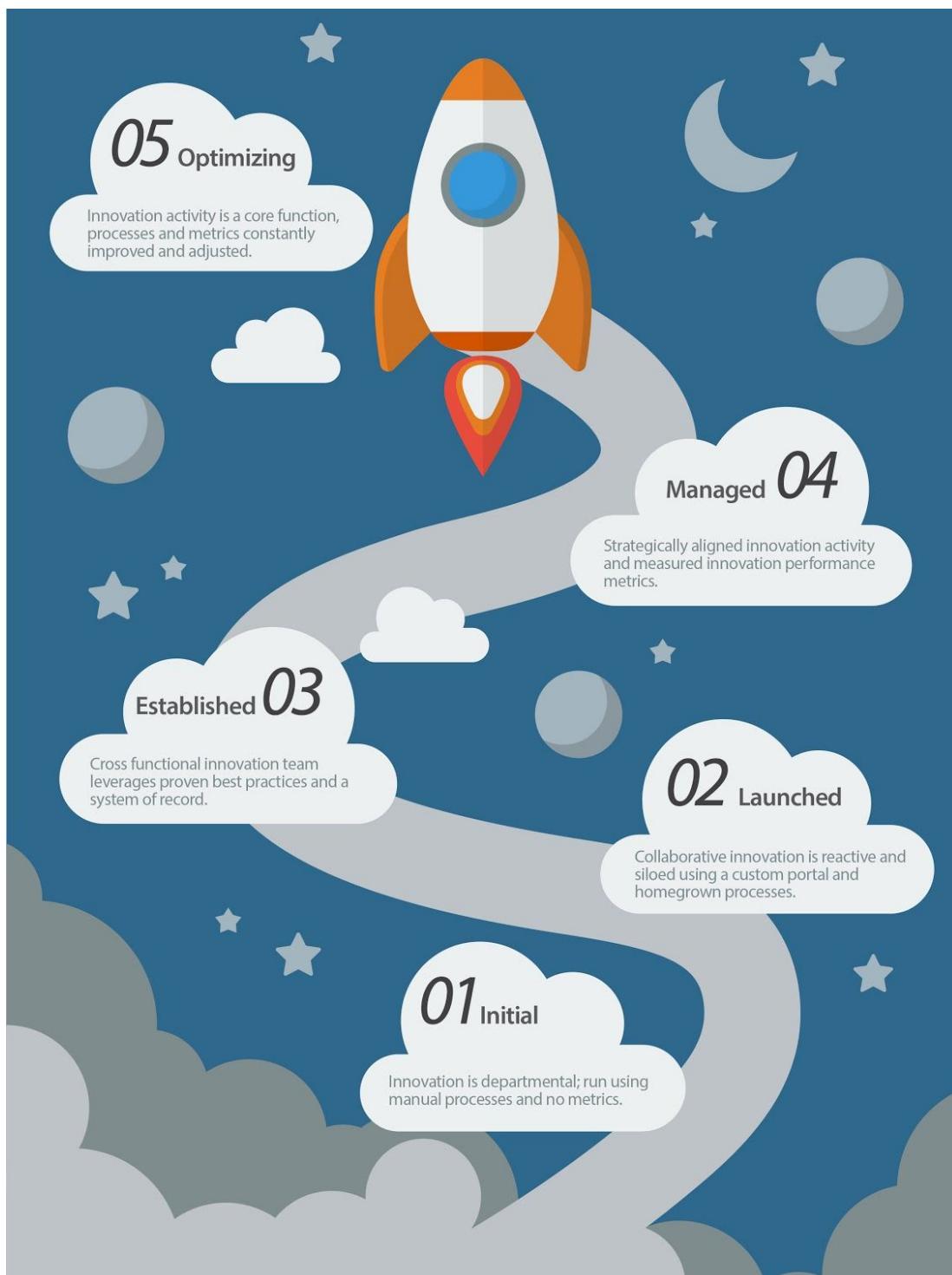


# Innovation Management Capability Maturity Model™



**By Planbox**

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# Introduction

*It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change.* - Darwin

Competing and winning today is harder than it has ever been. Your competition is global and may be just a small startup or an extremely deep-pocketed organization. In a blink of an eye, you can lose an entire group of customers, surrender market share, get squeezed on your profit margins, and face material, rapidly forming unanticipated risks and challenges.

