

A Best Practice Model for Useful Suggestions Management

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This paper presents the results of a research project financed by the Chamber of commerce and industry of Slovenia. The main purpose of the project was to propose a model for useful suggestions management, including concrete suggestions for businesses. This is based on (a) an in-depth literature review, (b) case studies of three innovative, export orientated Slovenian companies and (c) the results of the implementation of this model in two Slovenian companies (as a pilot project). Concrete suggestions for businesses regarding the useful suggestions management process, the implementation itself, the rewarding and monitoring of useful suggestions activity and potential adaptations of the model to changes within the company are presented. Since the paper focuses on the implementation of useful suggestions management, offering a rich insight into the concrete processes involved in both developing such policies and carrying them out, companies may achieve great business value by implementing this proposed model.

Keywords: Useful Suggestions Management, Implementation, Case Studies, Research and Development

1 Introduction

Today, concepts such as the new economy, new technologies, hyper-competition and clock speed are used to illustrate the fact that the dynamics involved in competition and on the markets have never been greater. Thus, there is a large focus on the concept of innovation management (Drejer, 2002; Cancer and Mulej 2006; Treven and Mulej, 2007) and useful suggestions management in particular. The need for companies to become more innovative has probably never been greater (Drejer, 2002). Innovation activity is a necessity for companies that compete in environments where change is pervasive, unpredictable, and continuous (Koberg et al., 2003). Developing new products or services is of the highest importance for the survival of companies (Vermeulen, 2005). Small and medium-size companies are no exception to this rule (Xueli et al., 2002). The increased turbulence of the environment in which these companies operate forces them to develop new products or processes more effectively and efficiently. This does not only refer to totally new products or processes but to modifications of existing ones as well. These incremental product and process innovations are often refinements and extensions of a company's existing products and processes and seem to primarily involve exploitation-oriented activities (Marolt, 1998).

Although incremental innovations and useful suggestions have been identified as critically important compe-

titive factors for small and medium-size companies (Banbury and Mitchell, 1995; Treven and Mulej, 2007), most of the present studies on innovation in small and medium-size companies seem to deal with radical innovation (e.g. Brouwer and Kleinknecht, 1996, Wakasugi and Koyata, 1997, Hoffman et al., 1998, Vossen, 1998, Freel, 2000, Hadjimanolis, 2000, Xueli et al., 2002) and stress the need for attracting sufficient funds, creating external linkages, hiring highly skilled employees, taking risk and using networks. However, the existing literature remains unclear concerning incremental innovation and useful suggestions (particularly for small and medium sized companies), where the previously mentioned factors might not be of crucial importance.

This paper presents the results of a research project financed by the Chamber of commerce and industry of Slovenia. The project aimed to develop a model for useful suggestions management that is based on (a) an in-depth literature review, (b) case studies of three innovative, export orientated Slovenian companies and (c) the results of the implementation of the model in two Slovenian companies (as a pilot project). The model includes concrete suggestions for businesses regarding the useful suggestions management process, the implementation itself, the reward and monitoring of the innovation activity, as well as the potential adaptations of the model to changes within the company.

2 Literature review

It is widely recognized that effective management of innovation and useful suggestions is critical to the success of most enterprises (Wheelwright and Clark, 1992, Patterson, 1998, Cooper, 1999, Tuominen et al., 1999, Shepherd and Ahmed, 2000, March-Chorda et al., 2002, Crawford and Di Benedetto, 2003, Zenko and Mulej, 2000). With such a close link between innovation and an organization's overall success, managers and decision makers must ensure that this process is well managed and successful (Cormican and O'Sullivan, 2004). However, product and process innovation is a risky and expensive endeavour, which results in low success rates and the termination of many projects. Liberatore and Stylianou (1995) argued that only about 14% of the ideas that enter the new product development process are commercially successful.

Peter Drucker (1967) was the first to emphasize that innovation is not just an outcome but a process. In today's global market, most organizations have more competitors than ever before. In addition, competitors are launching new products and services more often (Mitchell and Bruckner Coles, 2004). In general, there seems to be an agreement that an entirely new competitive environment has arisen. Long-term competitive advantage comes from conflicting yet ultimately complementary activities, such as maintaining a steady flow of incremental and continuous improvement in established business lines and setting aside existing successful products for new innovations (Hiitt et al., 1998). To achieve this long-term competitive advantage, a company should have an effective innovation management and, particularly, an effective useful suggestions management.

The appropriateness of effective useful suggestions management through fostering useful suggestion activity was also confirmed by the "Global Idea Management Benchmarks study" (IMB Consulting, 2004) conducted in Austria, Germany and Slovenia. Research has shown that useful suggestion activity resulted in average savings of 530 Euros per employee per year.

2.1 Useful suggestions management techniques

In today's highly competitive and turbulent business world, various innovative and useful suggestions management techniques are being used, such as 20 keys to Workplace Improvement, Total Quality Management (TQM), Total Productive Maintenance (TPM), Just in Time (JIT), Lean Production, Business Process Reengineering (BPR), Continuous Improvement in Kaizen, Business Excellence, Customer Satisfaction, Six Sigma quality, ISO standards and others. The common goal of the introduction of all these innovative and useful suggestions management techniques is to increase the quality of products and services and to increase the competitive position of the company (Kolarik, 1999).

