

MOVING
→
FORWARD

From Suggestion
Boxes to

KaiNexus

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Executive Summary

At KaiNexus, when we talk to organizations about continuous improvement, they often mention the suggestion box. It seems that everyone wants to know why their suggestion box, while well intended, never really worked, and certainly didn't live up to its potential.



Suggestion boxes are rife with issues, and they are typically very difficult to manage. Unfortunately, these problems cannot be resolved simply by automating the suggestion box or recreating it into digital form. Modern improvement methodologies including Kaizen, Lean, and Six Sigma are very different, and much more effective, and solutions such as KaiNexus were fundamentally built on these principles to help facilitate a true culture of continuous improvement.

• Suggestion boxes are more than 100 years old •

In 1892, National Cash Register Company (NCR) was the first U.S.-based company to implement a company wide employee suggestion program described as the “hundred-headed brain” by their CEO, John Patterson. While Patterson realized that employees had valuable ideas, the system fell into disuse over time as new leaders took over.

The system did not fail because workers “stopped having good ideas.”

Rather, the implementation failed because “the predominant view of the workplace became one in which managers were expected to do the thinking and workers were expected to do what they were told.”

HOW KAINEXUS IS DIFFERENT

Our most successful KaiNexus customers strongly believe that their employees have great ideas. Workers are not limited to following orders - they are expected and encouraged to develop ideas for how to do their work better. The good news is that most people truly want to improve their work and their organization. KaiNexus makes it simple for them to submit their ideas as Opportunities for Improvement, and our platform helps managers to reinforce this behavior by providing timely feedback to their employees.

5 Common Dysfunctions of¹ Suggestion Boxes

1. Suggestion Boxes are Rarely (or Never) Opened

KaiNexus VP of Customer Success Mark Graban was working with a hospital in the early days of their Lean journey when he found a suggestion box on the wall of the laboratory. One of the team members left to go find the key to the locked box, returning twenty minutes later to announce that nobody could find the key! This story became a very clear illustration to the laboratory staff and leaders of why the suggestion box did not work, and how their new approach to continuous improvement would have to be different.

HOW KAINEXUS IS DIFFERENT



With the KaiNexus collaborative improvement platform, new Opportunities for Improvement are immediately sent to the employees' manager or to the leader of an associated project or improvement event. We coach KaiNexus leaders to acknowledge new Opportunities, responding quickly within a day or two. If the leader responsible for reviewing and assigning the Opportunity doesn't take action, senior leaders are automatically notified by KaiNexus via email. With KaiNexus, Opportunities are addressed within days, rather than sitting for weeks or months in an unopened box.

¹This section adapted from the book Healthcare Kaizen: Engaging Front-Line Staff in Sustainable Continuous Improvements by Mark Graban and Joe Swartz (2012)

2. Suggestion Box Systems are Slow, with Poor Feedback



Suggestion boxes:

.....
Where good ideas go to die.

Suggestions often sit for weeks or months in a locked box, and once the box is eventually opened, employees are dissatisfied with the slow or inadequate response they get from managers .

Furthermore, suggestion boxes are an input-only system. Staff drop their ideas in the hole, and receive no immediate feedback (often, no feedback at all). This apparent lack of interest in their ideas diminishes their desire to contribute, and the suggestion box fails. Additionally, assuming someone does open the box and read the ideas, there is often no way to work collaboratively with the person who submitted the idea and the people who can implement it.

Continuous improvement emphasizes implementing most ideas, and at a minimum, giving timely and collaborative feedback to every employee who has an idea, not just those that are accepted by a far-off committee.

HOW KAINEXUS IS DIFFERENT

KaiNexus facilitates communication about submitted Opportunities for Improvement, and is especially helpful when people are separated by time (different shifts) or distance (different departments or buildings). Staff and leaders in a KaiNexus environment will still talk face to face, including in team huddles and department meetings, but feedback and collaboration about an Opportunity can also take place between meetings through

the KaiNexus system, enabling meetings to be more productive as more time is spent problem solving and less time is devoted to progress updates. Since every staff member has access to all Opportunities, anybody can post a comment to add their ideas and contribute to the discussion. When Opportunities for Improvement are implemented, the right people get notified about process changes and what they need to do differently in the future.



3. Too Many Suggestions are Ignored or Rejected



In suggestion systems, people get discouraged when their ideas are rejected, leading them to, understandably, stop participating. In a continuous improvement approach, an idea is the starting point for a dialogue between employee and supervisor, who work together to understand the real problem to be solved. Often, the original idea, even if not deemed practical, sparks a new idea that can be implemented.

When it is said that Toyota implements more than 90% of their employee ideas, that means that they found something to implement, not necessarily the original ideas as presented. Some healthcare organizations, including Franciscan St. Francis health system (Indiana), are coming close to that 90% benchmark as they build a culture of continuous improvement.

The typical idea progresses from the suggestion box to a committee of “peers” who vote on which ideas will be implemented. While this sounds like a good idea, in reality it causes people to stop submitting ideas, and creates a situation in which only 1-2% of suggestions are implemented.



