

**CASE STUDY**

# Baxi Heating UK

Chipping Away at Corporate Culture

**HOW A 150-YEAR-OLD MANUFACTURING COMPANY IS  
LEVERAGING ONLINE INNOVATION TO DRIVE  
CULTURAL TRANSFORMATION**

# About Baxi Heating UK

With a proud tradition of excellence in manufacturing and customer service going back over 150 years, Baxi Heating's portfolio includes some of the best known and most respected brands in the domestic and commercial heating industry in the UK and Ireland, including Baxi, Potterton, Andrews, Heatrae Sadia, and Remeha. Baxi Heating is part of BDR Thermea Group, world-leading manufacturers and distributors of sustainable, smart climate and sanitary hot water solutions and services. With headquarters in Apeldoorn, The Netherlands, BDR Thermea Group operates in more than 70 countries worldwide, employing over 6,000 people and has annual sales of close to €1.7 billion.

## BAXI'S MISSION

Baxi Heating's mission is to create lifetime customer loyalty for its smart heating solutions. The company delivers on its promise to customers through a strong tradition of providing reliable, energy-efficient products and high-quality service and technical support. In addition to employing its own dedicated team of service and repair engineers, Baxi has a strong partnership with a loyal community of professional installers.



**BIGGEST SUPPLIER** OF HEATING AND HOT WATER SOLUTIONS FOR DOMESTIC AND COMMERCIAL MARKETS IN THE UK

**18**  
TRAINING CENTRES  
ACROSS THE UK AND IRELAND, PRACTICAL PRODUCT AND SPECIALIST COURSES

GROUP ANNUAL SALES OF  
**£1.7**  
BILLION

WE EMPLOY OVER  
**1600**  
PEOPLE IN THE UK &  
**6000**  
WORLDWIDE



**UK**  
MANUFACTURING SITES IN PRESTON & NORWICH

**BAXI CUSTOMER SUPPORT AND BAXI GENUINE PARTS**

OUR IN HOUSE SERVICE & PARTS DIVISIONS, PROVIDE NATIONWIDE COVERAGE FOR HELP, SUPPORT AND REASSURANCE

BDR Thermea Group operates in more than 70 countries worldwide, with  
**LEADING BRANDS**  
in all major European countries

# Background and Story

Throughout its long history, Baxi Heating's leadership team has continually searched for new ways to engage its employees in the workplace, to facilitate innovation both within the company and with its partners and to solicit feedback and ideas from customers. In 2013, Baxi's Mission and Vision Steering Committee convened to develop and communicate a new set of company values to align thinking and facilitate a common corporate culture across the organisation.

For the official launch, Baxi brought its 1,500 employees together in a workshop to introduce, explain, and solicit feedback. In spot surveys and interviews, Baxi's Steering Committee solicited opinions and input from employees about their perception of the meaning of Baxi's value statements.

Upon analysing the findings, the Value Steering Committee and Executive Team realised they needed to work on several areas:

- There was a perceived lack of collaboration across business units and functions - survey results specifically highlighted a distance in communication between employees in floor, production or staff functions and those in senior/executive management roles
- Employees didn't think the company was trying new ways of working
- There was a perceived lack of effort on behalf of managers to solicit, share, and act on new ideas and opinions

The Value Steering group and Executive team found Baxi's values like "Positive & Passionate" and "Reliable & Responsive" resonated and had meaning for employees. However, in digging deeper with questions about the corporate culture and perception of innovation, words like "innovation" and "creativity" were less tangible or defined for many of Baxi's employees.

**Innovation** was thought to be more about products and technology; there wasn't a pervasive organisational culture where innovation was viewed as a collaborative, team effort. This was not an unusual evolution for a company like Baxi; research shows when a company reaches a certain size or stage, it often faces organisational, functional, or structural challenges when trying to foster and maintain a culture of innovation and collaboration.

The Steering Committee was convinced that changing the perception of innovation required an institution-wide cultural transformation and new resources to support a program that facilitated innovation and collaboration.

It was also clear that if the company wanted to move the needle on innovation, change had to start with the largest percentage of first-line/staff employees by demystifying innovation, by helping to explain that innovation is a team sport, and by creating an environment where all

employees had a role to play in bringing new ideas and sharing opinions. Now, as this was greenfield territory for Baxi, where should they start?

One of the team members in the Mission and Vision Steering Committee was David Willetts, who managed product and R&D responsibilities in various roles during his career at Baxi. Together with his steering committee colleagues, David was deeply involved in Baxi's corporate mission and value strategy, especially as it related to the analysis of employee perceptions of innovation and collaboration.

Now, armed with the data and knowledge of the current environment, David was tasked with building a team to develop and launch a program for Baxi that could drive cultural change and facilitate corporate-wide innovation.

The current process for collecting ideas was rudimentary. Baxi had an email address where employees could submit ideas: ideas from the inbox were placed into a spreadsheet. Then ideas were sent via email to respective stakeholders who potentially would be interested.

However, nine out of 10 times, the response to the person who submitted it consisted of reasons not to implement the idea. There was also a suggestion box scheme for employees to submit ideas into a box; however, most people didn't know what happened to the ideas after they were submitted.

The awareness of technology solutions for innovation and online collaboration came from an introduction to a vendor at an innovation conference. Based on the effectiveness - or lack thereof - of using excel spreadsheets, email inboxes, or a shared drive to manage ideation, the team concluded that a software platform should be part of the foundation of their new program.

The benefits of an innovation platform were that Baxi could have a central point for wide-scale collaboration and a structured, systematic way to manage the innovation process.

Baxi connected with HYPE Innovation via a referral from another industry professional whose company managed its innovation program through the HYPE platform.