The "20 Keys to workplace improvement" (Kobayashi, 1990) were developed by Professor Iwao Kobayashi. The 20 Keys method focuses on the constant improvement of more than one factor at a time – focusing on 20 different aspects (Petrarolo, 1998). Today, the method is used by numerous companies world-wide. The slogan 'faster, cheaper and better' is used by companies trying to eliminate and reduce unnecessary activities that do not contribute to the added value. TQM's origin can be traced to 1949, when the Union of Japanese Scientists and Engineers formed a committee of scholars, engineers and government officials devoted to improving Japanese productivity and enhancing their post-war quality of life. Influenced by Deming and Juran, the committee developed a course on statistical quality control for Japanese engineers, followed by extensive statistical training and the widespread dissemination of the Deming philosophy among Japanese manufactures (Powell, 1995). TQM can be defined as a holistic management philosophy that strives for continuous organization improvement (Kaynak, 2003). Seiichi Nakajima, the vice-chairman of the Japanese Institute of Plant Engineers, promoted Total Productive Maintenance (TPM) in 1971 across Japan and has become known as the father of TPM (McKone et al., 2001). TPM provides a comprehensive company-wide approach to maintenance management, which is usually divided into short-term and long-term elements (McKone et al., 1999). It describes a synergistic relationship between all organizational functions (but particularly between production and maintenance) for continuous improvement of the product quality, operational efficiency, capacity assurance and safety (Chan et al., 2005).

The problem with most of the innovative and useful suggestions techniques is that they are very complex and that they require companies to hire consultants to implement them, which is a major obstacle for small and medium sized companies. Also, many of the innovative and useful suggestions techniques are not appropriate for small and medium sized companies, i.e. 20 Keys to workplace improvement. While researching the effects of the implementation of the 20 keys method in 45 Slovenian companies, Jug (2004) discovered that the method had the following shortcomings: (1) Companies have several problems during implementation. Problems appear because of the broadness and complexity of the method and because of the long time needed for its final implementation. (2) It is hard to ensure the continued execution of individual keys. (3) Companies feel that the implementation procedures are not clearly defined and that there is too much theoretical introduction. (4) Problems also appear during monitoring the implementation. The interviewees believe that the 20 keys method does not have an appropriate tool for the financial evaluation of the effects and savings. (5) The management team does not support the implementation of the method enough. (6) The implementation of this method is very expensive (especially for small and medium sized companies).

To overcome these shortcomings, we developed a best practice model of useful suggestions management

that is appropriate for small and medium sized companies and includes concrete suggestions for businesses regarding the useful suggestions management process, the implementation itself, the rewarding and monitoring of the useful suggestions activity and potential adaptations of the model to changes within the company.

3 Methodology

The work on the project presented in this paper was divided into three phases.

Within the first phase, the following activities were performed:

- (1) first, the existing literature and current theoretical models for fostering incremental innovation and useful suggestions activity was reviewed.
- (2) Then the case study questionnaire was developed. We chose the case study approach because case research is lauded as particularly useful in studying the product innovation process (Dougherty, 1992, Workman Jr, 1993). The questions were derived from the literature.
- (3) After that, interviews were conducted with people responsible for fostering innovation and useful suggestion activities in three Slovenian companies. All the interviews followed a common protocol: first, the interviewees were asked to tell us about their experiences with the development of the process of fostering useful suggestions in their company. Then more specific questions were asked about problems with the development process. These interviews served as an input for three case studies.
- (4) The model of useful suggestions management was developed on the basis of the literature review and the case studies.
- (5) The model of useful suggestions management was presented at several workshops and meetings at the Chamber of Commerce of Slovenia.
- (6) Two companies (Lafarge Cement and Bartec Varnost) were chosen for the pilot implementation of the model.

During the second phase:

- (1) The model was completed on the basis of proposals from the workshops and meetings at the Chamber of Commerce of Slovenia,

- (2) A draft of the regulations for useful suggestions management, reward regulations, instructions on how to calculate rewards for useful suggestion submissions and a form for the submission of useful suggestions was prepared (each company that decides to foster useful suggestions can easily adapt these documents),
- (3) A timetable was prepared for the introduction of the model in two pilot companies.

In the third phase:

- (1) The implementation of the model in two test companies was started.
- (2) All regulations, instructions and forms were adapted for each company. A brochure on useful suggestions management and special software for tracking useful suggestions activity (Book of useful suggestion submissions) was also developed.
- (3) The course of the introduction was regularly controlled.
- (4) At the end of the third phase, the final project report was prepared.

4 Summary of the case studies prepared for the development of a useful suggestions management model

The people responsible for fostering innovation and useful suggestions activities in three Slovenian companies (their profiles are presented in Table 1) were interviewed. All the companies are focused on export. Around 90 percent of all production is exported to the demanding Western European market and to other countries in the world.

