

# Online Innovation Lab Guide

*How to Setup and Launch Your Own Online Innovation Lab*



**By Planbox**

v. March 2018



# Table of Contents

[Introduction](#)

[Defining Attributes](#)

[Crowdsourcing and Open Innovation Events](#)

[Breakthrough and Disruptive Change](#)

[Incremental Improvements](#)

[Diverse Participants](#)

[Research Oriented and Experimental Approach](#)

[AI-Powered Data Analysis](#)

[System of Record](#)

[How to Setup an Online Innovation Lab](#)

[Innovation Lab Charter](#)

[Metrics](#)

[Innovation Team](#)

[Networking and Partnering](#)

[UX, Branding and Design](#)

[Culture](#)

[Processes and Best Practices](#)

[Equipment and Tools](#)

[The Software](#)

[The Logistics and Hardware](#)

[Reporting, Accounting and Transparency](#)

[Can We Start with a Temporary Innovation Lab?](#)

[Other Sources of Information](#)



# Introduction

Investing in disruption is an essential strategy. That is why online innovation labs are rapidly gaining traction as a highly engaging and valuable social innovation tool. They are widely used by multinational corporations, research facilities and think tanks as a forum for collaborative idea generation and development. Yet there are limited standards, best practices, core features and generally accepted definitions of what an innovation lab should do and how it should be run.

The Online Innovation Lab Guide is based on 20 years of hands-on experience of Planbox innovation experts working with hundreds of customers to build a business case for, plan, design, develop and launch online innovation management systems and portals. This guide describes the benefits of setting up an Online Innovation Lab. It also describes how you can plan and launch an online innovation lab for your organization.

## Defining Attributes

This section outlines the key features and functions of an online innovation lab.

## Crowdsourcing and Open Innovation Events

Online innovation labs cast a much wider net than a typical ideation portal. Online innovation labs seek the collaboration of and contribution from a variety of different sources including your employees, customers, business partners, universities, startups and other innovation incubators or perhaps even the general public. The lab is designed to provide a collaborative workspace where a diverse group of participants engage in focused, mission-driven idea generation and co-creation activities.

## Breakthrough and Disruptive Change

Innovation labs are not optimized to primarily find solutions for short-term problems. Instead, they focus on creating long-term future value. By unshackling participants from the need to seek immediate results, collaborators are free to challenge the status quo, explore deeper horizons, identify emerging trends, and participate in blue sky thinking. An online innovation lab offers a way for companies to find new opportunities to regain momentum, foster a culture that is more receptive to and embracing of innovation, attract top talent, and ensure that the company is keeping pace with the rapidly changing and disruptive market forces. Technology is often at the heart of these



dislocations. For this reason, a majority of the Fortune 100 organizations have established innovation labs that are explicitly or implicitly focused on technological advancement.

The primary focus of most innovation labs is to achieve a breakthrough innovation rather than seeking incremental improvements. Companies often invest in online innovation labs to find solutions to problems that they are unable to solve on their own. They tackle their toughest challenges and often find ideas and solutions that lead to breakthrough innovation and disruptive change. These innovations may include business transformation strategies, alternative business models, or solutions to large complex problems.

## Incremental Improvements

You can't always hit a homerun. That's why it's important for the lab to also produce some quick wins such as finding incremental cost savings or new revenue opportunities. These solutions are easier to find, evaluate, justify and implement. However, the innovation team must take care not to become too risk averse by focusing an increasingly larger percentage of its resources on these types of activities.

## Diverse Participants

Leverage the creativity of a diverse ecosystem by creating a social innovation network that encourages inclusiveness regardless of beliefs, demographics, job function or status. Innovation labs are designed to bring together a diverse group of participants cutting across domains of opinion, expertise, ethnicity, background, culture and interests. Use this diversity to fuel and energize creativity and the quest for finding unusual yet highly effective solutions. The challenge owner and the innovation management committee carefully select participants in order for people to be brought together even if they would not otherwise collaborate.

## Research Oriented and Experimental Approach

Vital features of any well designed innovation lab include providing the infrastructure, processes and best practices that encourage rapid prototyping, small proof of concept tests, experimental development, and incremental progress.