The problem is that committees look at an idea as the end of a process, when it's really just the beginning. Ideas should not just be voted up or down, especially if they haven't been discussed with the person from whom the idea originated. In addition, you can't fall into the trap of thinking that big ideas are the only ones that can make a difference to your organization.

HOW KAINEXUS IS DIFFERENT



At some KaiNexus customer sites, departments are implementing upward of 85% of their submitted Opportunities for Improvement, leading to positive process improvement. KaiNexus allows a team or the individual responsible for an Opportunity to edit the initial solution that was proposed. Rather than rejecting an idea, teams work together to find something that will address the problem or opportunity that was originally identified by the person who submitted the Opportunity. For example, a team member might identify an Opportunity

that says patients aren't being seen quickly enough upon admission. If the original suggestion was to delay admissions from the emergency department until after the inpatient unit's shift change (a sub-optimizing idea), a team might find other solutions (such as changing staff schedules or improving the shift change process to ensure that patients can be seen right away, regardless of the time they were admitted).

» In KaiNexus, not all Opportunities lead to a process change. «

There are some instances when a staff member will make a suggestion that is impractical, possibly due to budget constraints or regulatory barriers. KaiNexus is used to give feedback to the staff member, so they know why their Opportunity for Improvement could not be implemented.

» KaiNexus saves this information as institutional knowledge.. «

Again, if Opportunities are being ignored and not responded to, KaiNexus automatically notifies senior leaders who can then remind front-line leaders about their important role and required behaviors for creating a culture of continuous improvement.

4. Suggestion Boxes Put The Burden of Implementation on Managers

Another problem with suggestion systems is that the completed forms end up going to a manager and get added to the manager's long list of tasks. Since managers are typically very busy people, with other seemingly higher-priority items regularly popping up, a suggestion often gets buried in the pile.

Even when suggestions are reviewed and approved in a timely manner, the manager may assign it to someone other than the original submitter to review or implement. Is that person as passionate about the idea as the person who had the suggestion? Likely not. With continuous Improvement, the person who identifies the , problem works with the supervisor and other appropriate people to identify solutions and then typically leads the implementation of the best solution.



HOW KAINEXUS IS DIFFERENT



In the KaiNexus collaborative improvement platform, a manager (or project or event leader) gets notified when a user enters a new Opportunity for Improvement. That person then takes a quick action in the system to assign the Opportunity to an individual – very often, the same person who wrote and submitted the Opportunity. The leader can also assign an Opportunity to somebody else in the department, transfer it to another department, or assign it to him or herself. Unlike a suggestion box system, the burden is not wholly on the manager who receives the notification about the Opportunity. Managers can't implement everything, and KaiNexus is designed to take that into account.

5. Suggestion Bonuses are More Trouble Than They're Worth

If you're making the mistake of paying your people directly for ideas, you may want to put your pocket book away. In his book *Drive*, Daniel Pink explores what truly motivates us and how we can use that knowledge to work smarter and live better. He demonstrates that while carrots and sticks worked successfully in the twentieth century, that's precisely the wrong way to motivate people for today's challenges. Your people want autonomy, mastery, and purpose, and you should strive to develop these every day. It's not easy, but it's definitely worth it.

While it may seem counter-intuitive, studies have shown that organizations that have larger payouts for suggestions actually get fewer suggestions.

Suggestion payouts can hamper teamwork in a number of ways:

Whose idea was it?

If the suggestion system only pays the person who originally had the idea, there's little incentive to work with others or there can be conflict about whose idea it was.

What's it worth?

There can be a lot of controversy about how much a suggestion is really worth, especially if the payout is a percentage of the idea's value.

Where are the small low-risk opportunities?

People will tend to focus only on large "home run" ideas or those that have clearly quantifiable cost savings.

Where are the useful suggestions?

Payouts have often been based on merely having an idea as opposed to actually implementing anything that provided value or savings.

HOW KAINEXUS IS DIFFERENT

KaiNexus focuses on employee recognition as an important part of the rewards and recognition equation. Users receive an email that thanks them for submitting or completing an Opportunity for Improvement – something that is amplified by smiles and handshakes in the offline world. KaiNexus users also earn fun virtual badges for submitting their first Opportunity and other milestones, including completing their Opportunities.

KaiNexus leaders can, of course, run reports and use data from the system if they want to have an individual's participation in their continuous improvement efforts be a factor in an annual review or performance management process. We believe that ongoing recognition encourages improvement work and teamwork, especially since improvement work in the workplace is so intrinsically meaningful – making the workplace less frustrating and improving the quality of the organization and its goods and services.

Our experience at KaiNexus, and the experience of our customers, shows that modern improvement principles and methods can help us all get beyond the dysfunctional suggestion box – we hope you'll join us in this important improvement effort.



Employee Recognition

Employees don't need monetary rewards to participate in continuous improvement projects. Simple recognition - through KaiNexus badges and emails, or thanks in the office - is a powerful tool on its own.

KaiNexus makes improvement happen

KaiNexus

www.kainexus.com

The best way to improve your business or organization is by leveraging the collective knowledge of every employee. KaiNexus is a cloud-based software platform that unites your team around opportunities for improvement and facilitates their progress from inception to ROI.

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