David brought in Colin Nelson, an innovation expert at HYPE, to advise how Baxi could transition to a corporate

culture that would encourage and embrace an open, collaborative innovation environment.

Baxi launched a project, which included a vendor selection process to select an innovation management and collaboration system and a 3-month proof-of-concept (POC). Baxi selected the HYPE Enterprise platform to help the organisation reinvent its innovation processes, manage ideation, and transform its culture.

Initially, the project's POC was focused on Baxi's spare parts business and limited to 500 user licenses. However, before the project launch, it became clear that the scope was too limited. The team had collected and analysed extensive research and data about the company's culture and behaviour. Innovation Value Chain diagnostics highlighted areas of opportunity. And it was clear to see how the HYPE innovation management platform could support the project.

Baxi's innovation team presented a business case to expand the reach of the innovation program to all Baxi Heating's UK business units. The budget was approved to increase the number of user licenses to include virtually all UK operations, and Baxi Heating UK & Ireland CEO David Pinder agreed to sponsor the first campaign.

Although the HYPE Enterprise platform is customizable for virtually any environment, Baxi elected to launch the proof of concept with the out-of-the-box, hosted version of HYPE Enterprise.

This gave Baxi's team several immediate benefits, such as:

- The ability to get up and running quickly without unnecessary coding, configuration, or customisation
- A hosted, cloud-based platform which minimised IT impact for both implementation and future software updates
- 1,500 user licenses to reach virtually the entire organisation, with access to the platform via desktop or mobile
- Structured, out-of-the-box processes and tools

Baxi's new innovation platform, branded **Xchange**, launched on June 29, 2016. The CEO invited all Baxi employees to participate in an online challenge with a goal to engage the organisation around the topic: **"How do we improve cooperation?"**

With the launch of its first, inclusive, challenge-based campaign, Baxi's new innovation program was on its way.

#### **ABOUT THE CASE STUDY**

This case study shares insights - including Baxi's strategy, collaborative process, KPIs and metrics, and lessons learned - from Baxi Heating UK's Commercial Director and Head of Innovation, David Willetts. It also provides a deep dive into the technology platform and innovation tools of Xchange - campaigns, idea progression and selection, stakeholder feedback, reporting, and community engagement.



Given a stuffed, ugly basement room, Baxi's innovation team made themselves at home...

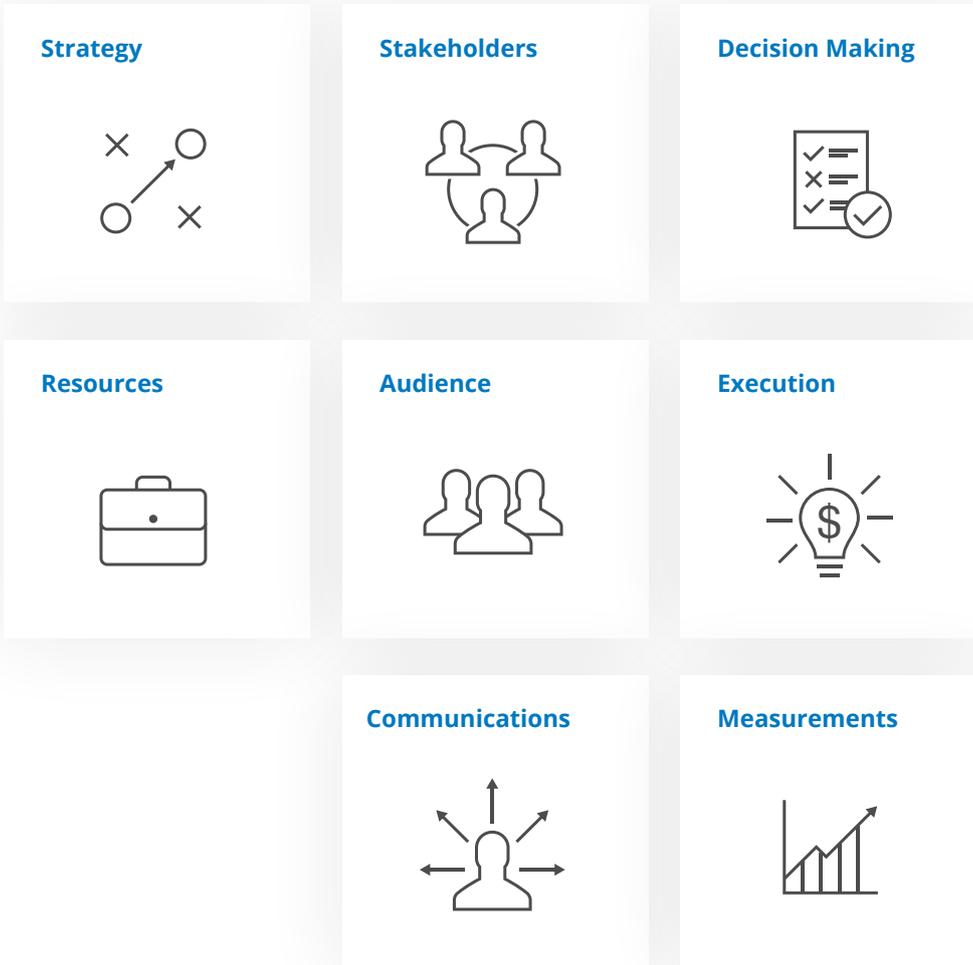
# The Collaborative Innovation Canvas



## Alignment

## People

## Process



The Collaborative Innovation Canvas is a simple way to map out the key components of an innovation management platform. It focuses on three main aspects: alignment (with the larger strategic goals around innovation); people (the stakeholders, advocates, and general audience); and process (selecting, funding, and tracking ideas). The canvas captures the big picture, and the crucial elements needed for success. It allows everybody involved to understand and share the big picture easily. Therefore, it lends itself well as a frame for exploring a case study.