## AI-Powered Data Analysis



Statistics show that 90% of the world's data was generated over the last two years (Source: Petter Bae Brandtzæg of SINTEF ICT). Additionally, only less than 1% of all customer data is analyzed (IDC Report). With 1B+ websites and social media posts, conversations and comments occurring exponentially there is a lot of information up for grabs. Data indicates that Facebook users write over 250 million posts per hour and Twitter tweet over 21 million times per hour. Online innovation labs that incorporate advanced search and AI powered technology can help organizations turn this massive data into a source of sustainable competitive advantage. The information provided by proactively searching all available data can lead to insights, important discussions, inception of new concepts and recognition of emerging trends that can be turned into new ideas, support the development of existing ideas and actionable solutions.

## System of Record

More and more organizations are adopting the following principle:

### *System of Record for Innovation*

*It's not in the innovation system then it's not an idea; no one can support it or comment on it, and no one can work on it.*

In most organizations, if an opportunity is not stored and tracked in a CRM system then no one can work on it. This is the same concept used for reporting bugs or requesting support. The request must first be recorded in the issue tracking or helpdesk system. Then, a ticket is assigned for someone to resolve. The same concept should apply to innovation management. All ideas, collaboration, innovation activities, supporting content and information produced in an innovation lab or from any other source, must be stored in a single system of record for innovation. Using a systems approach provides a way for innovation management to build upon and improve best practices and standard operating procedures.

## How to Setup an Online Innovation Lab

An online innovation lab is:

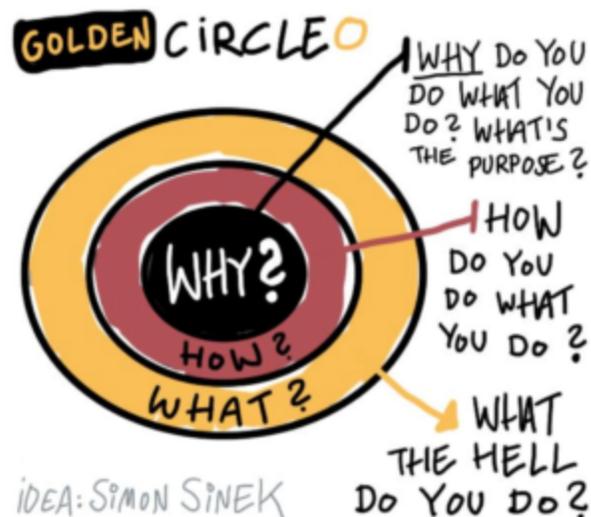
- A virtual workspace designed to optimize innovation
- A fluid environment for creative problem solving and solution discovery



- A collaborative workspace where UX, business rules, rewards, and engagement tools are adjusted to focus carefully selected participants on a specific challenge/problem area
- A virtual presentation stage that facilitates the exchange of ideas
- Technology platform to enable collaboration, analysis, and team-based decision making

The sections that follow describe the planning and preparation steps that are required to setup a complete online innovation lab.

## Innovation Lab Charter



The first and most important step you need to take is to define your Online Innovation objectives and scope. To highlight the importance of this activity, we explore the application of Simon Sinek's [Start with Why](#) technique to investing in an online innovation lab.

According to Simon Sinek, the fundamental difference between the "apples" of the world and everyone else is that they start with "why." Sinek developed what he called the "Golden Circle" that has the following three layers:

- Why - This is why the online innovation lab exists, the core reason for its existence.
- How - This is how the online innovation lab fulfills the core reason for its existence.



- What - This is what the online innovation lab does to fulfill the core reason for its existence.

This sounds trivial, obvious and simple. However, applying Sinek's finding to innovation labs, most organizations will start with "What an innovation lab does" and then move to "How they do it." A majority will totally neglect to define, communicate and market "Why they do what they do." Therefore, your online innovation lab requires a clear written definition of its scope and objectives:

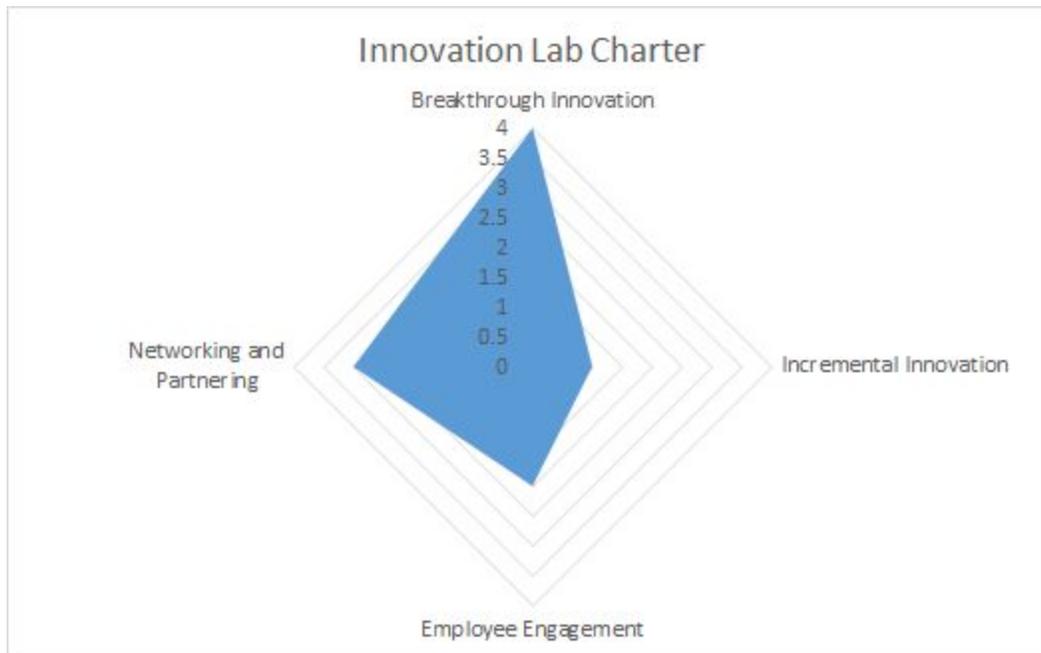
- What type of challenges will the lab focus on? And what type solutions is the organization looking for?
- How is success defined and measured?
- How much of the budget is allocated to innovation activities, experimentation and concept development?

The Innovation Lab Charter is an effective tool and mechanism to agree on and communicate your lab's mission statement and scope. The purpose of the charter is to concisely and unequivocally describe why the Innovation Lab has been created, how the Innovation Lab will fulfill its purpose, and what it should do to fulfill its reason for being created. The following is an Innovation Charter for a fictitious company called Acme sets up a permanent innovation lab focused primarily on finding transformative and disruptive breakthroughs.



## Innovation Lab Charter Example for Acme

**Acme Idea Lab** delivers breakthrough game changing innovations through an open and collaborative effort with Acme's suppliers, partners, startups, researchers, and the academic community.



4 = most important -- 0 = least important

Acme's senior management has reviewed this Innovation Lab Charter and agrees with the mission and priorities set out in this document. All innovation lab activity and future decision making will be driven by this charter.

Four corners of the Innovation Lab Charter:

**Breakthrough innovation:** The organization is seeking transformative changes and significant technological advances that accelerate the company far ahead of its competition.

**Networking and partnering:** The organization seeks to build closer working relationships with academics, researchers, start-ups and other business partners.

**Incremental innovation:** The organization is looking for incremental efficiencies and immediately actionable sources of top and bottom line growth.

**Employee engagement:** The company views the online lab as a vehicle to improve employee engagement as well as a mechanism to attract and retain talent.

## Metrics

The innovation lab charter described previously plays a fundamental role in determining how you measure your online innovation lab's results and level of success.

## Innovation Team

You have to carefully consider the profile of the team selected to run your online innovation lab. Many organizations often initially staff their lab with venture investors and those who are oriented towards making investment decisions. This may not be the best way to start. Those who view the lab as a venture capital incubator will insist on ROI analysis prematurely when the concept has not been sufficiently developed and lacks data points. . This results in potentially great ideas being tabled. This is the opposite of what an innovation lab should accomplish.

The best initial innovation lab team members are:

- Tech savvy yet socially adept; possess the expertise to evaluate new technologies and able to collaborate effectively with academics, researchers, startups, partners and other participants who are describing potentially complex highly technical solutions
- Liked and respected throughout the organization so their recommendations receive a proper review and are vetted and implemented by senior management and other business leaders.