In all three companies, the professional innovation activity had been there from the beginning of fostering innovation and useful suggestion activities. The possibility of exploiting the creative potential of all the employees was first considered in the 90s. The main reason was the rapid changes in the business environment, which demanded a more modern view on the management of the production sources and especially of the employees and their creative abilities. Along with most Slovenian companies, the companies studied wrote their useful suggestions regulations in the beginning of the 80s. This was a part of a

Table 1: Profiles of studied companies

	Person responsible for fostering innovation and useful suggestions activities	The area of company's activity
Company A	Technical manager	The engineering, production and fitting of prefabricated objects
Company B	Representative of Human resources	The production of campers and car homes
Company C	The coordinator of ideas Management	The production of artificial grindstone cutters and resin-bound grindstone slabs

broader social move on the subject, which gradually lost steam with the guidelines being seen as useless pieces of paper in a large number of companies.

In all companies, the initiative to promote useful suggestion activity was carried out by the highest level of management. In each of the companies, a representative of the upper management was assigned to guide, lead and manage the process. The upper management promoted and created an innovative environment.

Companies A and C followed the KVP² method, since they believed it to be the most suitable. On the other hand, the 20 keys method seemed too big a challenge to them and the experiences of some Slovenian companies showed that the method cannot be implemented quickly. Both companies implemented an adapted approach; company A called it the PCI project (process of continued improvements) and company C called it the Management of ideas. The main point of both approaches (PCI and Management of ideas) is to include all employees in the search for opportunities to change and improve all the aspects of the operation of the company. The difference is that company A wants its employees not only to come up with new ideas, but also to realize them, while company C wants employees to voice the ideas, the realization of which is then handled by organizing workshops, a characteristic of the KVP² method.

Company B did not follow any of the known methods for promoting useful suggestions activity. Instead, they handled it on their own. They are aware of the fact that, before we start thinking about fostering useful suggestions activity in a company, we must realize what position the company is in at the moment. The atmosphere in the company and the subjects that require special attention in the useful suggestions management must be identified. They carried out an opinion poll within the company, which was the basis for writing a thesis paper on promoting useful suggestions in the company. The main purpose of the questionnaire was to discover the actual state of useful suggestions activity in the company and to design guidelines for promoting useful suggestions based on these findings.

4.1 The implementation of the new approaches

Promotion was gradual in all three companies. First, the leaders were educated on the new methods, then they started to educate other employees.

Company A faced some difficulties in the process. In the very beginning they tried to use the so-called improvements to the level of leadership in the PCI, but the results did not meet expectations. The employees did not fully understand the goals of the PCI and the ideas spread by upper management, so they did not accept the project as their own. The initial reaction was not very positive, and not just among the low-level employees. Some leaders did not take the PCI as a key element in finding new opportunities in the company. That is why they used targeted general education and training for all employees, teaching them teamwork and how to search for opportu-

nities to improve their own working environment. The goal was to encourage people to become aware that the future of the company and their own existence depends primarily on themselves and not just on the company management. The education was thus aimed at the hidden potential of company A – all the employees – and, thus, organized as workshops for all the employees. The purpose of the workshops was also a joint search for opportunities to improve the working conditions. The result of the workshops was that the generation of ideas and suggestions for improvement was moved to a lower level – or rather, the search for ideas and suggestions for changes is now carried out at all levels. This gives additional motivation to the employees, since they can realize their own ideas using teamwork.

4.2 The pathway from a useful suggestion to a realization

In company A, suggestions are evaluated by the technical manager, the leader of the PCI project. If the suggestion is incomplete, the person who submitted it is asked to explain it further. Usually the technical manager responds within one day. Suggestions are not normally rejected unless they are very similar to past suggestions. After reviewing the submission, the technical manager also proposes a team of experts (the so-called PCI group) who will realize the idea.

In company B, all suggestions are collected in the department of human resources. Each suggestion is recorded, given a number and the submitter receives a written receipt for submitting a useful suggestion. A group of experts from the technical department then gives their own opinion on the idea and forwards it to the committee for reviewing the submissions. The length of the whole process varies from one week to one month. The human resources department monitors the realization of the suggestion.

In company C, all suggestions are handed to the authors' superior, who then forwards them to the coordinator of the Management of ideas. The coordinator checks that the form is completely filled in and if it is in line with the Rules of the Management of ideas. Then the Management of ideas committee evaluates the submission. The length of the whole process varies from one week to one month.

4.3 Rewarding

In company A, the basis for the rewards is the realization of the idea. Submission of suggestions is not rewarded. They believe this means that the employees are also interested in the realization of their suggestions. The submitter of the idea, members of the PCI group and the leader of the group are rewarded.

In company B, the following rewards are based on the type of useful suggestions: (1) calculable suggestions: the

size of the reward is based on savings, how developed the suggestion is and the job held by the author of the suggestion; and (2) incalculable suggestions: the reward depends on whether the suggestion is a: tip, useful idea, simple useful suggestion, useful suggestion, complicated useful suggestion, to-be innovation of great importance or to-be innovation of extreme importance. In company B, they also select the useful suggestion submitter of the month (rewarded with a practical reward – a T-shirt, a cup or an umbrella). At the end of the year they give out five rewards to those employees who submitted the most suggestions within that year. Every three years they also organize an educational excursion for all the employees chosen as submitter of the month or year.

