Liberty Global

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Managing Innovation

Liberty Global

Liberty Global is the world's largest supplier of media services – known to nearly 30 million customers as the provider of TV, entertainment, voice and broadband services in 56 million homes. 45,000 employees around the world support its delivery via brands like Virgin Media; its footprint extends around the globe in 14 countries. And it's a successful business; turnover in 2015 was around $19billion.

But success – particularly in a highly competitive world like media and broadband – does not come by accident or acquisition. Innovation is critical – and across a broad frontier. Developing new products and services and improving and supporting existing ones, opening up new markets with configurations suited to local needs, understanding the user experience and feeding that into future development are all key activities. And to do this efficiently and effectively requires extensive process innovation, constantly changing the way the company's offerings are created and delivered. Mastering new technologies and quickly harnessing them to help deliver reliably

Innovation on this scale can't remain the province of a small group of R&D or marketing specialists; it needs to be something delivered on a company-wide basis. High involvement innovation of this kind needs a culture in which each employee recognises the contribution they are expected to make and feels supported and enabled to deliver on that.

A good example of the way this is achieved is the 'Spark' programme which was initially launched in 2011 in The Netherlands as a platform-based system involving around 1500 employees. By the end of 2012 it had been rolled out to a further four countries and was successful in attracting a high level of ideas. However the project manager, Roel de Vries recognised that it had a number of shortcomings which could be improved upon – in particular:

- Ideas were not aligned with company strategy
- Ideas were not linked to specific challenges, targets or timeframes resulting in high volume of ideas with no clear connection to business needs
- Lack of ownership of ideas so no vehicle for downstream implementation
- Lack of standardized process for managing the flow of ideas into innovation
- At an operating level different platforms were being used to support the programme in different locations, preventing international co-operation and idea sharing across the wider business

He worked on the launch of Spark 2.0, building it around key Strategic Innovation Areas (SIAs) within Liberty Global. Each SIA had a high level sponsor responsible for that area of the business; the idea was that SIAs would provide a steady feed of new ideas into those business areas via a series of time-limited campaigns. This mechanism was designed to ensure a degree of policy deployment, linking employee ideas to company strategic goals and timeframes.

The twin goals of the Spark platform are to provide a central hub for submission and tracking of ideas from whatever sources and to enable cross-functional collaboration, including spreading ideas from one business or geographical area to others As of 2016, Spark had reached over 20,000 employees, generated over 14,000 ideas, with nearly 1,000 of those implemented, and realized a return of €10m. Participation levels run at around 40% with some countries – e.g. Ireland with 44% - running even higher. Spark originated in Europe but has now been extended to 14 countries including some in Latin America. An important intangible outcome is that there seems to be a higher level of engagement (as measured by 'Zoom', the company's annual employee survey) amongst those who have participated in the programme.

Spark operates via idea campaigns which are initiated by a sponsor – typically a department or business manager with a business need and the budget or resources to enable implementation. Each campaign follows the same structure:

- Initial phase of idea submission, community discussion and grading and then expert reviewing

- Concept phase in which selected ideas are further developed and reviewed

- Final approval and handover back to the business for implementation

Campaigns are facilitated by a local Innovation Manager linked with the central Spark team; this provides a channel for the Spark team to learn and improve the overall system. Campaigns can be time and topic focused or 'always open' – i.e. a campaign which invites a wider spectrum of ideas. These campaigns have an additional process stage for categorizing submitted ideas and assigning them to relevant departments for evaluation. In general the experience at LG has been that focused idea campaigns aligned to particular strategic challenges tend to lead to more, higher quality ideas and better implementation rates.

To maintain momentum the Spark team have developed a variety of reward and recognition options. Each campaign has winners who are recognized by the business unit sponsoring the campaign; in addition country-level winners are also recognized and these winners attend the Liberty Global Technology Summit in Amsterdam, sponsored by the CTO. In addition to formal recognition of their contribution there is a range of prizes including a fully-paid city trip for winners and their families.