## Networking and Partnering

An online innovation lab serves as a powerful platform to create an ecosystem of relationships with people and organizations spanning a diverse skill set such as technology, manufacturing, consulting, marketing and human resources. The lab serves as a networking and partnering opportunity to connect the organization with:

- Investors
- Academics, researchers and incubators
- Startups and entrepreneurs
- Customers and business partners
- Employees and consultants



## UX, Branding and Design

The best way to make an online innovation lab engaging and enduring is to carefully select the innovation lab portal's UX, visible branding and design. Here are some ways to develop your lab's brand:

- Pick a fun name, design a simple logo and create a slogan for your online innovation lab. This branding has to be consistent with the company's other messaging. Senior executives, especially from marketing and HR should be part of any innovation lab related branding and messaging decisions.
- Creating your own unique look and feel that meshes with the organization's online branding and other web properties.
- Design online banners that are posted and shared on internal company portals and other online systems to promote the innovation lab and any active challenges you run.
- Design, order and distribute shirts, mugs, pens, invitation cards and other promotional items to advertise the innovation lab and any new challenges you plan to run.

## Culture

Most innovation practitioners that are new to the field think of culture as an unstable, abstract concept over which they have little control. Emphasizing things such as keep your space clear of clutter, fix broken windows, approve of a relaxed dress code, offer coffee and snacks for all, and take it easy casual Fridays can only do so much to make the workplace more enjoyable.

However, even the smallest change has a substantial long term impact on how people think and operate when the change is part of a larger theme such as establishing a tech-powered, data-driven, social and innovative culture. Here are some examples of innovation lab culture themes:



We Love Flat	Participants in lab cannot pull rank on each other. Managers, team leaders and field employees receive the same treatment. Participants are differentiated based on the role they play in the idea management process such as contributors, idea champions, subject matter experts, and challenge owners.
We Are Limitless	No idea can ever be rejected initially with the excuse that the organization does not have the means, time, budget or resources to even consider it.
Iterations R US	If an idea is approved for experimentation, we will set short achievable goals, create a prototype, test, evaluate and repeat the same process as many times as the team deems that it is necessary.
Vote and Evaluate Tuesday	All participants, every subject matter expert and idea evaluator has allocated some time on Tuesday to discuss, vote, comment on or evaluate new or existing ideas.
Failure Fun Friday	Popcorn and snacks are ordered to celebrate the worst failed experiments.

## Processes and Best Practices

An Online Innovation Lab is intended to operate as an investment that develops actionable solutions not just half baked ideas. Therefore, the lab has to map out the entire innovation process, from idea generation to evaluation, development, conceptualization, experimentation and implementation.

Standardized Innovation lab processes and best practices include:

- Defining a Good Idea Blueprint: Describe and share what a good idea looks like. This gives participants an example to follow. Ask your Planbox advisor for a copy of the Planbox recommended Good Idea Blueprint.
- Open ideation and external crowdsourcing framework, policies, business rules and rewards: Define the procedures, business rules, and guidelines in which participants can contribute. Policies include:
  - Official privacy policy, confidentiality, and IP ownership agreements participants have to review and accept before participating in any lab activity



- Guidelines for rewards and recognitions that can be setup and promoted to encourage participation
- Activity planning schedule: Plan the lab's monthly, quarterly and annual activity schedule including what contests, brainstorming sessions, internal shark tank competitions to run, and what challenges to focus on.
- Innovation lab workflow:
  - Research
  - Idea generation
  - Evaluation
  - Business case development
  - Selection
  - Prototyping and experimentation
  - Funding
  - Implementation

Establishing the minimum necessary documented processes, policies and procedures promotes the healthy and effective function of the lab. However, verification and enforcement should not be so strict and rigid as to create unnecessary overhead, bureaucracy, inhibit creativity and discourage participation. Any paperwork and agreement that is more than 2 or 3 pages long or any process that takes more than a few minutes to verify is excessive and detrimental to an online innovation lab.

## Equipment and Tools

### The Software

The foundation of a successful online innovation lab is the careful selection and implementation of tools and technologies that support how you envision the lab to look, as well as your workflows, business rules, and methods of operation..

