

MANAGEMENT

Scoring ideas on innovation honeymoon board

The ancient Chinese philosopher Lao Zi once remarked: "If you winnow chaff, and the dust gets into your eyes, the places of heaven and earth and of the four cardinal points are all changed to you." The sage thus highlighted how easily people can get confused and lose orientation.

In view of this danger, it is of vital importance not to allow anything to blur your mental vision of where you want your organization to move. This requires the careful removal of intellectual chaff from the harvest of the innovation honeymoon, which is the unusually insightful and creative period of new employees, and other creative endeavors.

The first step of strategic winnowing, the process of selecting valuable and viable options for breakthroughs, is to design what I call a "strategic winnowing sieve". This selection framework here is assumed to be a two-by-two matrix, but it could also encompass a number of generic assessment categories that differs from this model.

These major dimensions must then be decomposed into various evaluation sub-criteria. Some of these granular assessment standards may be designated as necessary conditions to be used as knock-out criteria for prescreening ideas. To avoid redundancy, such pivotal yardsticks must not be included in the strategic winnowing sieve. After customizing the selection tool, executives must roll up their sleeves and process the suggestions.

An effective practical sorting strategy is to use what I call an "innovation honeymoon board" (see *illustration*). It can be employed to evaluate a wide variety of items, such as geographical markets, customer groups, products, organizations and their units, people and many other things. This powerful filtering tool is particularly well-suited for the purpose of innovation honeymoon management.

The board can be used by individuals, but it often becomes more effective when employed by a team. The collective intelligence of such a jury, which should also include innovation honeymooners, is likely to improve the entire selection process. Top management consultants have resorted to moon-scoring, too, which evidences its versatility and practical usefulness in different walks of life.

To prepare the ground for choosing game-changing ideas, execu-

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tives must master the nuts and bolts of scoring ideas on the innovation honeymoon board. They first have to prescreen all suggestions, eliminating ideas that do not meet the knock-out criteria identified in the tool development stage. Such preselection saves time and efforts, since

the entire process of scoring and subsequent selection hinges on the judges' constant alertness, sensitivity and creativity. Emphatically, these tasks must never become mechanic and monotonous. As you sift through the proposals and evaluate them, their strengths and weaknesses, both in isolation and in comparison to other options, will begin to surface. If the assessment task is performed by a team, insightful discussions about the proposals are likely to ensue. I urge you to start recording intriguing thoughts during the scoring phase, so that you will be able to recall them.

To arrive at a mark for a certain sub-criterion, you may need to perform some preliminary analyses. Those can reveal some of the proposal's merits and demerits, which should be documented in an audit trail. For example, a commodity chemical producer that considers offering additional services, such as

may show that the returns will be lower than the cost of the capital required for providing the services, such as sophisticated laboratories. This would mean that the proposal, viewed in isolation, would destroy economic value.

In the next step of strategic winnowing, referees have to compute a total score for each generic dimension, such as "value for the organization" and "ease of implementation". To arrive at this aggregate mark, they need to take the average of the individual moon ratings relating to the various sub-criteria, such as the proposal's fit with the organizational direction, its economics, impact on the customer base, learning opportunities, reputational effects, and collective inspiration.

Usually, simple visual inspection suffices for this purpose. For example, if half of the scores are full moons, and the other half are empty circles, the resulting total mark for the generic heading will be a half-moon. If necessary, the moons relating to the sub-criteria may be converted into numbers, which can then be used as input for calculating the average.

After you have completed the assessment of a proposal, you need to use the summary scores for the two generic dimensions to find the corresponding quadrant in the selection grid and enter the proposal accordingly.

When you use your index to show the direction of the stars, a little child will gaze at this finger, but not at heaven! In contrast, managers should demonstrate intellectual maturity by employing the innovation honeymoon board as an instrument that helps them to see the light, not as an end in itself. If they use it properly, they will not straddle between incompatible options and instead focus on the few proposals that shift the needle.

(Part 7 of the "Innovation Honeymoon" series. To be continued.)

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The innovation honeymoon board: The nuts and bolts of scoring ideas

Example

- High
- Low

| 1. Score all options | | | | | | | | | | | 2. Enter options in matrix | | | | | | |
|----------------------|------------------------|---------------|---------------|----------|------------|-----------|------------------------|----|---------|------------|----------------------------|-----------|------------------------|----------------|------|------------------------|-----|
| Idea | Value for organization | | | | | Sub-total | Ease of implementation | | | | | Sub-total | Value for organization | First priority | | Ease of implementation | |
| | Fit w/ direction | Economic base | Customer base | Learning | Reputation | | Innovation | HR | Capital | Technology | Networks | | | Organization | High | | Low |
| A | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| B | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| C | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| D | ● | ● | ● | ● | ● | ● | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ |

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proposals that do not fulfill the necessary conditions for adoption will not have to be further evaluated.

Afterwards, referees must enter the short-listed proposals into rows and allocate a "moon point" as score relating to each of the various assessment sub-criteria, which are arranged in columns. A full moon symbolizes the highest mark, whereas an empty circle denotes the lowest score. You can even use quarter-moon segments to depict finer distinctions. In many cases, dichotomized scoring, using only full moons and empty circles, is preferable though, since often the value added by granularity does not justify the additional costs in terms of higher complexity.

Importantly, the effectiveness of

testing and consulting, in conjunction with their core product would need to calculate the bundle's expected return on invested capital. To do so, it must project total revenues, costs and capital requirements.

At this early stage, the calculation may expose difficulties in appropriating the value the company creates for its customers by offering additional services. Managers may assume they will be able to charge a higher price for the bundle, resulting in higher total revenues if demand is price-inelastic. But total costs might actually be projected to increase more rapidly because of the additional high expenses of the new services, making the company worse off than before. Even if profits were expected to rise, calculations