Ahh, the Encyclopedia Britannica. A wonderful way to learn the past, research the history and review scholarly articles about a specific subject – if you were writing a high school term paper in the 1970s. Let’s face it; libraries, reference books and dictionaries are losing their luster. Exploration and learning today are more likely done through online resources like Google, online research and scholarly journals, Wikis and blogs. So what does this mean for innovation and product development research processes?

Today, three ring binders and file cabinets still clutter the offices of marketers and market researchers at Fortune 500 companies that are considered leaders in innovation. Most of these companies probably have sophisticated enterprise information systems that contain sales information, financials, product data records, inventory and even employee time-tracking.

Surprisingly, these companies may still track their historical ideation, concept, and project information in three ring binders or manila folders stacked in closets or stored in the basements of a research facility.

Is it profitable (or even efficient) to have the most creative and innovative minds of the company spending their time digging through these archives? Worse yet, when they do find an interesting fact or figure within the library of data, what do they do with it? How do they find out why concepts that failed in testing, ideas were never developed, or projects were killed? Odds are, the project sponsor or concept owner is long gone, having either left the company or moved into a different role. All tribal knowledge has been lost. How do employees avoid reinventing the wheel with each attempt at new concept development?

The answer lies with improved information retention, data accuracy and knowledge capture. This requires a three-part change in most organizations.
Part 1: Process Change

As part of a new product development process, researchers must change their current behaviors and start accurately recording all information vital to innovation success. This includes concept positioning, product descriptions, price points, innovation project types, launch forecasts and market research results. In addition to raw data points, they must capture knowledge associated with different innovation projects, reasons behind project promotions or cancellations, and the results of concept positioning tests.

With this information accurately captured, product developers can start innovation projects by researching the past, learning from the successes and failures the enterprise has had in a specific area. Through this combination of process and behavior change, continuous learning is cultivated, projections are more accurate, decision-making is improved, and reapplication of best practices is possible.

Part 2: Supporting Technology Change

While some leading organizations support process change by capturing this data in complicated spreadsheets and databases, several software companies have created solutions tailored to capture information relevant to the front end of innovation. All of these solutions can be fully configured to meet the needs of any organization, in any industry, giving the enterprise a clean, simple-to-use, graphic interface that enables innovation data to be searched and tracked by any user. These sophisticated systems give users an intuitive, Google-esque environment that provides rapid, comprehensive, pertinent results to their new product development questions.

In addition, these systems provide a clear line of sight to the “fuzzy front end” of innovation, allowing leaders to make better decisions about concept changes, product launches and which projects to promote, delay, or cancel. Accurate pre-launch innovation data also allows organizations to perform analyses of in-market results versus quantitative forecasts. This “closed-loop” creates a mechanism for determining necessary adjustments to future predictions.

Part 3: Culture Change

Changing process and technology drives improvements in data retention, accuracy and knowledge transfer. However, without accompanying changes to corporate culture, the fire behind these process changes will quickly burn out. Leadership must make it clear that capturing innovation information is vital to the success of the organization. Employees must understand that without easily accessible knowledge of the past, there is no possible way to improve results in the future. For this to be successful, leadership must foster an environment where failure is not criticized or looked down upon — as long as insight, learning, and knowledge are gained in the process. This knowledge will pave the way for enhanced future innovation.
Real Results

While this may seem like a lot of change for one organization to undertake, the rewards can be astounding. According to one marketer at a $40B food and beverage company, “having this type of data would have saved me two months of researching binders and folders upon starting my position – and I was only in charge of one brand.” Imagine if the entire company had the capability. At a $19B consumer packaged goods company, this capability is estimated to save tens of thousands of dollars a year in redundant market research studies and countless man-hours spent researching the history of the enterprise to find past ideas, concepts, and projects for a specific need. According to a portfolio manager there, “if we uncover one breakthrough innovation, we have paid for this project for the next 100 years.”

Getting Started

Enterprises with the ability to easily search past innovation and product development records clearly benefit from more visibility to both the past and the current “fuzzy front end” of innovation. To get started, organizations should determine the most impactful information to record and then require innovators to capture this data and logic. Leadership must make it clear that the change is not about adding a silly level of structure to a creative process, but about ensuring concept work is not lost, protecting investments, and making better decisions for the future. While everyone may not see the value of this exercise immediately, closing the innovation paper library and locking the market research file cabinets will be a joyous occasion for all.

Get out of the 1970s high school library and bring your enterprise to the 21st century. In a world where information changes every second and flows freely from source to source, innovation data tracking is more necessary than ever. The insights and knowledge gained through this practice are priceless and will become the foundation of innovation success for years to come.

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