

## Spigit Makes Innovation Predictable with Crowdcast Purchase

**Summary:** On Sept 18<sup>th</sup>, Spigit announced it was buying Crowdcast for an undisclosed sum.

**Event:** Spigit announced it was purchasing Crowdcast via a press release. The founders of Crowdcast are joining the Spigit management team.

**Analysis:** With the purchase of Crowdcast, Spigit has started to make the art of idea generation and management more scientific and predictable. It opens up the potential to develop innovation pipelines as a standard way of measuring and delivering innovation.

Continuous innovation is the lifeblood of nearly every commercial enterprise. Driving innovation is one of the single biggest hurdles every CEO faces. While the interest in using crowdsourcing to generate ideas isn't new, it is now shifting from an art to more of a science.

Innovation remains one of the last bastions to be automated using a software based process and advanced algorithms. By leveraging the prediction market capabilities of Crowdcast, we expect Spigit to raise the bar on how innovation is measured and tracked.

### An Idea Pipeline

With the advent of more advanced Idea engines such as the combined Spigit-Crowdcast platform, enterprises will now start

to apply these tools to build a measurable and actionable innovation pipeline.

This raises the issue of making Innovation a strategic practice in an enterprise, just as in the early days of sales automation, enterprises got a clearer view of pending revenue streams by focusing on the phases of a sales cycle.

With innovation as a measurable competency, enterprises can more accurately predict the status and health of their innovation pipeline. Enterprises are now realizing that a healthy innovation pipeline has a direct impact on future revenue growth.

To ensure focus at the executive level, enterprises are adding a Chief Innovation Officer to the C-suite. We expect that as time progresses, the role of the Chief Product Officer will shift toward a focus on innovation.

### Planning Assumptions

- By the end of 2014, a majority of social networks will incorporate ideation as a core feature.
- By the end of 2014, a Chief Innovation Officer will be a key role in 60% of large enterprises.
- By the end of 2016, enterprises will have innovation pipelines as a standard business dashboard.

## **ESNs and Idea Management**

Enterprise social networking (ESN) providers are realizing that idea management is much more than voting an idea up or down. Spigit is offering its products through partners, such as Yammer, which we believe is turning off its Idea-management feature in favor of the Spigit platform.

Aragon expects that other ESN providers, such as Cisco, IBM, Jive, Microsoft, Salesforce.com and others will also want to leverage Spigit as the idea-management plug-in for their ESN platform. For enterprises, the crowdsourcing of ideas should be leveraged in both customer and employee communities.

### **Aragon Advisory**

- Enterprises need to look at their approaches to idea generation and management more strategically.
- Enterprises should evaluate Spigit and other idea management software and service providers.
- Enterprises should set a multi-year goal of having a specific set of ideas that get converted into revenue-producing products.
- Enterprises should consider installing a chief innovation officer.

### **Bottom Line**

Idea management is shifting into a new phase where measuring and predicting Innovation success via Innovation pipelines will be the norm. Enterprises should evaluate next-generation idea management offerings from Spigit and others and take steps to measure innovation efforts in their enterprise.