Adopting innovation management as a core competency is how you can build an engine to continuously grow and transform your business - to solicit creative ideas from your community of employees, customers, prospects and partners and turn them into winning projects.

This guide describes the [Planbox Innovation Management Capability Maturity Model™](#) (IMCMM). IMCMM is loosely based on the concepts and framework defined by CMMI, Capability Maturity Model Integration, a development and management framework that has been widely adopted by software development, support and service delivery and consultancy organizations. For more information on CMMI please visit: <http://cmmiinstitute.com/>.

Just like CMMI, IMCMM is not intended to be a holistic all encompassing framework that defines and controls every aspect of your innovation management activities. Rather, IMCMM serves as a set of focus areas, best practices, guidelines and a roadmap on your journey to achieve innovation management excellence.

# Key Elements of the Capability Maturity Model

The maturity of an organization is determined by its demonstrated capabilities across the following strategic, functional and operation areas.

Strategy - determine how the organization's leadership and senior management views, defines and manages innovation activities, and whether the organization's strategic objectives are directly correlated to and aligned with its innovation activities.

Organization & Culture - assess people's views and perceptions of the role innovation plays in their daily work and ultimately in determining whether they are succeeding in their contributions to the organization.

Processes - evaluate the presence of documented processes for encouraging the fostering, review and screening of ideas that are aligned with the organization's stated objectives and focused areas.

Tools & Techniques - analyze the tools and existence of best practices that are designed to support processes, culture and metrics at the desired capability level.

Metrics - inspect the key performance indicators measured and tracked by the organization that help determine whether its innovation efforts and investments are successful.

# The Levels

|   | <b>Strategy</b>   | <b>Organization &amp; Culture</b>   | <b>Processes</b>   | <b>Tools &amp; Techniques</b>  | <b>Metrics</b>  |
|---|---|---|--|--|---|
| <b>L<br/>E<br/>V<br/>E<br/>L<br/><br/>1</b> | Senior management is focused solely on existing revenue streams and business model.<br><br>Business units viewed as cost and revenue centers investing in low risk initiatives and incremental gains.   | Innovation is viewed as a siloed departmental activity.<br><br>Managers make top down decisions on which projects and opportunities to pursue.  | No processes for ideation, idea screening, idea experimentation and development.<br><br>Mostly ad-hoc poorly documented departmental idea management processes.  | Manual processes, custom spreadsheets and general collaboration tools/portals are used for informal ideation.  | No metrics (such as # of views, ideas, votes, comments) are tracked and trended to measure innovation activity, user engagement, and results.   |
| <b>L<br/>E<br/>V<br/>E<br/>L<br/><br/>2</b> | Management reacts to competition and market conditions by making conservative line of business investments.<br><br>Leadership team starting to recognize that consistent innovation activity is necessary to maintain a market advantage.   | Management recognizes the need for interdepartmental collaborative effort on innovation.<br><br>Innovation is viewed as an extracurricular activity, something you do "on the side".  | Idea submission and evaluation forms and templates are used in an attempt to standardize.<br><br>Realization that processes should be documented and standardized across the entire organization.  | Custom portal, tailored forms and master spreadsheets are used to centralize idea capture and management.<br><br>Ideas are collected and screened using departmental processes.  | The only metrics used to evaluate innovation activity and results are financial.  |
| <b>L<br/>E<br/>V<br/>E<br/>L<br/><br/>3</b> | The organization is investing in building a cross functional innovation system and team.<br><br>Senior executives are attempting to lead instead of react in their approach to making innovation investments.<br><br>Start to engage the outside world through one time open innovation campaigns seeking new ideas from partners, suppliers, customers, experts, universities, start-ups and the community at large. | Innovation participants are from multiple departments and collaborate on innovation.<br><br>Innovation activity rapidly gaining more acceptance - is celebrated regardless of success or failure.<br><br>Marketing team is involved to ensure effective communication strategy and messaging alignment. | Leverage more best practices and proven methods across the entire innovation management flow.<br><br>Emergence of documented, traceable and transparent processes that are designed to align innovation activity with business objectives.<br><br>Move towards challenge-driven innovation management and agile experimentation. | Innovation management system is deployed across the organization.<br><br>Ideas captured and screened using a centralized system.<br><br>Seeking Ideas that are more aligned with strategy starts in this level.<br><br>No formally designed innovation reward system.. | What is being measured is documented and reported to the organization's leadership.<br><br>Metrics are treated as individual data points.<br><br>No specific targets for measured key performance indicators. |