In company C, it is believed that all ideas are welcome, so the system of handling useful suggestions is aimed at encouraging and rewarding small useful suggestions and developing mass activity. Rewards are given for all suggestions. Reward regulations define who can get the reward and the size of the reward. Educational excursions for the useful suggestion submitters are organized, they get T-shirts for smaller improvements and they can enjoy a 3 day free usage of vacation facilities of the company. At the end of the year, a reward ceremony is organized for the best and the most innovative employees.

4.4 The results of the useful suggestions activity

Table 2 presents the results of fostering useful suggestions activity in companies A, B and C in 2003.

Company A	Company B	Company C	Number of useful suggestions per employee per year
Data not available	0.60 suggestions		0.47 suggestions
Degree of participation in innovation activity	23.68% employees	Data not available	Degree of participation in innovation activity
20.94 % employees			23.68% employees
Average working time on useful suggestion	50 days	Data not available	Average working time on useful suggestion
18 days			50 days
Degree of realization	92% of all useful suggestions	Data not available	Degree of realization
100 % of all useful suggestions			92% of all useful suggestions
Savings	726.56 EUR / useful suggestion realized	Data not available	Savings
7,405 EUR / useful suggestion realized			726.56 EUR / useful suggestion realized

5 Proposed model of useful suggestions management

The model (depicted in Figure 1) consists of a set of steps or activities to be accomplished, where each activity has various considerations intended to make each step successful. It provides a structure that organizations can use to manage and coordinate their useful suggestions process.

5.1 The management’s decision to promote useful suggestions

The management of a company is the key factor, representing the first step towards creating an inventive-innovative process. The management of a company must desire change, to uncover opportunities for changes, to gather different viewpoints on individual problems/opportunities and to implement changes as answers to the dynamic environment. In the hands of the management, the inventive-innovative process becomes a tool with which they are actually able to develop ideas from an invention to a potential innovation and finally to an innovation itself (Bugar, 2001).

The innovation and useful suggestions policy must be formulated on all levels and in all areas of creative work. The company needs to have an atmosphere that appreciates novelties, upgrades them, encourages them and quickly implements them; an atmosphere in which successful inventors and innovators are a role model for all employees and not targets of envy or made a laughingstock.

5.2 Designating goals connected with useful suggestions

Companies should create short term, middle term and long term goals related to useful suggestions. The goals can be: a number of submitted ideas per employee, a number of useful suggestions implemented per employee...

Table 2: The results of fostering useful suggestions activity in companies A, B and C in year 2003. Source: IMB Consulting (2004)

	Company A	Company B	Company C
Number of useful suggestions per employee per year	0.47 suggestions	Data not available	0.60 suggestions
Degree of participation in innovation activity	23.68% employees	Data not available	20.94 % employees
Average working time on useful suggestion	50 days	Data not available	18 days
Degree of realization	92% of all useful suggestions	Data not available	100 % of all useful suggestions
Savings	726.56 EUR / useful suggestion realized	Data not available	7,405 EUR / useful suggestion realized

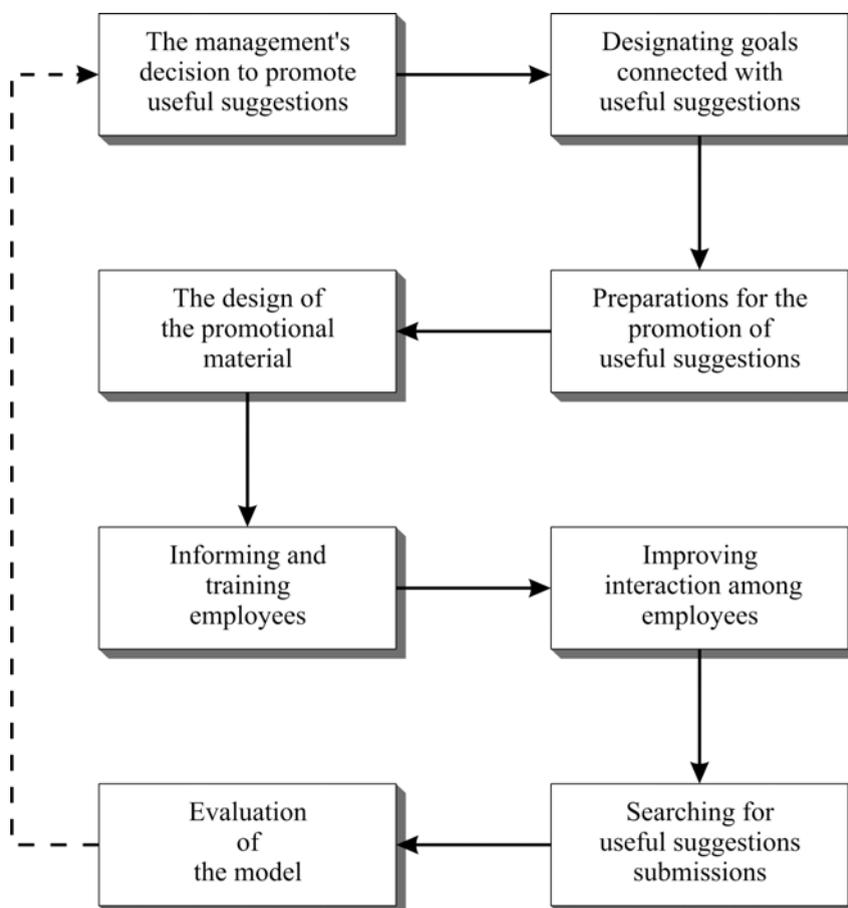


Figure 1: Proposed model of useful suggestions management

5.3 Preparations for the promotion of useful suggestions

5.3.1 Creation of the project group for implementing the system of useful suggestions

Implementing a new system of useful suggestions based on collecting suggestions from all employees requires a company to establish a special project group. It is suggested that it consists of a member of the management, a technical manager, a representative of human resources and a representative of finances.

