

## IDEA MANAGEMENT AND THE SUGGESTION BOX

## Idea Management and the Suggestion Box

By Mark Turrell

### 1. Introduction

The concepts of Idea Management are partly founded on the original approach of the suggestion box. Idea management builds on the hundred-year old principles of the simple idea box, and adds collaboration, business focus, and a structured review and workflow process to ensure that the idea generation and development process is closely aligned with current and future business needs.

This white paper explores the history of the suggestion box, the drawbacks of the traditional approach, and compares the suggestion box to the more sophisticated idea management approach.

### 2. The History of the Suggestion Box

The first recorded suggestion program was implemented in 1770 by the British Navy<sup>1</sup>. They realized the need for a process for listening to every individual in the organization - without fear of reprisal. At that time, the mere mention of an idea that contradicted a captain' or admiral's opinion was likely to be punished by hanging.

The first physical box to collect ideas appeared at William Denny & Brothers shipyard in Scotland in 1880. It was intended to collect ideas from all employees and to pay a 'fair' reward for each implementable idea. This approach of the suggestion scheme, as it is still known in the United Kingdom today, spread rapidly through the country following government reports on the project's success.

In 1892 NCR became the first US company to implement a company-wide suggestion program. The concept was the 'hundred-headed brain', developed by John Patterson, their infamous CEO. He realized early in his business career that employees had valuable ideas but that management structures tended to prevent these ideas from spreading through the company. Employees complained that there was no point giving ideas to their supervisors as the best ideas were stolen, and the worst ideas used as a pretext for their dismissal.

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<sup>1</sup> Source: "Corporate Creativity", Robinson & Stern, Berrett-Koehler Pub (1998)

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Suggestion boxes became popular in the manufacturing sector in WWII and the post-war years. They became part of the total quality movement and an integral part of cost, safety and quality improvement initiatives over the following fifty years. They are still the mainstay of corporate suggestion programs, be they physical boxes or virtual boxes on company intranet web sites.

**3. Today's Suggestion Box**

Most people have some experience of suggestion boxes, from customer-centric boxes in retail outlets to the classic employee suggestion box.

The boxes provide some benefit in their ability to capture ideas from anyone in the organization. However there are many issues: individuals must be standing next to the box, they need some incentive to make a contribution, and they want to be safe in the knowledge that both they - and their ideas - will be treated fairly. Unfortunately the reality is that the majority of programs fail outright or produce less than spectacular results. The photograph illustrates why these problems exist.<sup>2</sup>



**Paper forms**            The small format paper forms to put down your idea do not encourage a lot of thought. There is also no focus to idea gathering.

**Suggestion box sign**    This makes the purpose of the box obvious although the use of the exclamation mark may dissuade people from contributing, or indicate that this is a complaint box rather than a 'new idea' box.

**Limited idea capture**            You have to walk by the box to put in your idea. With a thousand people at this location and only one box, it is not convenient for everyone to participate.

<sup>2</sup> Source: Anonymous Fortune 100 Corporation - suggestion box at facility in Dublin, Ireland

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Trash can	This is a mistake (we hope) but the slot for idea forms leads directly to the rubbish bin below. This often happens, at least metaphorically, in many suggestion programs.
Fire extinguisher	A good idea, to be used in case the ideas are dangerous to the status quo. Of course, the best ideas are original, unique, and break the mold... which would imply that the best companies would need to use the extinguisher all the time.
Waiting stool	The turnaround time for ideas can be many months. Companies we have worked with often have backlogs of over a year to process and provide feedback to idea contributors.

#### **4. Idea Management: The Next Generation Suggestion Box**

Idea management is the process of collecting focused business ideas, developing the ideas into implementable concepts, evaluating and selecting the top concepts, and measuring performance.

The overall process of idea management adds the following features to the traditional box approach:

**Focus**

Suggestion Box	General idea gathering, management support for the process, but not necessarily the idea themselves. The focus is almost entirely cost reduction and process improvement.
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Idea Management	Focused idea gathering on timely business topics, together with senior management support for the ideas and process. Companies use idea management for a broad range of goals including revenue generation, new product and service development, process improvement and cost reduction.
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**IDEA MANAGEMENT AND THE SUGGESTION BOX****Idea Capture**

**Suggestion Box** Mostly paper idea forms, although more companies are now collecting ideas via simple web-based applications or e-mail.

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**Idea Management** Primarily from web browser users or e-mail systems, collecting ideas from employees and possibly suppliers, customers and partners. Hybrid systems allow companies to collect ideas in paper and voice mail format for inclusion in the computer system. Sophisticated idea management applications will include identity control features to protect the contributor's reputation.

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**Collaboration and Idea Development**

**Suggestion Box** Most suggestion boxes are not open for sharing, and ideas are only visible to the evaluation committee. Web-based suggestion boxes are sometimes open for browsing and comment, but regularly fail to attract the attention of employees. There is usually no search functionality.