|   |  |  |  |   |   |
|---|--|--|--|---|---|
| <b>L<br/>E<br/>V<br/>E<br/>L<br/><br/>4</b> | <p>Innovation investments are starting to be aligned with business objectives.</p> <p>There is a healthy flow of ideas at various stages on the innovation funnel.</p> <p>Innovation portfolio management systematically directs the right funds to highest value and most strategic ideas and opportunities.</p> <p>Innovation program is designed to consistently engage with outside experts by leveraging an innovation hub.</p> <p>Increased HR focus to ensure diversity of opinion and inclusiveness.</p> | <p>There are multiple innovation champions from all Lines of Business who manage their own communities, collaborate, share best practices, and have a strong mandate to get things done.</p> <p>Innovation activity is viewed and acted upon as part of daily tasks and deliverables.</p> <p>Everyone, newcomers and old timers, understand their role in innovation management processes.</p> | <p>Standard processes span across departments with defined owners who have authority to make decisions.</p> <p>Innovation leaders are empowered to approve experiments, kill what does not work and make investment decisions.</p> <p>The organization has formalized crowdsourcing, open innovation and co-creation efforts.</p>  | <p>Actionable analytics and reports are used by a center of innovation excellence to make course corrections and adjustments on all innovation activities.</p> <p>Cross departmental reward and recognition system to motivate and recognize contributors.</p> <p>HR is involved as user engagement takes center stage.</p> | <p>Targets set for key performance indicators.</p> <p>No formal action plan when target engagement levels or innovation results are not met.</p> <p>Executive dashboards routinely shared and reviewed to gauge idea funnel, trends and innovation portfolio.</p>           |
| <b>L<br/>E<br/>V<br/>E<br/>L<br/><br/>5</b> | <p>Senior management is fully committed to and supports innovation activities.</p> <p>Performance reports consistently communicate innovation activities and results.</p> <p>Continuous innovation activities are planned and executed: annual jam sessions, regular shark tanks: internal business competitions, challenge-driven and open innovation.</p>  | <p>Contributions to innovation are factored into employee performance assessments and evaluations.</p> <p>Innovation is managed and driven by a diverse cross functional group throughout the entire organization.</p>   | <p>Processes are adjusted on a continuous basis based on measurements and strategic direction.</p> <p>Experimentation is routine with an agile approach that rewards a learn fast and fail fast model.</p> <p>All innovation processes are based on best practices, and proven methods yet tailored and optimized to fit the organization's constraints and structure.</p> | <p>Fully automated data-driven tools are used to manage the entire innovation management workflow.</p> <p>Tool support for continuous innovation activities.</p> <p>Fully integrated system that connects with existing reward systems, HR solutions, and collaboration tools.</p>  | <p>Organizational standards-base d metrics are used to measure cross functional innovation activities and results.</p> <p>Targets are constantly adjusted and new indicators are adopted based on a collaborative cross functional committee of innovation evangelists.</p> |

## Level 1 - Initial

*Nearly half of all respondents (48.2%) indicated that their organizations have no formal system or process for tracking, developing, and managing ideas. Other responses were more equally distributed including use of a CRM tool (14.2%), reliance on an in-house solution (15.4%), and use of an off-the-shelf cloud or premises-based system (18.6%).*

- Study of Team Performance 2016 by Actuation Consulting LLC

**Question 11 – How do you track, review, and develop ideas from your employees, customers, and suppliers? (Check one.)**

| Survey Answer   | Percentage |
|---|------------|
| We have no formal processes and systems in place to track, develop, and manage ideas – it's mainly done through emails, spreadsheets, and occasional brainstorming sessions | 48.2%      |
| We use our CRM tool to store and manage ideas from our employees and customers  | 14.2%      |
| We have developed our own in-house solution using a portal and document management system   | 15.4%      |
| We use an off-the-shelf, cloud-based (or on premise) idea management system   | 18.6%      |
| Other   | 3.6%       |

Nearly half of all respondents (48.2%) indicated that their organizations have no formal system or process for tracking, developing, and managing ideas. Other responses were more equally distributed including use of a CRM tool (14.2%), reliance on an in-house solution (15.4%), and use of an off-the-shelf cloud or premises-based system (18.6%).

