



Measurements of success

What is this?

Innovation must be measured to ensure its effectiveness. There are hard and soft measures and it is important to consider what is important to the organisation(s) commissioning the innovation.

Hint: “You treasure what you measure” so ensure that you measure what is really critical to the commissioning organisation(s).

How it works

Step 1

Looking at the different types of measurements below, ask the group to decide which of these measurements their organisation would typically use to measure the success of an innovation. Remember that if the data would be difficult to collect, the organisation is unlikely to make new provisions to collect it, so choose measurements that are already in place.

Inputs: the financial investment and people's time devoted to innovation, along with the number of ideas that are generated. These are measured as:

- Hours of time devoted to innovation
- Amount of financial investment
- How many Innovation events launched
- Number of ideas per challenge
- Number of individuals engaged

Throughputs: the number and quality of ideas that enter the pipeline after initial screening, the time it takes for those ideas to move from concept to prototype to reality, and the notional value of the innovation pipeline. These are measured as:

- Number of ideas created into innovations
- Number of triaged ideas at each stage in the pipeline
- Number of innovations in R&D
- Research expenditure

Outputs: the number of innovations that reach maturity in a given period, the value that can be attributable to innovation. These are measured as:

- Number of applied innovations
- Measurements from the challenge, such as amount of carbon saved, amount of time saved, amount of money saved
- Safety metrics improved
- Innovation ROI ratio

Other interesting measures of innovation can be:

- Innovation awards
- Company and individual figurehead profiles in PR or on social media
- Profit changes
- Company growth changes
- Customer changes – attracting new customers or customers moving away
- Employee changes – attracting new colleagues or people leaving

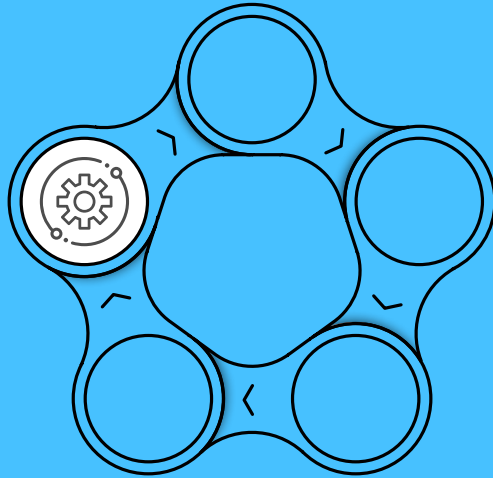
Step 2

Once the group has decided on the appropriate measurements for their organisation, they must set goals and timeframes for each of these. Once the baseline metrics are established, set specific unit-by-unit innovation goals to fine-tune the innovation process.

As goals are key motivators for both team morale and for achieving company growth, it is best to start with conservative goals in the initial stages and work up to goals that stretch the ambitions of the organisation.

Step 3

Discuss how these measurements will be captured. Is new software needed? Is there budget for that? Microsoft Power BI is an excellent system for extracting these metrics and displaying in user-friendly and motivational ways, such as a series of scoreboards created from a central dashboard.



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