Spark is supported by a full-time team of two based in Amsterdam; in addition an Innovation Network Manager is appointed in each country. They spend a portion of their regular day job on facilitating and marketing idea campaigns. [SEP] In total, around 30 people are involved in running the Spark programmes and funding comes from the Technology & Innovation group within Liberty Global. [SEP]

Experience with running the programme over several years has provided a number of insights around developing and strengthening it. These include providing a module within the platform which integrates trend scouting into key potential areas for strategic development of the business, an intellectual property rights (IPR) process step to handle potentially patentable ideas and an open innovation option which might allow the company to bringing in customer views and engagement. [SEP]

The Spark process

In more detail the process works as follows:

- Idea campaigns begin with three weeks of ideation, followed by one week of focused collaboration to enrich ideas.
- Ideas which meet a certain level of community activity automatically move into 'HOT' status. The levels can be adjusted per campaign depending upon audience size, topic difficulty, etc.
- HOT status criteria can include aspects such as the number of views, likes, and comments.
- Ideas which reach HOT status are then subjected to management review.
- Ideas which make it through review are then developed further by the author to prepare them for a decision meeting.

- The decision meeting (Spark Pit) is similar in format to the "Dragons' Den", where managers receive a pitch from the submitting team and then decide on the next steps for selected ideas. Prior to this stage, the Spark team will provide guidance on how to pitch and shape an idea for a management audience.
- The sponsor, who is responsible for implementing them, owns selected ideas from campaigns.
- The Spark team continues to check on idea progress so that tracking is maintained within the platform.
- Ideas which come in via the always-open campaigns are handled by the Spark team and regional innovation network managers.
- They are collected in batches, grouped according to SIAs, and sent out to evaluators at regular intervals.
- Feedback received from the reviews determine whether the idea proceeds.
- On a monthly basis, a reporting deck is compiled by the Spark team and distributed to management. It includes employee engagement over time, and ideation activity over time; these metrics are also grouped by Liberty Global divisions, so that each area of the company can be measured individually. Activity reports show how Spark engages employees, and highlights where additional promotions are needed.

- The report also highlights 'Ideas of the Month', which are manually picked by the Spark team for their interesting nature, or high collaboration activity.

- Tracking ROI shows how Spark influences the bottom line, helping to convince senior management of its value.

Matchbox

Experience with Spark highlighted the need to support the development of high involvement innovation with other mechanisms, many working in 'off-line' mode to complement the online platform. One good example is the Matchbox programme.
Following the success and high (40% plus) involvement of Spark the team began to explore other ways of bringing innovation into the mainstream of the company. One approach was the addition of a training element designed to teach innovation methods/entrepreneurial skills to participants to enable them to develop their ideas more fully. Based on a concept originally developed in Adobe Systems (the Kickbox) Liberty Global's 'Matchbox' approach equips staff with entrepreneurial skills using methods like 'lean start-up'. Part of the underlying motivation was to move beyond suggestions for continuous improvement and to tap into 'breakthrough thinking' across the workforce, inviting them to challenge the status quo and 'think like a competitor'.

It was piloted in Ireland over a two-month period and 50 participants were selected on the basis of their motivation. A 'teaser' campaign ran for 2 weeks, based on posters appearing around the workplace posed questions like 'Have you got what it takes?' and other challenges. From the outset the branding was aligned with Spark, using metaphors around starting fires. This was followed by a second round giving more information; as the aims of Matchbox became clearer so potential participants were invited to submit expressions of interest, saying why they wanted to join the programme. They used the Spark platform but instead of submitting ideas they offered a 100-word expression of motivation.

The response was impressive; 18% of the workforce registered their interest and others wanted to join but had missed the closing date. Selection of participants was a challenge since the organizers did not want to 'switch off' unsuccessful applicants. The model used was a live lottery draw and the game element was continued with invitations to those selected appearing in the form of a 'Golden ticket' similar to that in the 'Willy Wonka ' story and film. This reinforced the theme running through the campaign of 'do you want to be part of something special?' and gave a sense of selection being an important achievement and not simply an opportunity to join another training programme.

On arrival at the first meeting participants were given a green 'Matchbox' – a box containing a variety of resources including tools and guidance on shaping the pitching of their ideas, as well as money and time to invest on prototyping the concept. This included a credit card pre-loaded with a budget amount, and a voucher entitling them to tome (equivalent to half a day per week) to work on their ideas. These were powerful symbols of empowerment and another indicator of the 'different' nature of the programme.