The duties of the project group are: a) to define the goals of the useful suggestions system, b) to identify the current state of innovation and useful suggestions activity, c) to design regulations for useful suggestions, d) to form a committee for reviewing useful suggestions and e) to inform and train the employees in the field of innovation and useful suggestions.

5.3.2 Identifying the current status of useful suggestions management in a company

Before beginning the implementation of the useful suggestions management, its current status should be identified.

The atmosphere in the company must be identified as well as the fields that require special attention in the improvement process. The status of the useful suggestions activity can be ascertained through an opinion poll among the employees. The poll can show how many employees have already submitted a useful suggestion, if the employees know who is responsible for reviewing their submissions, how to file in a submission, what the current status of the useful suggestion system is, what the relations between the employees and their superiors are like, how they feel in the company, how informed the employees are, how familiar they are with the reward system, whether they know how to gain support for their ideas and if the company offers the necessary conditions to produce and check ideas...

5.3.3 Forming a committee for reviewing useful suggestion submissions

A person with an idea first thinks: who should I tell about it? Is there a person in the company who wants to listen to my suggestion and will not just laugh or ignore me? That is why all the employees in the company should be familiar with the person to whom they can forward their ideas and from whom they can receive additional infor-

mation. The company assigns a person to that post and creates suitable conditions for the ideas to flow undisturbed and in the greatest number possible.

A committee needs to be formed to review useful suggestion submissions. The management, in cooperation with the project group for creating the useful suggestions system, assigns the members of the committee for reviewing useful suggestion submissions. The duty of the committee is to execute the system of useful suggestions. The committee for reviewing useful suggestions submissions is composed of permanent and temporary members: the coordinator (the leader of the committee), the representative of finances, the representative of the legal department and the representatives of various technical departments, depending on the field of the useful suggestion. The first session should cover the operation guidelines. The tasks of the committee members and the coordinator are set.

The coordinator should understand the goals and the basics of the system well. The duties of the coordinator (the leader of the committee) are: (1) to stimulate the employees to submit ideas, (2) to maintain a creative atmosphere within the company, (3) to gather useful suggestions, (4) to evaluate the submissions, (5) to record the submissions, (6) to cooperate with the leaders in the grading and evaluation of the submissions, (7) to enforce the uniform grading criteria, (8) to keep track of the efficiency of the implementation of good submissions and (9) to periodically report to the management of the company.

Ideas should be treated in a positive way. When an individual wants to talk about his or her suggestion, the coordinator must be ready to listen and to explain the possible drawbacks. He or she needs to show enthusiasm and interest whether the idea is good or bad, since a cold refusal of the idea, without explanation, would annihilate any desire to further cooperate with the company. Closing the door against unnecessary and useless suggestions, negative nonverbal communication and sending people from door to door will quickly stop creative thinking and cause the company almost irreparable damage.

Of course, the company should not be too lenient when evaluating and eliminating bad ideas, since they only cause unnecessary waste of limited funds.

5.3.4 Formulating the useful suggestions regulations

The whole area of useful suggestions should be set out in the regulations, containing the following fields: a) regulations for the useful suggestions activity, b) the procedures for realizing the ideas and c) regulations for rewarding the useful suggestions and instructions on how to calculate these rewards.

It should be noted that, without actual support, the regulations for the useful suggestions process is just a worthless document, which is left to the mercy of the employees without any proper action. This often means that there are almost no useful suggestion submissions within the useful suggestion system. Left on its own, the useful

suggestions regulations do not offer motivation and stimulation for constant search for improvement.

Too often, companies believe that the various innovation and useful suggestions regulations and guidelines in companies are, on their own, sufficiently stimulating for innovation and useful suggestions. The regulations are only a foundation, around which many activities, representing a framework for an effective inventive-innovative process, should be taking place. This means that we have to focus on animating and educating the employees, which should enable their creative cooperation.

The regulations for the useful suggestions activity

Most employees are not sure what to submit – what counts as a part of the job and what is an additional contribution. It is necessary to create a report of what counts as a part of the job and what as a useful suggestion for each individual department. An inverse approach can be chosen where the employees are told what does not count as useful suggestion.

The procedures for the realization of the ideas

The procedure from the implementation of useful suggestions is described. The person who should receive the useful suggestion submissions is known, as well as the reviewer. The deadline within which the suggestions should be reviewed must be set.

The regulations for rewarding ideas and the instructions how to calculate these rewards

Money certainly motivates, since it is directly and indirectly connected to the satisfaction of many needs. Rewarding has three functions:

- (1) The system of rewarding should attract employees with promising, unique ideas and keep them in the organization. The system of rewarding can, of course, be completely different from company to company, but the system of rewarding professional inventors/innovators and the system of rewards for non-professional work within the inventive-innovative process should complement each other.
- (2) The reward system must ensure motivation for the additional effort required to submit useful suggestions.
- (3) A successful implementation merits a reward. These rewards are mainly intended for the submitters of ideas and their co-authors, among whom we also count people who helped realize the idea.

