

Chapter 2

Field Research Methods

Our field research consisted interviews with 12 companies known for their innovativeness and four case studies.

2.1 Company Interviews

The 12 companies were selected as those most likely to be willing to experiment with a wiki for collaborative innovation since they already used wikis. The company representatives were asked about their willingness to consider using wikis in this matter, the barriers and possible benefits to doing it.

Great interest in participating in the Innovation Challenge experiment was shown by the companies we approached, yet barriers were apparent. One barrier was not having the staff dedicated within the company to improving innovation generation. Consequently, it was no one's responsibility to design a wiki for collaborative innovation. While wikis were often maintained by the IT departments in the company, the IT department cannot take responsibility for corporate-wide innovation. The discussion of barriers with the 12 companies led us to recognize the need for a Readiness Tool to help a company determine when they are adequately prepared to obtain the greatest benefits from their use of social media tools for innovation.

Another issue that was raised repeatedly during these interviews was the need for successful experience using wikis first, before the wikis can be used for collaborative innovation. Some company representatives indicated that they were still struggling with getting sufficient engagement in the use of wikis for purely knowledge capture, and thus it seemed premature to consider wikis for collaborative innovation. Comments such as these led us to recognize the need for a tool similar to a capability maturity model that helps a company assess how well it is moving down a path of using social media for innovation. Simply because it has not completed the journey as yet, doesn't mean that it wouldn't eventually gain the value needed.

2.2 Case Studies

The four cases were selected based on companies willing to experiment with wiki focused exclusively on collaborative innovation and include:

- USA Tech Company
- China MBA
- China D
- European Telecom

2.2.1 Case Study #1: U.S. Tech Company

U.S. Tech Co (a pseudonym) is a privately held company with facilities distributed around the country. The company operates a national portfolio of 17 strategically located interconnection and data co-location facilities. These facilities provides connections in key locations near cable landing, fiber paths, exchanges and media hubs, to enable a network-neutral ecosystem for doing business. Their facilities reduce latency associated with connecting to cloud services, financial exchanges and media providers.

The company had no prior employee experience engaging on a wiki, either sharing or using or refining information. The company was motivated to conduct an experiment on wiki use for collaborative innovation in order to learn more about the process, as well as understand how to focus their distributed and diverse work force on common problems that could benefit from diverse views. The majority of company employees do not come to an office and rarely if ever meet face to face. An independent and distributed workforce has been a strength of this company over the last two decades; giving them coverage and agility in changing strategy and product offerings ahead of the curve. At this point however, there is a realization that employees possess a great deal of expertise and knowledge of their customers that is not diffusing through the company.

Existing software was used for designing the wiki. To motivate employee use of the wiki, a challenging question was carefully developed among company executives to be general enough to encompass a wide variety of expertise levels. The question that was asked was: **WHAT INNOVATIVE CLOUD-BASED SOLUTIONS SHOULD WE PROVIDE OUR CUSTOMERS?** However, as the challenge progressed we determined that the question was so general that it did not seem sufficiently relevant to individual employees and this had an effect on participation.

Company employees were recruited via email for voluntary participation in the wiki to address the question, and were offered incentives (gift cards) for participating according to the guidelines. Since this was intended to be a wiki used for collaborative innovation, the employees were informed on the wiki site of the guidelines for collaborative innovation shown in Textbox 1

- #1: DISCUSS AND DEFINE CHALLENGE PROBLEM FIRST including sharing your knowledge about leading solutions that are hosted by our datacenters, why clients choose us, what are our main differentiators from competitors, what is the main challenge we face from competitors, and what you know about cloud computing if anything (see the attachment for more info)
- #2: POST BRIEF IDEA “SEEDS” to stimulate others’ thinking
- #3: CHALLENGE ASSUMPTIONS to spark new ideas
- #4: INTEGRATE IDEA SEEDS to form complete solutions
- #5: ENCOURAGE OTHERS TO COLLABORATE
- #6: VOTE FOR POSTS that follow the above guidelines
- THOSE RECEIVING THE MOST VOTES FOR FOLLOWING COLLABORATIVE GUIDELINES RECEIVE GIFT CARDS!!!!

Company employees were reminded periodically over a 5 week period to post. Outcomes (solutions) at the end of the challenge were to be assessed by stakeholders at the company. During this time, despite reminders to participate, response from the 11 participants was negligible.

