

Results-Driven Innovation

an Executive Roundtable Series

“What gets measured, gets managed.”

– Peter Drucker

Measuring the Impact of Innovation

How organizations can link inventive behaviors to tangible outcomes

The Results-Driven Innovation Roundtable Series explores how leaders can leverage their in-house talent in considering alternative solutions, seeking fresh perspectives, and questioning the current state. Discussions will focus on the value of divergent thinking up, down, and across levels of an organization; and the realities, pitfalls, and opportunities associated with employee innovation.

- How can organizations detect and measure employee innovative behaviors from hire to retire?
- How is innovation measured in the short and long term? What are the key behaviors and outcomes to look for?
- How can metrics be used to detect where lower levels of innovation exist across value chains?
- What tools and analytics can help create integrated, measurable employee and customer experiences?

Do you want to learn more about Innovation and how you can embed it in your organization?

We can help.



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MEASURING THE IMPACT OF INNOVATION: QUESTIONS TO CONSIDER



- What matters most to my organization and why it is important to evaluate?
- What are the benefits of measurement and how will efforts tie into the organizational strategy?
- What are the long-term and short-term goals of collecting data?
- How will the data be collected and shared with those who need to action it?

WITH MEASUREMENT, YOU NEVER ARRIVE

Constantly look for opportunities to improve. Ensure you are re-visiting your plan to action your measurement activity and that it is linked to support your organization's strategy.



MEASUREMENT DO'S & DON'TS

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| Ensure questions/items are clear and concise | Collect data and feedback that is not going to be actioned |
| Use a consistent and meaningful rating scale with strong descriptors | Constantly ask employees for feedback and risk survey fatigue |
| Seek opportunities to collect quantitative and qualitative insights | Make correlations to data that don't exist |

INNOVATION KEY PERFORMANCE INDICATORS



Creation and alignment of success metrics are key in ensuring that progress is measured in a consistent manner. Consider the engagement metrics and commercial metrics below when tracking the effectiveness of innovation programs:

Engagement Metrics:

- Overall sentiment survey on engagement, culture, and innovation
- Employee satisfaction surveys and ratings
- Time invested by key stakeholder

Commercial Metrics:

- Innovation Success Rate: Ratio of ideas commercialized to the total number of ideas
- Return on Innovation Investment: Ratio of gross profit earned from innovation
- Percentage of sales generated through innovation

MEASUREMENT OPPORTUNITIES THROUGHOUT THE EMPLOYEE LIFECYCLE



Problem-solving, critical thinking, and self-reinvention are competencies that always add value to an organization's culture and bottom line. Once you have identified the innovative traits that matter most to propelling your organization forward, what comes next?

No matter where your organization is in your measurement journey, there are opportunities to get a pulse on innovation efforts through re-evaluating existing parts of your employee lifecycle—all the way from hire to retire.

RECOGNIZE THE VALUE OF QUALITATIVE DATA.

Assess your current engagement survey/s to gauge where there is opportunity to pulse check the culture in which employees are expected to be innovative. Understanding where there are gaps across departments and levels will help you prioritize where to take action and measure improvement.

LINK TRAINING TO DESIRED BUSINESS OUTCOMES THAT GO BEYOND THE CLASSROOM.

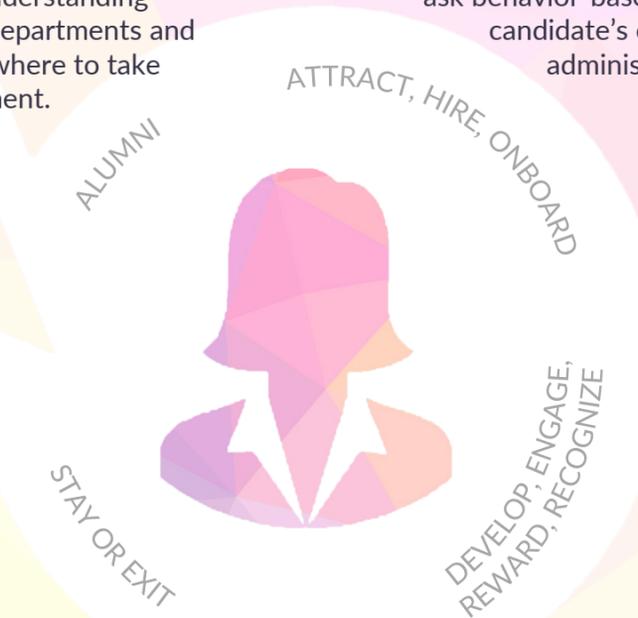
Many organizations send surveys to their employees immediately after they complete training. Consider adding some measurement points: pre-training surveys to establish a baseline, 60-90 day assessments to show behavioral change once employees have had a chance to apply new skills, and regular KPI assessments to show business impact.

EVALUATE CURRENT HIRING CRITERIA AND PROCESSES.

Provide consistent standards for hiring amongst all leaders and those involved in the hiring of new talent. Look for opportunities to ask behavior-based questions to better evaluate a candidate's current innovative capabilities or administer problem-solving case studies during the interview process.

APPRAISE HOW THE WORK GETS DONE, NOT JUST WHAT IS ACHIEVED.

By having employees and leaders reflect on the behaviors that led to business results—like collaborating with others, problem solving, and productively questioning—you can get a pulse on how often these traits are showing up in your organization. This will also help to shift mindset and move the needle on instilling an innovative culture, while still focusing on business results.



SHIFT THE FOCUS TOWARDS ONGOING MANAGING OF PERFORMANCE, RATHER THAN PERFORMANCE MANAGEMENT.

Embed opportunities for employees to receive ongoing feedback and information about their performance in real-time to enable measurable change.