### Further reading:

<https://hypeinnovation.com/canvas>



150 years of Baxi is an outstanding British landmark. This business has grown and innovated and thrived for a century and a half thanks to the hard work and passion of the individuals within it.

We've seen sunny days and weathered some storms, but throughout, the spirit of Baxi and our people has held strong."

**Philip Baxendale OBE, grandson of founder  
Richard Baxendale, July 2016**

# Alignment



How to shorten the distance between those who have ideas and insights and those who have the remit and resources to act upon them

In 2013, Baxi introduced a new mission statement, vision, and values, with innovation as one of the five core organisational values. As stated in the company's commitment to its stakeholders: "our innovative approach means we support creativity, embrace change and are willing to learn."

When analysing employee feedback and annual survey results, the team found that innovation was consistently the lowest scoring value. The team mapped five questions to the "innovation value", which centred on topics such as: "Is my manager responsive to new ideas?" and "Do we regularly share knowledge and best practices with other departments or colleagues?"

When segmenting the results by demographic group, there were significant differences in the responses from Baxi employees in executive and senior management roles (proportionally representing a small percentage of overall employees) and the much larger percentage of employees in staff or floor roles (e.g., contact centre, manufacturing positions). The team concluded that there was a lack of overall employee understanding about innovation in general and specifically employees' relationships to innovation at Baxi.



## We are Positive and Passionate

About our business; we are proud of the product and services we deliver



## Safety is our highest priority

We take personal responsibility for safe product, services and working environments



## We are Reliable and Responsive

Our people, products and services are easy to work with



## We Trust and Respect each other

And value different views



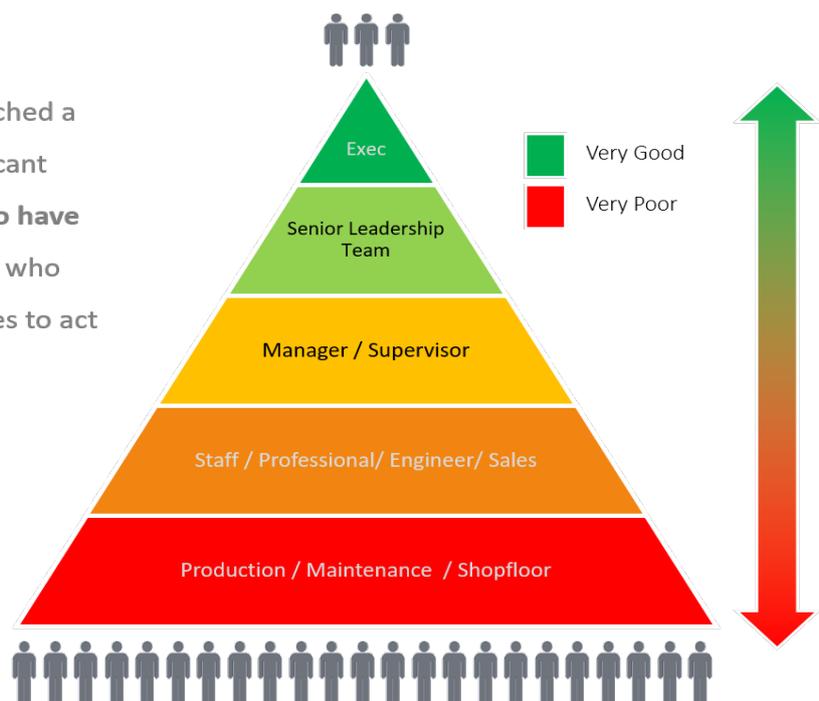
## We encourage Innovation

Everyone has something to offer to the process of developing good ideas and making them useful

“The disconnect about innovation at Baxi surfaced in a ‘silo’ mentality not just between regions and teams but also across functions and roles: a sort of ‘where did *this* decision come from?’ effect. It was a bit of a shock to see the clear division and gaps in perception across the organization.

David Willetts, Commercial Director & Head of Innovation,  
Baxi Heating UK

Once organisations have reached a **certain size**, there is a significant distance between **those who have ideas and insights** and those who have the power and resources to act upon them.



Baxi's innovation program is designed to help shorten the distance between ideas which are generated by contributors in the field, floor, or office and Baxi stakeholders who have the responsibility and resources to act upon them.

**In launching Baxi's innovation program, the team focused on finding solutions for:**

- Facilitating better collaboration across business units and functions
- Giving employees a stronger "voice" to share ideas and opinions
- Developing a better channel to identify, develop, and implement new ideas

**Overall program goals aligned with Baxi's strategic values**

- Increase employee engagement
- Facilitate innovation
- Foster a positive, collaborative workplace

“The goal is to connect the organisation from top to bottom and provide Baxi with a systematic way to transform knowledge into value.”

David Willetts, Commercial Director & Head of Innovation,  
Baxi Heating UK



# Resources

## From small beginnings to a corporate-wide innovation program

As the company did not have a formal program for collaborative innovation, Baxi built its innovation program from the ground up. This gave the team a blank canvas for choosing a framework, platform, and structure for innovation. Leveraging David’s innovation experience to select the framework and HYPE’s innovation software platform, the team had free reign to create the space and structure to introduce online innovation to its 1,500 employees, installer community, and customers.

### INNOVATION FRAMEWORK

To assess the innovation process at Baxi, David used the “**innovation value chain**” model to formulate its strategic innovation model, which visualises a process chain to demonstrate how innovation transforms into value. As outlined by Morten Hansen and Julian Birkinshaw, the Innovation Value Chain provides a framework for evaluating innovation performance, helping companies understand their unique gaps or deficiencies in their organisation’s structure for managing innovation.