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**Idea Management** Systems provide a space on a web site to share comments, insight, experiences and to express opinions via voting. Security control allows access rights to different groups. All ideas can potentially be shared and developed, and everyone can potentially see - and develop - anyone else's idea. Search tools are often available to facilitate idea development.

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**Idea Evaluation**

**Suggestion Box** Paper 'chain' passed around reviewers, only including the ideas, rarely any supplementary information. Scores often tracked on shared spreadsheets. Manual reminders to handle the workload, often resulting in significant backlogs.

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**Idea Management** Web-based systems providing a range of tools, typically based on voting or point scoring models. Reviewer workflow is handled by automated e-mails and follow ups.

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**IDEA MANAGEMENT AND THE SUGGESTION BOX****Idea Selection**

Suggestion Box      Face-to-face decision making only, typically in monthly or bi-monthly review meetings.

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Idea Management      Web-based tools to facilitate decision making based on reviewer and contributor input. Workflow triggers to hand over work to the relevant people on closure. Work conducted asynchronously using web browsers, or the output from the web process can be used to facilitate face-to-face decision making.

**Feedback to Contributors**

Suggestion Box      Extensive manual effort to communicate individually, sending e-mails or paper letters. Response time is often very poor!

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Idea Management      Timely, automated response based on status change of the idea, no manual involvement necessary.

**Idea Tracking**

Suggestion Box      Manual lists maintained in spreadsheet or paper form for paper ideas. E-mail boxes often have no tracking capabilities.

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Idea Management      Tracking is done automatically as part of the system and workflow. Performance metrics are produced as by-product of the system and can be exported into Excel or Word.

**Rewards and Recognition**

Suggestion Box      The majority of systems reward employees based on a percentage of cost savings or net benefit. Many systems are subject to 'gaming' with individuals finding ways to cheat the system.

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Idea Management      Flexible approach to rewards based on the organizational situation. Less emphasis on financial rewards, more on intangible rewards and small scale tangible incentives. Reward programs built on an understanding that "knowledge workers are all volunteers".

## 5. Benefits of the Suggestion Box

Suggestion boxes are often quick to implement as they require relatively little infrastructure and pre-planning. Web-based suggestion programs, typically a web-based form to collect ideas, can be created for as little as \$5,000 for a very basic system, although most companies expect to pay from \$75,000 to \$300,000 for a working system<sup>3</sup>.

Suggestion boxes allow a wide range of employees to make their contributions, especially if they do not have access to computers. Boxes can be placed in production facilities and in retail outlets, providing a cost-effective means of collecting paper-based suggestions.

Unfortunately the benefits are often outweighed by the disadvantages. The boxes may not be emptied for long periods of time, and the initial novelty of the box can wane leading to disuse of the system. A research study<sup>4</sup> found that the majority of programs failed to meet initial expectations, and the study recommended that programs should be closed down for a period of time in order to re-invigorate the system and workforce.

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<sup>3</sup> Source: "The PDMA Toolbook for New Product Development", Belliveau, Griffin & Somermeyer (Ed.), John Wiley & Sons (2002).

<sup>4</sup> Source: Research Study by the SIRC conducted with 50 companies in the UK between 1996 and 1998.

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## 6. Hybrid Systems: Paper, Voice and Web

Idea management offers many advantages over a traditional suggestion box program. The cost of running an idea management program is comparable to the cost of a professionally run suggestion box program, but with a much higher likelihood of successful results and return on investment.

The reach of the traditional suggestion box for non-computer users does provide some significant benefits to corporations. The best way to combine the benefits of both methods is for a blended approach:

- A Web-based idea management as the core collection, development, evaluation and feedback system
- Additional idea collection methods using paper forms and possibly voice mails from non-computer users into central place for retyping into computer system
- Feedback to contributors via e-mail for computer users, and other communication channels such as phone calls, internal mail and mail to home addresses for non-computer users

The use of hybrid systems should dramatically increase the scope of idea capturing and increase the likelihood of receiving high quality, novel ideas. Idea management will provide efficiencies in the handling of ideas and the outcome, and the paper and voice approach handles the diversity.

## 7. Conclusion

The suggestion box has a history going back over a hundred years. Recent technology developments, combined with an understanding of knowledge management issues, have enabled the creation of idea management as the third generation of suggestion systems.

Companies looking to replace an aging suggestion box should carefully consider moving straight to idea management, avoiding the inevitable problems of the suggestion box and increasing the likelihood of successful projects.

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## 8. Other Information

For more information on the traditional suggestion box approach, we recommend contacting the Employee Involvement Association ([www.eia.com](http://www.eia.com)).

## 9. Contact Details

For more information on this topic, and for information on Imaginatik's products, please visit the Imaginatik web site at [www.imaginatik.com](http://www.imaginatik.com) or contact:

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