2.2.2 Case Study: Chinese MBAs

In this case, an open source wiki technology was used to start a wiki for an MBA class on E-Commerce. Forty-five working (part-time) MBA students from different companies in the ICT industry, attending Dalian University of Technology in China were invited to participate in the innovation challenge which lasted 2 weeks. This was an “in-person” course, but since these students also are employed, they only saw each other during the class time. Their challenge question was: **DESIGN A BUSINESS MODEL BASED ON THE MOBILE INTERNET AND MOBILE DEVICES.**

A few individuals were assigned the role of “idea shaper” and all entries were revised numerous times: six principal ideas were refined a total of 116 times from a total of 1,065 posts. Incentives were given to eight students who contributed the most during the challenge. The incentive was 800 RMB (130 US\$) for participants who were most active and deemed to have contributed the most. Those contributing at the next few tiers (second through fourth place) received 500 RMB (80 US\$), and finally, the fifth through eighth highest contributing individuals were rewarded with 300 RMB (50 US\$). The participants were rewarded independently of the idea that was chosen. In other words, some participants were rewarded for commenting on and improving the winning idea, not for initiating it. At the end of the challenge, the eight winners hosted (paid for) a dinner party for all the other

participants. This gesture is reflective of social norms in China and would not be viewed as unusual. The top idea was a mobile “information intermediary” app called “rental by finger,” using smartphone locational capabilities to collect rental data from multiple websites to help users find and locate rental property.

2.2.3 Case Study: China D

The third case is that of China Company D, an online education solutions provider. The company employs 200+ employees located in two cities. Wikis were currently used by 50 of the employees in the technology departments of development, maintenance and quality control, but not within marketing or administration or sales. However, wikis were not widely exploited by the company, although other modes of communication like instant messaging were pervasive. Although the top managers encouraged the usage of wikis in general, marketing and service employees were excluded from making use of them. Thus, the “open” and democratic characteristics of wikis that allow ideas to come from often unexpected sources—e.g. an administrative person who suggests new product design, was not as easily realized in this corporate environment. In addition, the relative lack of protection for intellectual property could be a factor impeding more open systems for innovative activity which can easily move beyond the boundaries of the organization (Wilson 2012).

The challenge question was developed by the vice-president of R&D was: **DESIGN A BUSINESS MODEL (SOLUTION) BASED ON THE MOBILE INTERNET AND MOBILE DEVICES.**

A total of 51 employees registered and participated in the innovation challenge. Participants were IT practitioners, mainly from the R&D, maintenance, and testing departments, but a few individuals from marketing and after-sale departments also voluntarily participated. The 51 employees were provided the same instructions as the US Company to ensure their contributions were directed toward collaborative innovation.

Employees were told that the VP would be the official judge of the participant’s quality of posts and each person’s individual contribution would be looked at. Nonetheless, the participants realized that this innovation challenge was not an “official” task. The wiki ran for 4 weeks and no incentives were given for participation.

Due to the still persistent hierarchical nature of the Chinese corporate culture, and strict observation of rank, there was less engagement than expected. Corporate culture seemed more important than incentivization—top management buy-in appeared to be an underlying driver for innovative collaboration through the online platform to succeed.

In the first weeks, only two quality ideas were generated. As a result, the VP had to intervene in the challenge to encourage more participation and idea generating. After this point, more quality entries were generated. In the third week there was silence, due to an emergency that involved the attention of all participants. In the last week, the VP pushed for completion rather than shaping and cooperatively developed ideas. It should be noted that the best performing team had a member who played an extremely active “shaping” role, encouraging the other team members to comment and respond quickly. This “champion” pushed along the iterations of the idea, and made some of the revisions himself. Ultimately, the idea that was selected from the wiki challenge was a mobile/online training school focusing on English language and IT skills.

2.2.4 Case Study: European Telecom

This European Telecom company can be considered far-sighted in its recognition of the need for new models of innovation to help them maintain pace with the rapid technological changes in the ICT industry over the last decade. They expect innovation to originate from new sources—small nimble start-ups, individual entrepreneurs and unexpected companies based in emerging economies. Embracing open innovation, the Chief Technology officer has said:

The world is full of people who are keen to offer their ideas, and firms will need to become exceptional exploiters of this immense pool of talent if they are to survive. For those used to relying on their own resources, it is a tremendous change—both in approach and in outlook. But it is a change that offers big benefits, and not just to firms. By creating opportunities for many more people to participate in the innovation process and share the wealth that is created, open innovation will help overcome the digital divide.

Prior to 2005, the company had developed an innovation program which was managed by an external service provider. A decision was made to develop an innovation initiative from inside and make it a business-driving operation. The objective was to create a process that incorporated the creative ideas of employees as well as customers and push marketable ideas through the company until they reached the group most suited to develop a particular promising idea into something with quantifiable return. The initiative is also used to simply gather ideas, generate suggestions as well as push other programs/campaigns along. This effort entailed a comprehensive effort—which seems to have produced results. At this point they can show demonstrable results from the use of collaborative platforms that were employed in parallel with management support. This top down approach was intended to engage and involve employees at all levels in the process of innovation.