The innovation value chain is made up of the three

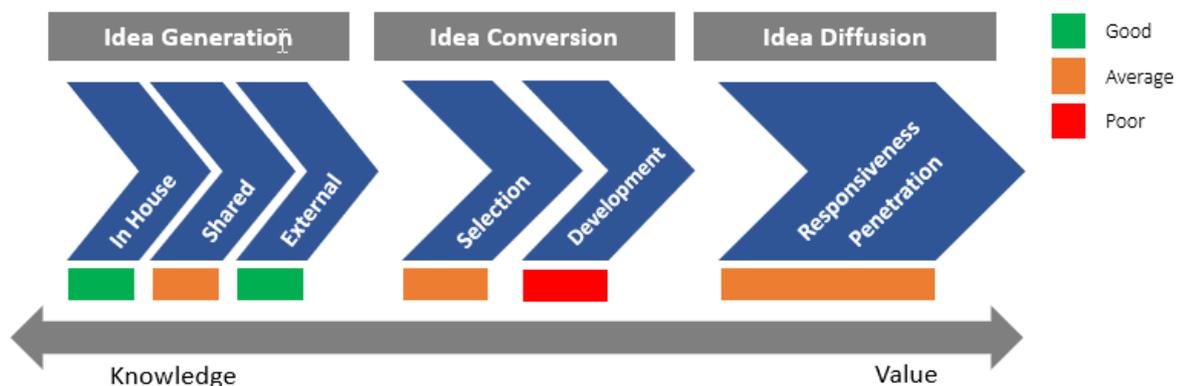
main phases of innovation (idea generation, idea conversion, and idea diffusion). It also outlines the critical activities performed during those phases (looking for ideas inside your unit, in other units, or externally; selecting ideas; funding them; promoting and spreading ideas companywide).

As Baxi developed its innovation program, the team aligned its processes to the phases in the innovation value chain, identifying areas of strength (green) and weakness (red).

Baxi concluded that it was good at generating ideas at the front end (and generating ideas with external parties). However, the company wasn’t so effective in sharing ideas across the organisation or in systematically communicating, executing, and receiving feedback about ideas. In alignment with its Xchange innovation management platform,

Baxi established roles within the organisation to help facilitate idea generation and development throughout the phases of the chain, with a focus on providing additional internal or external support and resources in areas where it identified a gap or hurdle in moving ideas forward.

### The Innovation Value Chain Diagnostic\*



\*Adapted from The Innovation Value Chain: Morten T. Hansen, Julian Birkinshaw; From Harvard Business Review, June 2007

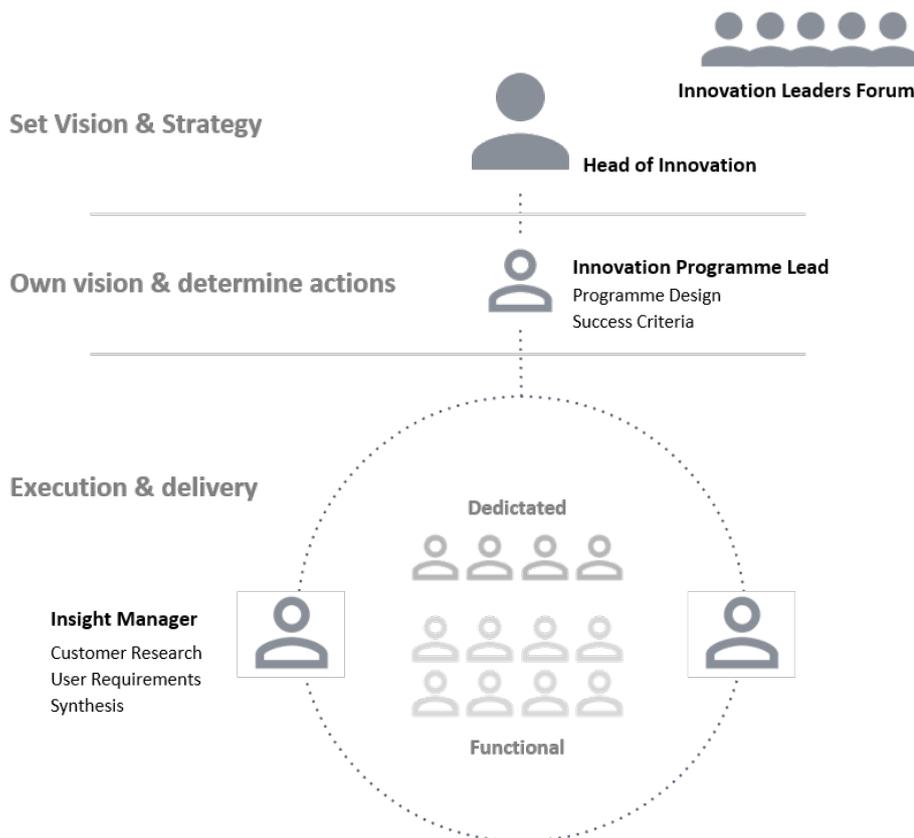
## THE INNOVATION TEAM

Baxi's Innovation Team provides vision, structure, and practical support for all innovation initiatives within the company. The team started small, initially staffed with volunteers from across various business units. However, the volunteers all had one common quality: they were passionate about innovation. They met weekly to discuss how to drive innovation as a value and to bring innovation to the workplace.

"Although we didn't have a dedicated team at the beginning, we were able to get the program off the ground and encourage engagement from volunteers for activities like moderation and community support," Willetts explained. "As our activities accelerated and we were showing the value of the program, we were able to bring on more resources; this helped for managing administration and back-end processes. Now, with a dedicated team of five, we can generate scale for our innovation programs."