The submissions are divided into:

- (1) Incalculable useful suggestions where the size of the reward depends on the type of submission. The submissions can be divided into: unelaborated suggestions, useful ideas, very simple useful propositions, simple useful propositions, useful propositions, complex useful propositions, to-be innovations of great importance and to-be innovations of extreme importance.
- (2) Calculable suggestions where the size of the monetary reward is based on the savings, importance and refinement of the useful suggestions, as well as the job held by the author of the submission.

Nonmaterial stimulation is just as important as this material form of reward – indeed, the psychological ef-

fects on the company as a whole are generally much greater. So the attention of the upper management, which focuses a few times a year on the key individuals and groups in the company and on the most successful inventors and innovators, can be more effective as a motivational factor than a number of money prizes.

Material and nonmaterial stimulation – money and publicly voiced recognition for the efforts – must be combined for everyone submitting useful suggestions. At the end of the year, a reward should be presented to the best useful suggestion submitter of the year.

5.4 The design of the promotional material

A form for submitting useful suggestions is designed. It should consist of the name of the useful suggestion, its field of use, a description of it (the projected solution), its expected economic effects – the usefulness, profitability and purpose – the co-authors of the useful suggestion submission, attachments, the name of the submitters and their signatures.

A brochure is compiled, consisting of a short presentation of the useful suggestions system in the organization. A brochure quickly familiarizes the employees with the information on how to present their idea, where to get the form, where to file the form, who will review the submission, what the rewards for useful suggestions are, etc.

Posters should be created calling for creativity and different types of thinking (for example: ideas die quickly, that's why they should be written down).

5.5 Informing and training employees

The process of changing the innovation and useful suggestions system is complex and demands a lot of time, patience and the training of employees into a new way of thinking. Each company has individuals with knowledge and the will to use that knowledge, but more often than not these people are left to themselves and are not properly motivated to work. There are, of course, differences between employees and not all should be treated in the same way. Not all people are geniuses, but everyone can improve their inventiveness and innovativeness. Today, many ideas exist that remain unsaid. In a few hours or days, no one can remember them and some might be lost forever. One of the goals of a useful suggestion system is surely that all ideas and their authors are recorded. It is also necessary to know who will realize the ideas.

The phase of informing and training the employees is intended to familiarize the employees with the changes in the field of useful suggestions. The familiarization is gradual:

1. First, the changes are presented to representatives of the technical departments (we inform them about the basic principles of team work, the techniques of actual state analysis, the techniques for searching for ideas, the formation of evaluation criteria, the elementary principles of the redesigned useful sugges-

tion system, the goals of the innovation and useful suggestions system and the work plan). The representatives of the technical departments have a key role in stimulating the cooperation of the employees in their departments since they: a) stimulate the employees to report the suggestions for the improvements, b) guide the employees in their thinking and, if necessary, help them fill out the forms, c) accept suggestions for improvements from the employees in the department, d) review the submissions together with the coordinator, e) plan the implementation of a submission or pass it on to other departments, f) inform the employees of the progress of useful suggestions in the department, g) give monthly useful suggestions reports to the useful suggestions coordinator in the company, h) give monthly reward payout reports to the finances office and i) keep records of all innovation- and useful suggestions-related information (regulations, forms for submissions and evaluations, archives of department submissions and monthly records).

2. Articles presenting the importance of useful suggestions and the useful suggestions system are published in the internal newspaper.
3. The brochure containing a short presentation of the useful suggestions system is handed out to all employees (together with the pay slip, for example).
4. Posters promoting creativity are put up around the company.

If the goals are to be achieved, the employees must be convinced that the useful suggestions are desired. Creativity should be introduced into the employees' every day work. The process should start with the younger employees and with new employees who recently arrived into the company. They are not so much under the influence of previous experiences. Companies can benefit greatly from the trainees, who log quite a few suggestions on how to improve business practices in the trainee diaries.

Useful suggestions should also be connected to promotion. For each employee a personal file should be kept in which data on the employee's useful suggestions should also be included – which submissions were filed in, when, how much was saved, what the effect of the submission was (e.g., whether the consumption of materials was reduced, the work process improved, work safety improved, etc). It should also be noted whether the employee accepted a material or a nonmaterial reward. A candidate for promotion who has filed several submissions thus has better chances for promotion.

The employees should be given the possibility to further train and educate themselves.

5.6 Improving interaction among employees

The basis for the cooperation of creative employees is primarily in the identification of new ideas. The information flow is vital for the successful execution of the duties and projects within a company, which demands that people don't conceal information and data for whatever reason. Information can now instantaneously flow to several pla-

ces, designated by the sender. This can result in fewer meetings about leading and executing projects and, consequently, better use of work time. Despite modern technology, personal meetings are still an essential component of communication in companies.

5.7 Searching for useful suggestions submissions

Included with the pay slip, there should be an example of the idea submission form, which represents a way to submit useful suggestions.

