Suggestion Scheme saves British Telecom Millions

Company Name
British Telecom

Industry
Telecommunications

Web site
www.BT.com

Business Benefits
- Service level agreement management
- Idea escalation
- Process management
- Product innovation
- Operational savings

Quick Stats

Employees:	100,000
Ideas received:	5,000 in 2001
Savings:	
1999/2000	£30 million
2000/2001	£85 million
2001/2002	£36 million

BACKGROUND

For many years British Telecom has encouraged its staff to suggest how the organisation can be run better. It knows that ideas which come from within are frequently those which make the best sense and deliver the most business benefit. Yet with thousands of staff all around the world in seven different business divisions, BT faced a major problem of how to manage, sort, approve and process ideas so they could be evaluated and implemented efficiently. There is plenty of potential for ideas to be lost or mis-managed, or for the possible benefits of a first suggestion not to be appreciated.

WHY AUTOMATE?

BT originally began by logging its employees' ideas in a primitive paper-based system. Then it modernised and for 15 years it managed with localised suggestions schemes and a simple electronic database. A new department was created called BT Ideas, responsible for generating and managing employee's suggestions, but all it could do was log and number ideas in an electronic indexing system. It did not have any capability to electronically manage the ideas and process them through the authorisation and implementation stages.

In 1997, BT purchased HEAT from FrontRange Solutions, software originally designed to manage call centres and support problems. By thinking laterally and applying HEAT to its problem of how to manage ideas, BT has created a powerful and comprehensive multi-featured solution, which methodically processes and efficiently implements its employee's suggestions. It also offers employees the power to track the status of their suggestions, managers can see the real business benefits before and after implementation, which help to engender greater enthusiasm among all employees for suggestions schemes.

COST EFFECTIVE

BT Ideas spent months looking for a shrink-wrapped ideas management solution, but could not find anything with the flexibility and power it

needed. It wanted to avoid a bespoke solution because of the on-going costs involved with continually modifying the solution to meet the changing business needs. It needed software that was already capable of dealing with ideas from a multitude of sources throughout the enterprise concerning a wide variety of topics, and managing them through the long and complex evaluation, approval and execution process without investment in programming. Its reluctance to go down the bespoke route meant that BT Ideas was looking for something off-the-shelf yet supremely flexible.

It decided the best choice was software originally designed to manage problems in call centres, which have a similar life cycle. BT went through a process of discussions with call centre software vendors and arrived at the only company and product, which could satisfy its requirements: FrontRange Solutions and its HEAT product. The software offered the flexibility and power needed by BT Ideas, plus included service and support and would not need further funds to upgrade it in the future.

CONTINUAL EVOLUTION

A FrontRange consultant worked with the BT Ideas team for a week, assessing their problems and tweaking the software so it could manage their specific requirements, and training the BT staff to handle the software themselves. Within a few weeks it was fully implemented and running. During the last 4 years the BT Ideas team has developed and adjusts the software to meet the changing model of the BT business. For example, BT is now divided into seven lines of business, and there needs to be cross collaboration between them to achieve optimum economies of scale while at the same time remaining separate. Many ideas which come from staff in one division have relevance for others.

MANAGING SERVICE LEVELS

A key feature of HEAT which appealed to the BT Ideas team was its service level agreement

(SLA) functionality. "One of the best facilities of HEAT is its SLA functionality which enables us to separate yet consolidate the suggestions and evaluations databases," commented Steve Lakin, wiredforideas Ltd, previously known as BT Ideas.

With over 100,000 employees globally in many different roles and departments potentially making suggestions on topics from customer service, web site management, customer relations improvements to improvements to BT's environmental performance, up to 30% of whom are also potential ideas evaluators, there is plenty of room for confusion and the ability to lose a suggestion or fail to see its potential. HEAT provides a failsafe environment which allows the suggestion management team to separate yet consolidate those who propose ideas and those individuals who can evaluate them.

BT Ideas received over 5,000 suggestions in 2001, some of which started life as a few lines keyed into the intranet website form and others which arrived on a disk with several pages of well-developed proposals. All have to be logged, evaluated, spell checked, sometimes modified and then sent on to technical business experts. Each idea has to be given a preliminary evaluation and allocated a series of processes or assignments, which are unique to each suggestion, before they go on to formal evaluation, approval and implementation.

RAPID RESPONSE
In the days when ideas came by post it could take two or three weeks before the employee submitting it even had an acknowledgment, now, using HEAT, evaluation can be made and approval given in ten minutes. "HEAT has dramatically changed the attitude internally to the idea of submitting suggestions for business improvement. People feel involved, included and motivated," said Lakin.

HEAT has proved so successful as an ideas management tool that BT is considering expanding the solution via wiredforideas Ltd to BT's customers, suppliers and other partners. As well as the ideas from external sources which are themselves very useful and provide real economies, there are significant intangible benefits in developing business relationships.

MASSIVE SAVINGS
Empirical evidence shows that BT saved £30million in 1999/00, £85million in 2000/01 and £36million in 2001/02 as a direct result of employees ideas. There are also benefits from reduced development time for projects, which are touched by employee's ideas, and schemes and products, which have evolved as a consequence

of employee's ideas. An example is the SurfTime product, which came as a result of an employee's idea. Some of the ideas are unusual, such as the idea for providing tunnels for the rabbits, which were undermining the boundary fences at some rural BT facilities.

HEAT has also proved remarkable useful developing ideas. The evaluation stage is naturally pessimistic and many ideas are routinely rejected, but HEAT will take ideas and help the BT Ideas team to develop and restructure them so that they are feasible and can delivery benefits. HEAT will shortly run alongside knowledge management (KM) software so that ideas managed within HEAT are integrated into BT's KM environment, generating even more benefits to the corporation and to individuals.

CUSTOMER SATISFACTION
As part of the case-closing process, employees are asked for their feedback on the HEAT system. "We ask everyone who has submitted an idea for their feedback about the way their proposal was managed, and we get an 85% satisfaction rate. Nine out of ten would submit an idea again, which is a high level considering the potential for cock-ups in managing the taking of an idea to the point when its implemented," commented Lakin.

The interactive facilities of HEAT, which allows employees to track their suggestions, which encourages them to submit more, and consequently BT will continue to derive benefits from its investment in HEAT into the future.