Today, Baxi's innovation team includes five full-time employees working on various aspects of the program. The scope of these roles includes customer insight, user experience, design, analysis, and innovation management. The team also has now adopted a more structured approach in supporting stakeholders and managing campaigns.

Baxi's innovation team aligns with line-of-business and executive sponsors, dedicated innovation experts, and functional/business experts when planning campaigns. This holistic approach enables the team to consistently, cohesively manage programs from planning to execution – and allows them to communicate "one version of the truth" to the organisation.



## THE INNOVATION SPACE

Initially, the team met wherever they could find a space. Later, the team found a permanent meeting site, which became known as the Innovation Bunker.

Baxi's Innovation Bunker was originally a storeroom for random engineering parts located in one of the ware-houses. Baxi's team reclaimed this space – painting it orange, building desks out of unused pallets, and adding artificial turf. They turned the room into a creative hub – this innovative environment is now the central meeting place for team brainstorming, innovation training, and creative sessions with stakeholders. In a creative twist, the innovation team used the Xchange platform to launch the opening of the Innovation Bunker. The team sponsored a film night and used the HYPE platform to decide which film to watch.

From this...



To that...

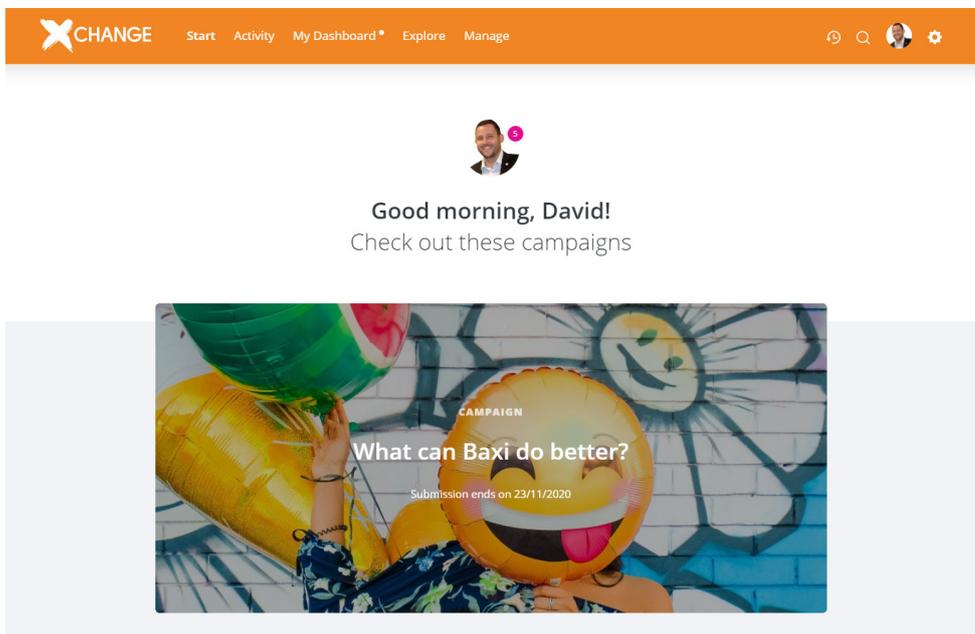


## THE INNOVATION PLATFORM

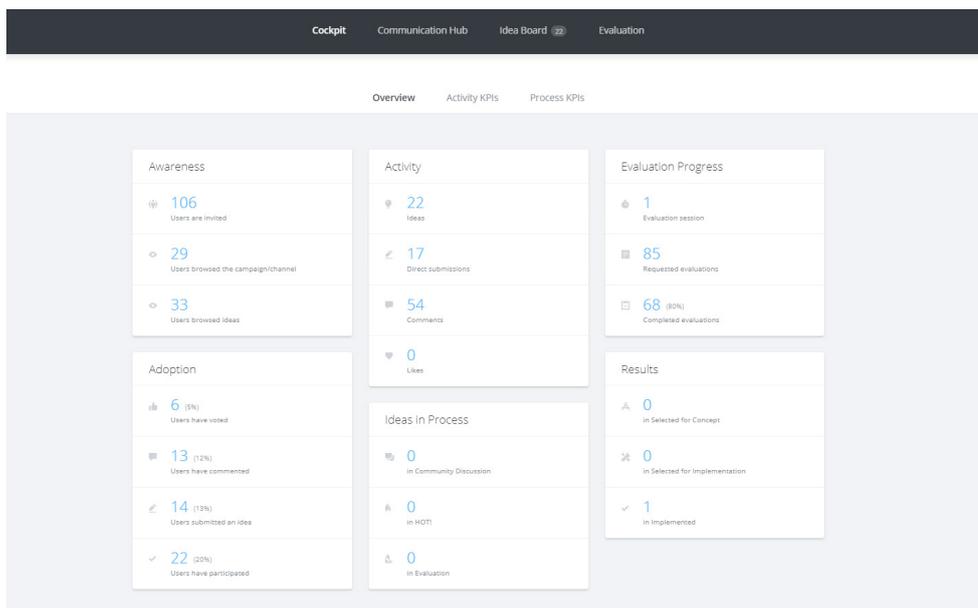
Xchange is at the core of innovation at Baxi. The platform provides a central forum for a broad audience, which includes Baxi employees, Baxi Heating’s installer community, and Baxi’s heating product customers.

When Baxi implemented HYPE Enterprise, the only adaption was branding the Xchange platform – all other functionality was standard. Audience members are invited based on their alignment with a specific campaign, and the platform is open to external ideation. The HYPE platform has built-in security levels for external users who see a different set of functionalities, as well as terms and conditions. This secure, limited-access version works well for Baxi’s installers and contractors.

The platform is hosted in the cloud by HYPE who manages all software updates, version control, and tech support.

