Innovation Contests: How to Design for Successful Idea Selection

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Innovation contests and selecting the best ideas

» Open innovation vs. closed innovation

» Organizations struggle with managing emergent challenges during idea selection process

» Gap: Lack of a guiding framework for practitioners to manage design of idea selection processes and cope emergent challenges.
WHY do practitioners run open innovation initiatives?

WHAT do practitioners need to consider when designing the selection process?

HOW do practitioners solve emerging selection challenges?
Method

» 34 semi-structured interviews with contest managers in 31 unique cases

» Candidates:
   1) Completed selection
   2) Qualitative submissions
   3) “Complex deliberation”

» Several rounds of coding & shared codebook

<table>
<thead>
<tr>
<th>Case ID</th>
<th>Contest domain</th>
<th>No. of ideas generated</th>
<th>Involvement of raters</th>
<th>No. of raters excl. crowd</th>
<th>Expertise of raters</th>
<th>Duration of shortlisting</th>
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Framework for successful idea selection

**WHY?**
- Goals
  - Promote entrepreneurship
  - Collect innovative idea(s)
  - Elevate awareness
  - Explore market opportunities
  - Find talent

**WHAT?**
- Design Element
  - Ideas
- Raters
- Duration

**HOW?**
- Emergent Challenges
  - High quantity of ideas
  - Poor idea description
  - Lack of expertise
  - Lack of consensus
  - Lack of preparation

- Coping Strategies
  - Categorize and structure ideas
  - Eliminate ideas
  - Appoint community managers
  - Request information
  - Idea feedback
  - Expert/other opinions
  - Distribute and cluster ideas
  - Standardize criteria
  - Train raters
  - Engage in discussions
  - Holistic assessment
  - Send reminders
  - Briefings and updates
  - Idea booklets

- IT Feature
  - Text mining
  - Standardized submission forms
  - Automated elimination/distribution/rating aggregates
  - Pairwise comparison
  - Filter/Sorting
  - Profile matching
  - Automated distribution
  - Virtual assistants
  - Binary rating system
  - Summarized idea reports
  - Automatic reminders
  - Progress tracking
WHY - Goals

“[...] to offer the best possible support to get them [the ideas] into the race.” (G)

“The goal was to identify innovative news media solutions.” (AE)

“They really want to use crowdsourcing as a marketing instrument.” (N)

“We use innovation contests [...] as a tool for collecting things and trends that are going on” (AE)

“The purpose of this campaign was [...] to identify talents.” (J)

**Promote entrepreneurship**

Organize business trainings and mentoring activities, promote networking, enhance publicity, support implementation, match start-ups and investors

**Collect innovative idea(s)**

Find solution, identify winning ideas, foster innovativeness, stimulate innovation

**Elevate awareness**

Enhance brand-name, build up community, promote a certain topic

**Explore market opportunities**

Identify trends and/or customer needs, perform market research

**Find talent**

Recruit contributors and out of the box thinkers, advance workforce, explore long-term potential
Framework for successful idea selection

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WHAT?

HOW?

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**WHAT** – Design element: *Ideas*

<table>
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<th>Number of ideas</th>
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<td>101 - 300</td>
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<tr>
<td></td>
<td>🧔 2 🧔 0</td>
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<tr>
<td>&gt; 300</td>
<td>🧑 2 🧑 6 🧑 1</td>
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<tr>
<td></td>
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</tr>
</tbody>
</table>

- Mainly between 101 – 300 ideas
- In contests with the goal to *collect innovative idea(s)*, the number of submitted ideas tended to be bigger with a few hundred or more ideas

**Goals:**
- Promote entrepreneurship
- Collect innovative idea(s)
- Elevate awareness
- Explore market opportunities
- Find talent(s)
WHAT – Design element: *Raters*

- **Number of raters**
  - 1 - 5
  - 6 - 15
  - > 15

- **Expertise of raters**
  - Domain expert
  - Generalist
  - Novice

- **Involvement of raters**
  - Internal
  - External
  - Both

» Mostly between 1 and 15 raters
» Mainly domain experts and generalists
» Generally internal raters or both
» Contest organizers with the goal to *find talent(s)* or *explore market opportunities* relied on internal raters
WHAT – Design Element: Duration

» Shortlisting duration mostly longer than 3 weeks*

» Use of platforms for collecting innovative ideas might have accelerated evaluation compared to longer shortlisting duration when finding talent

* an erroneous shortlisting duration was reported in the paper on p. 5805. The correction is: In most of the cases (35%), the duration of the shortlisting process was longer than 3 weeks. One out of four contests (25%) completed the shortlisting in less than a week. In 6% of the cases, it lasted about one to two weeks, another 6% took between two and three weeks (see Table 1).
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**How** – Challenges and strategies: Ideas

"We had 152 teams and a total of 5116 submissions. **No one was expecting that many submissions** and that **many participants.**" (F)

"There were ideas that had a concrete relevance to the common good but were poorly formulated." (G)

<table>
<thead>
<tr>
<th>Coping strategy</th>
<th>High quantity of ideas</th>
<th>Poor idea description</th>
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<tbody>
<tr>
<td>📌 Categorization</td>
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<tr>
<td>📘 Structuring (merge, split, rephrase)</td>
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<tr>
<td>📚 Manual elimination</td>
<td></td>
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</tr>
<tr>
<td>📝 Text-mining (keyword extraction, clustering)</td>
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<tr>
<td>📑 Standardized submission forms</td>
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<tr>
<td>🛑 Automated elimination</td>
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<tr>
<td>📘 Automated facilitator</td>
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<tr>
<td>📑 Automated rating aggregates</td>
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<tr>
<td>📝 Text mining (e.g. sentiment analysis)</td>
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<tr>
<td>📏 Pairwise comparisons</td>
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<tr>
<td>📑 Request additional information</td>
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<td></td>
</tr>
<tr>
<td>📑 Appoint community managers</td>
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*IT feature*
“If I wasn’t really sure about the idea, I used [the community voting] as an indicator.” (D)

“We realized that customer value and market potential are difficult to assess. If you would ask three people, you will probably get different opinions.” (D)
“They got these ideas sent as PDF and they could read through them. I'm not sure to what extent they did that because they have a lot to do.” (Q)
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<thead>
<tr>
<th>Goals</th>
<th>Design Element</th>
<th>Ideas</th>
<th>Raters</th>
<th>Duration</th>
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<tr>
<td>Promote entrepreneurship</td>
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<td>High quantity of ideas</td>
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<td>Elevate awareness</td>
<td>Explore</td>
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<tr>
<td>market opportunities</td>
<td>Find talent</td>
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**Find the right technology**
Limitations & Future Research

» Identify different goals, design elements and challenges
» Conduct more interviews for each case
» Consider technological progress in artificial intelligence
Thank you for your attention!
We are looking forward to your feedback!

Towards successful idea selection

Think of your goal

Design your selection process

Design Element
Emergent Challenges
Coping Strategies

Find the right technology

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