According to the above cited research, more than 80% of organizations find themselves somewhere from Level 1 to Level 2. Level 1 organizations do not provide a stable environment to support ideation and idea development. Innovation success in these organizations depends on the competence and heroics of a few. Maturity Level 1 organizations have tendency to make riskier investment decisions, overcommit to poorly developed misaligned ideas, manage by crisis, and are unable to repeat their successes.

## Level 2 - Launched

In Level 2, the organization has ensured that basic ideas and suggestion management processes are planned and executed in accordance with the company's standards and policy. The process rigor established in Level 2 ensures that existing practices are maintained in times of stress.

## Level 3 - Established

In Level 3, process standardization has been achieved. Innovation management processes are documented, well understood, and described in standard operating procedures. A few important distinctions between level 2 and level 3 are as follows:

1. In Level 2, processes standards and processes may be quite different in each department and in certain instances. In Level 3, the organization's processes and standards break through the departmental silos. While processes can be tailored and adjusted on a case by case basis, they are always founded on the organization's core standard processes.
2. A workflow-driven innovation management tool is used to serve as the system of record for ideas, to enforce discipline and to standardize processes.
3. With the emergence of challenge-based innovation, proposed ideas and solutions are better aligned with the organization's strategic objectives.

## Level 4 - Managed

In Level 4, the organization has made considerable progress to ensure that all innovation activities are aligned with the organization's stated business strategy and objectives. A few important distinctions between level 3 and 4 are as follows:

1. Action taken based on analytics: targets are set for various metrics that measure engagement, activity and results. Innovation leaders carefully monitor these metrics and reactively plan data-driven course changes and corrections.
2. Gamifying innovation: a lot more careful design effort is put into understand how to motivate participants and promote a long term, fundamental cultural change, that embraces innovation as part of everyday work. Effective SAPS (status, access, power and stuff) reward systems are designed and implemented to encourage and recognize participation and innovation excellence (for information on designing a reward system please see the [How to Gamify Innovation Guide](#)).
3. The organization expands its approach to include a broader set of innovation activities such as innovation jams, shark tanks, and decision Sessions.

## Level 5 - Optimizing

In Level 5 the organization has reached a state of continuous innovation management process improvement based on a quantitative analysis of investments, engagement levels and outcomes. In this level the organization formalizes the frequency of various innovation activities launched in Level 4. Important distinctions between levels 4 and 5 are as follows:

1. Focus shifts from managing individual process and metrics to monitoring overall performance. Adjustments are made, new key indicators are selected, processes are changed, more tasks are automated, across the entire set of processes to optimize the idea management funnel and to improve performance.
2. The organization has developed action plans, is more proactive and predictive in its approach to managing the innovation pipeline and achieving performance objectives.
3. Innovation management becomes a fully integrated system that connects with the organization's reward systems, HR solutions and collaboration tools

# The Model and Your Organization

IMCMM provides you with an opportunity to assess your organization's innovation management capabilities and a roadmap to improving the organization's maturity level and enhancing your innovation program's effectiveness.

One of the unexpected outcomes we frequently encounter is the diverging views and perceptions people have as it relates to organization's innovation capabilities and maturity level. Individuals from different teams discover that product development, service delivery, marketing and other teams within an organization have very different assessments and expectations of the organization's capabilities and effectiveness. It is important to bridge the gaps between these different viewpoints and build a broader agreement on the true state of your innovation program in order to be able to drive the changes and improvements that are needed to achieve innovation excellence.

## Assessing Your Current Capability Maturity Level

Planbox has designed an effective Innovation Management Capability Maturity Model score (nicknamed the Darwin worksheet). In just a few minutes you can answer a series of multiple choice questions after which you will obtain a report that outlines your IMCMM score and a summary of the recommended actions you can take to achieve a higher maturity level.