A mixture of interactive exercises and training inputs was built around the contents, giving participants a sense of being equipped for the challenge they were about to undertake of developing and eventually pitching their innovative ideas. They were given presentations by successful entrepreneurs (from outside the company) to inspire them and give them a sense of key skills needed to take ideas forward. An important element in the workshop was the development of a cross-functional community, sharing ideas amongst people who might never have talked with each other under 'normal' conditions. This community was given online space within the Spark platform and have been able to use it to offer advice and support throughout the programme and beyond.

Following the inception workshop participants spent time developing their ideas further using lean start-up approaches around minimum viable product and customer validation of prototypes. They had access to expertise and also an allowance of time and budget to spend on the project (via the credit card and vouchers given to them in their Matchbox).

The developed ideas were then reviewed and a small number (15) pitched to a team of senior managers in a format based on the TV series 'Dragon's Den', christened 'Spark Pit'. The purpose here, as in the

original TV programme, was for them to make short pitches and then be questioned by the 'Dragons'; success would mean further investment and support from the company to move those ideas into implementation. Of the 15 pitched 8 went on to receive such support and the overall sense from the senior management was of pleasant surprise at the quality of ideas pitched as well as the clear entrepreneurial motivation of the participants.

Funding and support for Matchbox came from the internal Liberty Global Ventures team so the programme could be seen as something of an internal experiment. Significantly the financial commitment embodied in the credit cards was not heavily used; the real investment lay in giving people time to work on their ideas.

TLC programme

In parallel with Matchbox the Irish company has begin developing a new initiative linked to their evolving approach to employee learning and development. The core aim is to shift from training to skills development – as they put it moving ' form course to resources'. They are now providing access to a wide range of over
600 learning courses through the Open University, inviting employees to study whatever they wish to in order to develop themselves. They have also given employees access to the world's largest online business book repository and they can download and explore interesting abstracts of thousands of resources. If a particular abstract receives a lot of hits then employees can get their managers to buy the book and so construct a 'company library'.

Another element – this time a spin-off from Matchbox – is a module, which the team have developed around creativity. This is designed as a fun way of giving people small-scale exposure to the excitement, tools and techniques within Matchbox – a pilot which gives them some insights into how to shape and take their ideas forward. The aim is to give people familiarity and confidence in key concepts before joining the Matchbox programme.

Other innovation activities complementary to Spark

Importantly Spark is not seen as a stand-alone online innovation activity but as part of a wider suite of tools designed to empower and enable employee engagement in innovation. Other resources include the "Wild fire Club" for innovation advocates, innovation spaces where employees can participate in workshops, and a partnership with a local university to spark disruptive product innovation.

Spark Innovation Lab

For the more disruptive innovation, Liberty Global works together with the Technical University in Delft. Master's students work for 20 weeks in the Spark Innovation Lab – an open and inspirational space at a central location in the headquarters in Amsterdam. The assignment the students work on is based on a future need from the business, and results in the presentation of a validated prototype. Besides the value coming from these prototypes, just the presence of the lab helps to promote and embed the

notion of Spark within the company, and provides a collaborative space for anybody to work on innovation.

Questions

Organizations need as much creativity as they can muster in order to cope with today's turbulent environment. So it makes sense to try and mobilise a high level of employee involvement in the innovation process – a simple idea. But the reality of making this actually happen is that it is a strategic and challenging process, changing the underlying cutlure of the organization – 'the way we do things around here…'

This case looks at the experience of Liberty Global, a major international media servcies player, in trying to develop and sustain high involvement innovation.

As you work through the case – and add your own insights and research – you might like to reflect on these core questions:

- How well do they manage this aspect of innovation?
- What are the key 'routines' – embedded behaviour patterns – which help them do so?
- What do they do well and from which others might learn?
- What could they improve upon, where could they develop their innovation management routines further?
- What lessons does this case offer to organizations wishing to improve innovation management?

Resources:

1. [Report on developing high involvement innovation](#)
2. [Second case study](#)