is still to be determined
Basic or limited functionality
Slow to develop improvements through new releases

Challengers

Establishing market share
Some unique features but tend to follow industry leading solutions
Often a niche player that is more developed in a specific functional area of front-end innovation rather than a complete idea management solution

Leaders

Strong market share
• large installed base
Consistently first to market with useful new features and services
Robust functionality
• full feature set with advanced functionality
Strong on ease-of-use
• intuitive user interface
• easy to navigate

¹ Professor Karl Ulrich University of Pennsylvania
Wharton School of Business

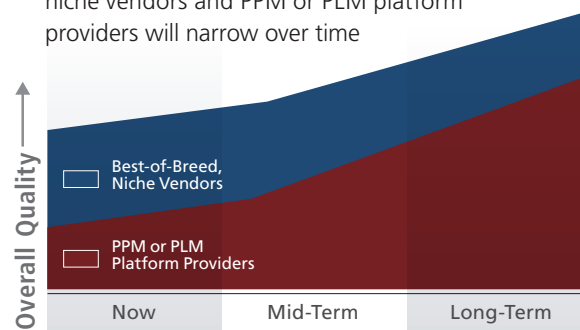
The quality of each Idea Management solution was evaluated using a set of **thirteen common criteria**:

- Solution maturity
- Breadth of functionality
- Idea evaluation & selection
- Industry recognition
- Idea generation
- Idea capture & organization
- Idea sharing & collaboration
- Affordability
- Metrics, recognition, and rewards
- Workflow management
- IP management capability
- Knowledge management capability
- Ease of customization

Conclusions

Idea management solutions with the best functionality are currently offered by niche vendors, but product lifecycle management (PLM) and product portfolio management (PPM) solution providers offer viable alternatives. However, Kalypso does not foresee the landscape changing rapidly. We recommend that clients seeking a high performing idea management solutions now or in the near term evaluate niche vendor offerings. Clients with a strong PLM vision should, however, include the offerings of PPM or PLM platform providers in their evaluation.

Figure 2: Gap between Best-of-Breed, niche vendors and PPM or PLM platform providers will narrow over time



Idea management offers a high-potential return.

How to get started:

- Kalypso recommends a methodical approach to selecting the appropriate solution
- Set vision for idea management in context of overall innovation strategy
- Assess gaps in current idea management process
- Define and implement the innovation management process
- Gather requirements and develop business case
- Align key stakeholders
- Evaluate vendor demos and select vendor
- Conduct pilot event campaign
- Fully implement the system
- Monitor idea management and process metrics

For more information and to review the findings of this assessment, contact Noel Sobelman at noel.sobelman@kalypso.com.

Implementation Path



About Kalypso

Kalypso is a consulting firm serving the world's most innovative companies. The firm helps clients to deliver on the promise of innovation. Service offerings encompass all aspects of innovation including product strategy, development, introduction, commercialization, lifecycle management, and PLM systems selection and implementation. In addition to the firm's deep industry, technology, operational, and training expertise, Kalypso provides a flexible, collaborative approach to deliver unparalleled client satisfaction.