The activities of the employees can also be directed using a tender. Alongside everyday, spontaneous improvements, there are always certain areas that need ideas. Employees are alerted to problems, which may be accepted by the people as every day routine and are not even noted as problematic situations. A short description of the problem is published in the internal newspaper or on the notice board. The employees are given a certain time limit in which submissions will be accepted and are notified where to file the submissions.

An internal tender for the craziest idea should be also published. The purpose of the tender is to stimulate innovative, unique, unconventional thinking in all employees, to create an innovative atmosphere, to actively induce employees to think about the fields not in the scope of their every day work, to find fresh ideas and to stimulate people to think differently. Its goal is to create an atmosphere in the company where thinking differently will be seen as a quality and not as an obstacle. With this so called craziest idea, realization of the idea is not a condition of the reward.

5.7.1 From the useful suggestion submission to its realization

Filing the useful suggestion submission

The employees present their useful suggestions on the prescribed form. They must know where to get the form (for example from the coordinator, their superior, on the intranet, etc.).

The employees are informed that they can turn to their direct superior or to the coordinator in case of any problems with filling in the form. If the submitter is a group of co-workers they still use the same form and include data on the co-authors, their department and their share of the innovation. The way to submit a useful suggestion must be determined (delivered personally to the coordinator or his/hers secretary, handed to their superior or sent by email).

The coordinator's secretary collects and records submissions, preventing them from getting lost. For each submission received the coordinator's secretary gives out a receipt. The receipt should contain data on the author of the submission, the name of the submission, the date of the submission and the number under which the submission

is recorded. The receipt should not be issued more than two working days after the submission was received.

Review of the useful suggestions

The submission should be processed as soon as possible. The submissions should be classified into the small useful ones that are intended for raising and creating a supporting useful suggestion atmosphere and other useful suggestions that are treated with the participation of (a) the technical departments whose duty is to give a technical evaluation of the submission, (b) calculations of the economic benefits connected with the submission and (c) the committee that processes individual submissions and sends them (through the person responsible) to the rewards department.

Small useful suggestions need to be processed quickly and personally with the authors of the submissions; that is why the smaller suggestions are processed by the superiors. It is also necessary to stimulate the authors of these small suggestions to realize them. The whole procedure for processing small suggestions can be completed in 24 hours, supported by the information system, which is another of the motivational factors that support an atmosphere beneficial to the useful suggestions system.

The more demanding submissions and the submissions gathered by a tender are reviewed by the committee for reviewing useful suggestions. The committee reviews the submission and decides if the idea is promising or not. If the committee finds that the idea is not useful, it is not discarded but is saved in a so called bank of ideas, a special archive housing all the ideas that were not realized (because they would take too much funds, the procedure would be too complex, etc.). All the ideas gathered in the bank are periodically re-reviewed to discover whether they hold a solution for a problem present at that time.

A group is formed to implement a submission that has been found useful by the committee, which includes the author of the useful suggestion. A catalogue of measures necessary to realize the submission must be made. Realization follows. After the realization, the group files a report to the committee for the review of useful suggestions submission, listing the savings calculated. Alternately, the employees can present the implemented suggestions before the committee for the review of the useful suggestions by themselves. The presentation should also be carried out by the workers with the lowest degree of formal education, but of course they need to be trained for it first. The presentation of the useful suggestions helps individuals gain recognition and promote their creative work.

The committee reviews the final report and checks whether the calculated savings are correct. The reviewed report is submitted to the general manager. The committee suggests the size of the reward for the author, co-authors and the members of the realization group to the general manager. The reward depends on the expected economic effect of the useful suggestion. After the general manager confirms the rewards, each author is notified personally. Whether or not the submission is implemented is supervised by the coordinator.

Popularization of the achievements

The submitters of useful suggestions are promoted as much as possible. The names of all the submitters are published on the notice board. A "useful suggestions" column is published in the internal newspaper, where the submitters, the type of the submissions and the rewards are published.

Alongside promoting the innovators, their achievements should be promoted as well so that the creative achievements find new users and do not remain only noticed and used inside the departments, instead being transposed across the whole company. That is also the reason for the useful-suggestion-of-the-year competition, the most-imaginative-solution-to-the-problem competition, the most-promising-solution competition – and perhaps even the craziest-submission competition. All these are mechanisms to set an example in the company and help the employees get a new perspective on discovering new possibilities for improvements.

5.8 Evaluation of the model

Like any other business process, the model for promoting the useful suggestions is subjected to changes. If it is to be implemented and used effectively, then changes are the one constant that should not be left out. After implementing it, the company should be constantly aware that, after implementation, the process needs to be constantly modified, changed and upgraded through learning from past mistakes, new findings and new thoughts. The useful suggestions process must be constantly improved and all changes to the model should be in accordance with the desires of the employees as much as possible. A poll should be carried out among the employees at the end of each year to discover which parts of the useful suggestions model are disliked the most and what their desires and suggestions are.

6 The results of implementing the model of useful suggestions management

The model of useful suggestions management was implemented in two Slovenian companies: Lafarge Cement and Bartec Varnost.