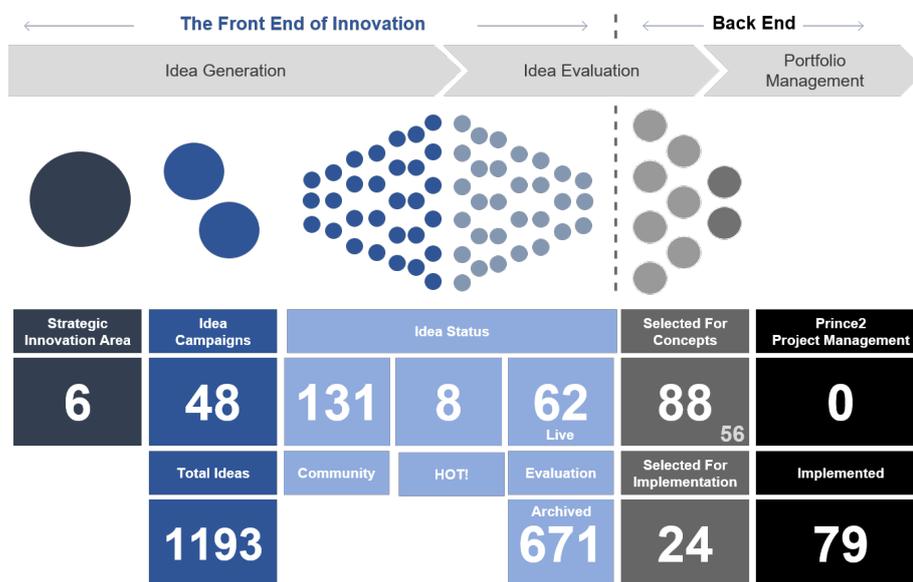


Xchange Screenshot - Home Screen



Xchange Screenshot, Main - Dashboard Overview

In alignment with the HYPE platform innovation process, Baxi links idea campaigns with six strategic innovation areas. As of the end of 2019, Baxi launched 48 idea campaigns, which resulted in 1193 ideas submitted and evaluated in Xchange's idea pipeline. Out of the 1193 ideas, 88 of them progressed to the concept stage for further development, with 24 selected for implementation and 79 implemented.



Baxi's innovation process and 2019 numbers

Within an idea campaign, the community review ideas submitted by contributors – followers can like, comment, and rate ideas. Contributors can view dashboards that show updates, ratings, and results of their own contributions in Xchange.

“Technology is not necessarily a solution on its own but rather it enables better communication and provides a more transparent, structured process for innovation. It was clear, fairly early in our evaluation process, that we needed a software platform residing at the core of our innovation program. Although it’s not a ‘silver bullet,’ we knew that with the right platform and communication around it, we could make a step-change in how we approached innovation within the organisation.”

David Willetts, Commercial Director & Head of Innovation, Baxi Heating UK

# People



## Stakeholders

### How to reimagine innovation and collaboration for a company with 150 years of history

Transforming the culture of a company with 150 years of history is no small task – and the stakes for Baxi were high as it launched its innovation program. To ensure the best possible outcome for its first online campaign, David and the innovation team spent a considerable amount of time conducting sponsor interviews. They started working through proposed campaign topics and objectives together with HYPE Chief Consulting Officer Colin Nelson and the HYPE consulting team, narrowing the selection field to the ones with the best potential to kick-start the innovation program.

With CEO David Pinder on board as the sponsor of the first campaign, the team worked on his objectives, including alignment with the company's six strategic drivers, which guide all its activities.

The team focused on two of the six strategic drivers, which relate to online collaboration:

- 1. Internal Reputation:** How can Baxi improve its internal reputation by making the company a great place to work?
- 2. Innovation-Ease:** How can Baxi foster strong, trusted relationships to ensure it is easy for both employees and its customers to engage with the company?

In 2016, Baxi established an Innovation Leaders Forum, which brings together senior leadership from across the organisation. This strategic decision-making group includes:

- Baxi Heating UK CEO
- Marketing Director
- Finance Director
- Head of Product Management
- Head of Digital Solutions
- Head of Research & Development
- Head of Innovation (and Group Chair)

The innovation team works with various stakeholders across the business who sponsor campaigns relevant to their area of responsibility. The business unit of each respective sponsor provides the budget (instead of a central innovation budget).

#### HOW THE TEAM HELPS CAMPAIGN SPONSORS:

- Develop, enhance, and evaluate sponsor's ideas
- Make recommendations to determine the right audience to help progress the idea
- Agree (together with the sponsor) on final scope and topic of the campaign



Our first campaign, 'How Do We Improve Cooperation?,' aligned well with the strategic drivers. An organisation which works effectively together results in improved business performance. This leads to a better overall workplace and natural, easier engagement with customers and employees – all great objectives for the first campaign."

David Willetts, Commercial Director & Head of Innovation,  
Baxi Heating UK



## Audience

### Tapping into valuable insights from contributors on the front-line and in the back office

Campaigns in Xchange are typically for collecting feedback, testing and sharing ideas, and solving problems. Therefore, campaign goals are centered on the following areas:

- Reduce costs
- Improve process or product efficiency
- Workplace satisfaction (better working environment, make things easier)

#### **HOW TO IDENTIFY POTENTIAL CONTRIBUTORS? A PERSONA-DRIVEN APPROACH**

Baxi is also taking a persona-driven approach to identify potential contributors and grow its audience. This approach – commonly used by marketing professionals – helps to define a target audience based on in-depth behavioural profiles of real people. Then, communication and engagement with the persona are personalised to incorporate target beliefs, interests, attitudes and behaviors.

Baxi outlines a “journey”, which defines behaviours, steps, and actions for a target persona and potential contributor.