The company’s program has evolved over several years as they have learned to calibrate, revise and add new elements to support and motivate participation and innovation. An incentive system has been put in place: if an idea is implemented,

the idea submitter can receive a substantial cash payment. Also, in line with previous academic studies that show the need to assign specific “roles” to individuals so that as collaborative innovation evolves, the company has implemented an extensive process of role-identification and role assignment. Efforts to identify expertise have helped get ideas into the view of appropriate people as well as supporting the assignment of roles including “evaluators,” “innovation champions,” and “implementers” who drive ideas from the initial stages through management, development, marketing and finally to the customer. It is also possible for idea originators to receive guidance and “ask an expert” when posting their ideas. Importantly, from the initial stages of the company’s decision to move forward with online knowledge integration, senior management involvement, starting at the CEO level was visible throughout the company. In addition to socializing the program within the company from top to bottom, importantly, the web-based platform was integrated into the company’s other IT systems so that usability and the overall user experience was easy.

The innovation initiative has had visibility on a global basis with employees and senior executives alike submitting ideas and comments as well as voting. Numerous challenge questions with different goals are run through the system. At this point, although the site is open to all, in large part posts have originated from employees that directly face customers, and thus many suggestions are focused on customer satisfaction and new services for customers. Besides customer experience, other major areas of idea generation are cost savings, efficiency improvements with partners and suppliers, and other internal business improvement functions. Business improvement includes network infrastructure, and thousands of engineers have submitted technically oriented ideas in this area. Engineers in the field have suggested ideas such as the special tools that have ended up expediting on premises work. An interesting outcome for the company involved a suggestion for a heart-rate monitor using a mobile phone for mothers to be. The idea had initial enthusiasm. When “expert” employees (mothers) in the company evaluated the idea however, they did not see the value and instead suggested other mobile app possibilities, one of which was successfully developed—a baby naming app. This was vastly different from the initial starting point, and has been held up as an instructive example of online collaboration.

Despite the company’s focus on innovation, most ideas have tended to be more incremental than desired. Continued support for higher quality idea generation include a new platform that gives higher internal visibility to ideas and their initiators, additional “roles” for participants in the discussion and idea generation process—some of which are informal, and a focus on reinforcements that include gamification. Badges are also used as a reward to provide visibility to senior management and general satisfaction to people participating in the wiki. To the extent possible, the company tries to codify and measure the effects of the totality of this effort to make the online innovation process better.

Overall, this effort to alter the company mentality towards greater creativity and engagement has not occurred overnight and requires substantial effort from a small dedicated team that read every post and decide on further actions, including

responding to the post and sending it to an appropriate “expert.” It is an intensely “hands-on” process. While upwards of 1,000 people evaluate ideas, a group of around 20 people are very active in receiving, evaluating, and then farming out ideas. It has proved difficult to mitigate the labor intensiveness of the evaluation process as automation is a challenge. Online training is provided for participants to learn how to submit, track and evaluate.

A recent view of the site showed nearly 16,000 ideas, 44,000 comments, 2,200 votes and 5,500 users between April and mid-September during a recent year. The internal-only website allows viewing of the most recent posts and ideas that have the most comments, along with a news-feed that shows who is doing what. Idea originators must answer, while posting their ideas, several directed questions such as why they submitted their idea, in what area within the company is the idea likely to have the most impact, the cost required to implement the idea, etc. Other questions are posed to help the individual think through their suggestion or idea. The idea description phase of the process has been recognized as overly lengthy and possibly a barrier to participation and thus it is being simplified to fewer, better questions. The initiator still must justify their idea, understand how it links to key areas and show costs and benefits. This means that ideas that are put forth must be fully formed.

Once an idea has been submitted, it is evaluated by a person assigned the role of “evaluator” and may be sent back to the idea originator for refinement, rejected, or sent further on. The small team within the company charged with managing the process intensively monitors ideas, forwards them and identifies evaluators for ideas.

As an idea progresses, it is assigned to an individual. Ideas are evaluated in terms of detailed financial metrics and ideas that are pursued are carefully measured in terms of revenue saved or produced as a result of implementation. At this point, only ideas are rewarded; shaping activity is not.

While the company is constantly refining their process and seeking ways to integrate innovative practices into their organization, the tension between traditional control and openness are clearly at play.

Despite challenges in balancing collaboration and competition to support creativity, in sum the company sees its efforts paying off. At the time we spoke with them, they calculated that 54 million pounds of revenue could be directly accounted for, originating from 88 ideas. Currently, 51 ideas are in various phases of development. The company feels that they have succeeded in altering the “black box” processes of the past through slow development over time and great attention to their efforts to build innovative thinking and communication from within.

Reference

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