In the Lafarge Cement company, several operative meetings with the company management were organized. The purpose of these meetings was to assure the successful introduction of a model of useful suggestions management. In the first phase, the management of the company established a project group for implementing the new useful suggestions system. It consisted of a member of the management, a technical director, a representative of human resources and a representative of the finances office. After that, the status of the useful suggestions activity in Lafarge Cement was evaluated. It was found that there was virtually no useful suggestions activity present in the

company though some useful suggestions submissions existed and there is a good atmosphere among the employees in the company. In the next phase, the regulations for the useful suggestions activity, regulations for rewarding ideas, instructions on how to calculate the reward for the suggestions and the form for submitting useful suggestions were adapted. After that, a computer program for monitoring useful suggestions was set up. Appropriate promotional material was prepared. Afterwards, a committee for reviewing useful suggestions was created. It consisted of a coordinator (the leader of the committee), who was also the representative of finances, the technical director, a representative of the human resources office and non-permanent representatives from various technical departments, depending on the field of the useful suggestions submissions. In Lafarge Cement, the process of familiarizing the employees with changes in the field of useful suggestions was gradual. A brochure containing a short presentation of the useful suggestion system was provided to all the employees with their pay slip. The useful suggestions management project was also presented using several other means: the representatives of technical departments encouraged employees in their departments with a large brochure, they published several articles on the importance of useful suggestions and the useful suggestions system in the company's newspaper, they broadcast the useful suggestions system on the intranet and they hung up posters promoting creativity around the company.

In the Bartec Varnost company, two meetings were organized with the coordinator of the useful suggestions system to assure successful introduction of a model for useful suggestions management. In the first phase, the company's management confirmed the project group for implementing the useful suggestions system. It consisted of a member of the management, the technical director, a representative of human resources and a representative of finances. After that, the status of innovation and the useful suggestions system in the company was evaluated. It was found that there existed no useful suggestions activity in the company. In the next phase, the regulations for useful suggestions activity, regulations for rewarding ideas, instructions on how to calculate the rewards for suggestions and the form for submitting useful suggestions were adapted. After that, the computer program for monitoring useful suggestions was set up. Suitable promotional material was prepared. Simultaneously, a committee for reviewing the useful suggestions was created. It consisted of a coordinator (the leader of the committee), the technical director, a representative of human resources and non-permanent representatives from various technical departments, depending on the field of the useful suggestion. In Bartec Varnost, the process of familiarizing the employees with changes in the field of useful suggestions system was also gradual. The brochure containing a short presentation of the useful suggestions system was given to all employees with their pay slip. The representatives of the technical departments encouraged the employees in their departments, articles presenting the

importance of useful suggestions and the useful suggestions system were published in the company newspaper and they hung up posters promoting creativity around the company.

In both companies - Lafarge Cement and Bartec Varnost – they believe that the implementation of the suggested model of useful suggestions has been successful and that the project was approached correctly. Our model of useful suggestion management was slightly improved based on the results of this implementation in two Slovenian companies.

7 Conclusion

Developing new products is of the highest importance for the survival of a company. Small and medium sized companies are no exception to this rule. The increased turbulence of the environment in which these companies operate has required them to develop new products more effectively and efficiently. This not only refers to completely new products but to modifications of existing products as well. These incremental product innovations are not radically different from the existing product portfolio but are often refinements and extensions of the company's existing products and seem to primarily involve exploitation-oriented activities.

There are a lot of methods, systems, instruments and approaches on the market that show promise for increasing productivity, growth in success and, through this, adaptation to the competition and the environment. Therefore, companies that decide to use one of these approaches have difficulties in deciding which one they should use. It is difficult to find and analyze the benefits and the weaknesses of each solution. The problem with current methods, systems, tools and approaches is that they require companies to hire consultants to implement them, which is a big hurdle for less successful companies. That is why the authors of this paper have developed a model for fostering useful suggestions activity that includes concrete suggestions and which the companies can implement on their own.

The results of the implementation of the model for useful suggestions management in the pilot companies indicate that our method is successful. In both companies, Lafarge Cement and Bartec Varnost, they estimate that the implementation of the suggested model of useful suggestions was successful and that the project was approached in the proper manner.

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Model ravnanja s koristnimi predlogi

V prispevku so predstavljeni rezultati raziskovalnega projekta, ki ga je financirala Gospodarska zbornica Slovenije. Glavni namen projekta je bil predlagati model ravnanja s koristnimi predlogi, ki vključuje konkretne predloge za vpeljavo modela v podjetje. Model ravnanja s koristnimi predlogi temelji na: (a) podrobnem pregledu literature, (b) študijah primerov treh slovenskih izvozno usmerjenih podjetij in (c) rezultatih vpeljave modela v dve slovenski podjetji (kot pilotni projekt). V članku so predstavljeni konkretni predlogi za podjetja, ki so potrebni za uspešno vpeljavo modela upravljanja s koristnimi predlogi. Opisani so postopki vpeljave modela, različni načini nagrajevanja in spremljanja koristnih predlogov ter potencialne prilagoditve modela, ki so potrebne za posamezno podjetje. Model ima veliko uporabno vrednost, saj ponuja konkretne predloge glede načina vpeljave sistema ravnanja s koristnimi predlogi.

Ključne besede: ravnanje s koristnimi predlogi, vpeljavo modela, študije primerov, raziskave in razvoj