Questions to ask in creating a persona-based journey include:

- What are my needs?
- What triggers me to act and contribute to a campaign?
- How do I find information?
- When is the right time to engage? At the point of purchase? When renewing a warranty?
- What communication channels are best to reach me?
- What rewards or incentives could motivate me?

To date, there are over 850 registered internal users who are active within the Xchange platform. Baxi also retains 150 additional licenses to use for external campaigns with installers, customers, academic staff, and students.

#### **TARGET PERSONA**

- What are my core beliefs?
- What motivates me?
- How do I feel about...?
- What sources do I use for research?
- Who is in my community?
- What do I value?



Baxi's innovation team at work.

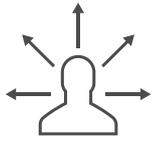
## **OPEN INNOVATION AND ACADEMIC COLLABORATION**

The team sees open innovation as a natural evolution for its program. Near-term goals are to increase users within its installer and consumer communities and to bring in a new audience of contributors. As Baxi's innovation program has evolved and matured, the innovation team has engaged with academic communities and external innovation experts to help the company tap into fresh insight and ideas.

As part of its outreach to the academic community, Baxi launched a strategic partnership with England-based Coventry University to tap into the experience of faculty, staff, and students. The goal is to generate new perspectives, gain subject matter expertise, and surface fresh insights to help Baxi work through specific business challenges.

For Baxi and Coventry University, the relationship is a good fit: Baxi gains access to Coventry's academic and research community, and Coventry's students and academics develop new insights and data using innovation methods and tools in a real-world environment.

Based on their shared drive and ambitions to promote innovation and co-create new value, the collaboration is focused on internal Baxi campaigns with the potential to generate disruptive ideas to transform corporate culture and drive business.



## Communications

### How to launch a greenfield innovation program using guerrilla-style marketing

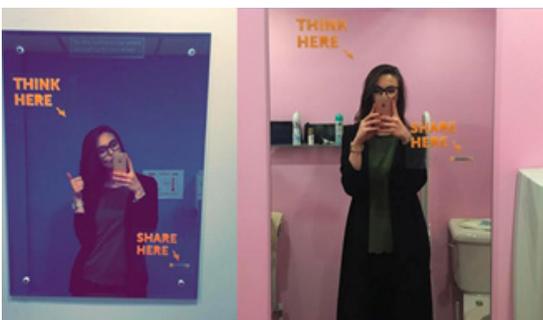
For its first campaign, the Baxi innovation team went “rogue” with an email “teaser” campaign. This was partly due to a small marketing budget and partly to circumvent the formal IT restrictions which prohibited a user from sending a company-wide email.

Baxi simulated an informal “text chat” email chain, which dropped hints and snippets about the upcoming campaign. Then the chain increasingly “replied to all” to increase visibility and awareness. It worked: people talked about the upcoming campaign, creating a buzz that went viral.

After the first awareness-building campaign, the Baxi team focused its communications on campaigns and challenge topics, not the platform. Campaigns target either specific groups or are open to all. Baxi uses viral marketing techniques to communicate upcoming campaigns, including social media posts and catchy, humorous visuals like stickers and posters.

#### HOW BAXI CREATES AWARENESS

- Car flyers
- Stickers in washrooms
- Posters
- Viral emails
- Push notices from Xchange
- Newsletters
- Innovation Xpo annual event



Posters, pamphlets, and social posts for the “How Do We Improve Cooperation?” campaign

# Process



## Decision Making

### Managing strategic innovation vs. problem-solving or cost-saving initiatives

Decision making at Baxi varies depending upon the type, scale, and impact of its projects. For strategic, revenue-creating innovation, the Innovation Leaders Forum members review and manage these high-impact projects offline through an innovation pipeline approach.

The team uses stage-gate “go/no go” decisions at various stages, enabling the team to test ideas and concepts, learn, and move forward quickly when applicable. Decisions on strategic innovation include new products, services, and business models. Today, strategic projects are managed entirely offline and not through the Xchange platform. However, this may change in the future, especially to seed ideas at the front-end of the innovation pipeline or to collaborate on forward-looking topics like “What does heating look like in 2050?”

Decision making about which campaigns to launch either comes proactively from sponsors or are developed based on strategic innovation areas. Campaigns in Xchange are currently focused on problem-solving challenges, reducing operational costs, and improving processes – generally orienting on ideation topics with the potential to save money and increase efficiency for sponsors’ business areas.

Then, the back-end of the platform manages the implementation of selected ideas.

“Sometimes we are approached by people from various departments who want to run a challenge locally within their department and can see the benefit of connecting a group of experts or a wide range of contributors around the topic,” Willetts said. “The process for launching campaigns can also be bottom-up, with sponsors asking: Can we use Xchange to do this...? It’s really great to see how sponsors are starting to think organically about how collaboration can benefit their business.”

Launching the campaign involves sponsor interviews, and the sponsor is ultimately responsible for the campaign’s budget.

#### **Two factors are crucial for consideration when evaluating topics for ideation campaigns:**

- Is this a problem worth solving or an opportunity worth exploring in a campaign?
- Is there a strong link to the campaign’s sponsor or stakeholder?



It’s like the first song at a wedding. You try to find a campaign which gets everyone on the dance floor.

David Willetts, Commercial Director  
& Head of Innovation, Baxi Heating UK



## Execution

### How ideas are iterated upon and developed towards implementation

The team uses HYPE's **evaluation features** to manage all ideas in the HYPE platform. Campaigns in Xchange typically have three elements of idea evaluation:

1. Triage sessions are particularly useful to help the team filter through many ideas before deciding which ideas should progress to the evaluation team
2. Scorecard evaluation enables the team to score ideas against criteria agreed by the sponsor
3. Pairwise evaluation allows the team to put similar ideas next to each other, comparing and ranking ideas based on certain criteria (e.g., compatibility)

Baxi uses HYPE's **idea board** to create idea buckets to get ideas ready for evaluation or to filter for common themes so campaign managers can develop **concepts**.