To complete the online assessment please see:

<https://planbox.com/innovation-management-capability-maturity-test/>

## The Roadmap to Implementing the Model In Your Organization

The Innovation Management Capability Maturity Model helps you and your team understand and assess where you are today. The maturity and capability levels then help you decide the objectives you intend to achieve, what you need to work on and how to develop a strategy that enables you to accomplish your goals.

### Innovation Culture

A major obstacle to achieving innovative management excellence is a corporate culture that focuses on execution. There is an inherent deep-seated belief, from the top executives down to field workers, that risk avoidance, status quo, rewarding short term objectives and operational efficiency are everyone's responsibility and have the highest priority in any decision making scenario or resource allocation exercise. For an innovation culture to take hold, the organization's leaders must inject innovation activity into the organization's DNA. An innovation culture is one where no one is afraid to share and discuss creative ideas, champion new solutions, experiment, be prepared to fail and even celebrate failure. As long as this fundamental shift does not occur, innovation will be viewed as a superficial extra curricular activity that is unlikely to create any sustainable value.

A workplace infused with an innovation culture is not satisfied with incremental progress. Employees see themselves as entrepreneurs who are striving to disrupt the status quo and find ways to fundamentally transform the organization's offerings, delivery processes, target markets or even business model. It's this willingness to take risks and accept the consequences, the good and the bad, that serves as a powerful driver towards building a sustainable competitive advantage.

# Return On Investment

There is a clear and sustainable impact associated with automating and streamlining your Innovation Management processes. Planbox has designed “Strategic, Operational and Financial Impact Analysis” (SOFIA) as a simple yet powerful model that can help estimate your return on investing in an innovation management system. The analysis focuses on delivering an objective value estimation tool for launching or relaunching your Innovation Program. The tool is based on a model that includes a standardized Needs Analysis Questionnaire which results in a summary strategic, operational and financial dashboard. This exercise is extremely valuable as it details the status quo costs based on the challenges being experienced and opportunities missed that would be addressed by a solution such as Planbox. This baseline is then used to review the innovation program’s performance in quarterly and annual reviews and serves as a set of project milestones to make sure you meet or exceed the innovation initiative’s original strategic, operational and financial objectives.

SOFIA is based on 16 years of experience working on hundreds of innovation-related projects and deliverables, the SOFIA model helps you understand how to:

- Quantify the impact of launching or relaunching your innovation program and a cost baseline
- Plan improvements to and enhance your current innovation program
- Validate the value delivered and success measured using 3 to 4 key performance indicators
- Demonstrate impact of investment delay (status quo)

For more information please visit:

<https://planbox.com/innovation-management-system-roi-analysis/>

# Other Sources of Information

Innovation Management Glossary:

<http://planbox.com/agile-work-innovation-management-software-glossary/>

Planbox Innovate support portal

<https://support-innovate.planbox.com>

Guide to Challenge Driven Innovation Management

<https://planbox.com/resources/guide-challenge-driven-innovation-management/>

The Ultimate Innovation Strategist's Playbook

<http://planbox.com/resources/ultimate-innovation-strategist-playbook/>

Innovation Management Software Evaluation Guide

<http://planbox.com/free-evaluation-guide/>

How to Gamify Innovation

<http://planbox.com/resources/innovation-gamification-guide/>

Planbox Idea Contest Brochure

<http://planbox.com/resources/planbox-idea-contest-management/>

Planbox Innovate Brochure

<http://planbox.com/resources/planbox-innovation-brochure/>

Planbox Shark Tank Brochure

<https://planbox.com/resources/shark-tank-competition/>

## About Planbox

Planbox is the pioneering provider of cloud-based Agile Work Innovation solutions - from creative ideas to winning projects. Our mission is to help organizations thrive by transforming the culture of agile work, continuous innovation and creativity across the entire organization. Our family of products include Collaborative Innovation Management, Team Decision Making, and Work Management applications. Planbox is designed to be the agile work innovation tool for everyone, built for companies and teams of all sizes. Planbox is trusted by some of the world's most recognized brands including Blue Cross Blue Shield, Bridgestone, CMHC, Panama Canal Authority, Willis Towers Watson and Verizon with millions of internal and external users. To learn more, visit: [www.planbox.com](http://www.planbox.com) and unleash your innovation butterfly.