Key features include: :

- System of record for innovation management. All ideas, interactions and supporting materials and documents are recorded in your innovation system.
- Support for planning and launching online jam sessions, shark tank internal business competitions, crowdsourcing co-creation and open innovation campaigns, innovation challenges and decision sessions to communicate the organization's vision.



- Business rule engine configured to send notifications, award points and push and pull information for other information sources.
- Dynamic forms support and form design to iteratively add more information as the idea is developed.

For a complete feature list, please contact Planbox to request our latest [Innovation Management Software Evaluation Guide](#).

## The Logistics and Hardware

To be effective, even an online virtual lab needs physical space and equipment. The following is the minimum recommended list:

- Idea kiosks: if you have a significant number of field employees or potential participants, setting up an idea kiosk in a carefully selected location in close proximity to their everyday commute can substantially increase participation. This is especially useful for initial raw idea generation.
- Regular reserved conference room sessions including projectors, monitors, and displays: Every regional business unit or office should schedule regular get-togethers to celebrate failures and successes, discuss new challenges and focus areas, and virtually collaborate with teams in other locations on a real-time basis. These types of regularly planned activities go a long way in advancing a culture of innovation and purpose-driven creativity.
- Regional fun innovation spaces: In addition to scheduled events, your organization can set up a fun inspiring innovation room where people are free to go anytime to discuss new ideas, virtually connect with other collaborators in an ad hoc team setting, or to simply tune out of the daily work to focus on a specific business problem.



# Reporting, Accounting and Transparency

It's important to carefully select the success factors you intend to measure and evaluate when reporting on the online innovation lab investments and activities. The following is an example of an online innovation lab summary performance report, the potential metrics and the type of information you should track and report.

Acme Online Innovation Activity Report 2017							
<b>Number of Events</b>	10						
<b>Activity Type</b>	<b># Completed</b>	<b># of Participants</b>	<b># of Ideas</b>	<b># of Votes</b>	<b># of Comments</b>	<b># of Concepts</b>	<b># of Solutions</b>
Challenges	4	1,800	360	720	450	18	2
Shark-Tank Internal Business Competition	3	653	52	424	457	16	5
Jam Session	1	2,578	619	1,547	1,392	6	1
Innovation Day	2	564	56	395	451	23	5
Experiments - Proof of concept	62	52	-	-	-	-	25
<b>Online Lab Cost Type</b>	<b>#</b>	<b>Cost</b>					
People (FTE)	4	340,000					
Activities	72	361,736					
Software and systems	-	30,000					
Facilities and Equipment	5	60,000					
<b>Investments</b>							
Project Investments	6	1,500,000					
ROI on Investments		4,600,000					
<b>Total Return</b>		3,100,000					

While measuring and tracking costs, results and performance of your online innovation lab are a must, you have to be careful not to impede the willingness to take risks. Never squelch creativity and critical thinking. You will not be able to show a positive ROI in the near term, especially if your online innovation lab's charted is tilted to favor breakthrough innovations. For example, in the sample report above, it is likely that the investments and the resulting ROI of the initiatives that paid off are based on innovation activities that took places months or years ago.



## Can We Start with a Temporary Innovation Lab?

An online innovation lab does not have to start out as a permanently funded function. While more mature and well-funded innovation teams make long term investments from the outset, earlier stage teams with less backing can take incremental steps towards building and maintaining a permanent online lab as they incrementally demonstrate how incredibly valuable and essential such an online facility can be.

The innovation team can plan a series of activities that lead up to the formation of an online lab such as:

- Innovation jam
- Shark tank business competition
- Innovation contest
- Market research
- Plan and execute a set of continuous improvement challenges
- Open innovation and external crowdsourcing

For more information on the various innovation activities and events you can plan and launch please contact your Planbox innovation advisor.



## Other Sources of Information

Innovation Management Glossary:

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

Planbox Innovate support portal

<https://helpdesk.planbox.com>

Guide to Challenge Driven Innovation Management

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

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 AI-Powered 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 and trusted by some of the world's most recognized brands including Bridgestone, BP, Great-West Life, Honeywell, Panama Canal Authority, Philips, Sealed Air, Sun Life Financial, Whirlpool, 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.