Campaign managers use HYPE's **concept** feature when an idea needs more development work before it's ready for implementation, or when there is a group of ideas with a similar theme. This group of ideas can then be combined into something much richer by creating a concept around this theme.

Baxi uses its own project management framework. Once a concept has been developed sufficiently for a project to be scoped out, it can be handed over to the Project Management Office.

There are three possible outcomes for ideas in Xchange:

- **Implementation** - some ideas are "ready to go" after selection and can be implemented straight away in the sponsor's department
- **Concepts** - some ideas need more work; these are built out as concepts
- **Archived** - not selected to progress but kept for future campaigns

Ideas that aren't selected to progress are archived. However, the team actively adds comments to the platform. They send a notification via the platform to the contributor, which explains why the sponsor didn't select the idea for progression as part of that campaign and how the idea could be used in the future.

The innovation team always reviews its database of hundreds of archived ideas before the launch of a new campaign and sometimes uses archived ideas for pre-seeding campaigns when the archived idea is relevant or related.

"Organisations can't leave innovation to chance; it is not a 'nice-to-have' element that occurs on its own," said Willetts. "Effectively turning ideas into something useful means innovation is treated as an integral part of the business and managed systematically."

## CAMPAIGN MODES

Baxi uses five primary campaign modes when creating idea campaigns:

	<b>Creative</b>	Diverse opinions collaborating to develop something that doesn't yet exist
	<b>Problem Solving</b>	Using collective insight and diverse opinions to fix a known issue
	<b>Discovery</b>	Finding hidden insights and expertise from the corners of our organisation or 3rd parties
	<b>Testing / Validation</b>	Testing a concept or idea with those likely to be impacted by its implementation
	<b>Feedback</b>	Gather feedback on current activities, with the goal to refine and improve

Campaign modes give direction and structure to facilitate and focus crowdsourcing and idea challenges on a specific objective.

Campaigns that are open to external contributors might be focused on modes to facilitate Feedback (Consumers) or support Testing/Validation and Problem Solving (Baxi Approved Installers). Campaigns for Baxi employees might orient on Discovery or Creative modes to drive disruptive ideation or tap into deep subject matter expertise. Baxi scores its campaigns based on the impact of factors that contribute to Efficiency (e.g., maximize profitability) and Innovation (feedback on new capabilities).



## Measurements

How Baxi measures campaigns, communicates success, and rewards innovation

“ The financial impact of the HYPE platform has been significant, and Baxi has generated six-figure savings from ideas managed in Xchange.”

David Willetts, Commercial Director & Head of Innovation, Baxi Heating UK

Baxi's innovation program targets three main areas to measure progress, track results, and generate benefits:

- New revenue generation from new products and services
- Cost savings and efficiency improvement with existing practices
- Empowering people to become engaged in open, collaborative ideation

Baxi's first campaign focused on improving internal employee collaboration, and the launch KPIs targeted user registration and participation in the platform.

### **BAXI'S FIRST CAMPAIGN:**

- Number of employees who logged in and registered = 281 registered users
- Number of active participants = 99 employees
- Number of ideas = 41 ideas submitted
- Ratio of comments to ideas = 180 posted comments
- = Great outcome which exceeded expectations!

As a baseline, Baxi's innovation team set a goal of 30% registration across the organisation.

As Baxi's database and home for all ideas, Xchange generates data and other insight in the form of dashboards and reports for challenges and campaigns, facilitating end-to-end management of the innovation process. The team measures and tracks its KPIs directly within Xchange, including:

1. Input metrics - participation rate, idea ratio, number of ideas
2. Output metrics - sponsor satisfaction, financial metrics (e.g., how much has this improvement saved or is forecasted)

Today, Xchange has been so widely adopted with Baxi for online collaboration that the team has been able to quickly engage and maintain participation with subsequent campaigns even when there are more extended periods between campaigns.

“

It's important not only to recognise ideas selected for a campaign but also to share the spotlight with the other contributors who comment, share, and enhance ideas in the platform.”

**David Willetts, Commercial Director & Head of Innovation,  
Baxi Heating UK**

# Recognising Great Innovation

Baxi doesn't provide participation incentives – like bonuses or gifts – to internal contributors. The team's view is that there should be intrinsic motivation for employees to be involved in challenges that lead to improvements for its products, in the workplace, or for Baxi's customers. For rewarding external contributors, Baxi is exploring via its persona development strategy various ways to recruit new users and motivate them to contribute and share ideas. This could include gifts or other incentives for selected personas – or loyalty initiatives to keep customers engaged as frequent contributors of innovative ideas.

Campaign sponsors – many of whom are senior managers – are always appreciative of selected ideas, often thanking contributors personally. And Baxi has numerous channels that are widely visible across the organisation and used to recognise innovation activities. Baxi distributes a monthly newsletter that highlights recent campaigns and spotlights selected ideas. There is also a cascade internal brief from senior management, which includes overviews of campaign results and updates on innovation projects.

Baxi also launched an annual awards ceremony for innovation – Innovation Xpo – to celebrate all the great innovation activities across the organisation. The day-long event brought together people from across Baxi Heating's five UK sites to present what they were doing, share feedback from the field, and reward high-impact ideas.

## Success Stories

### **SERVICE ENGINEERS: CAN YOU FIX IT?**

Baxi service and repair engineers had provided feedback from the field about a certain part in some of the boilers, which was difficult for them to remove. To solve the problem, Baxi launched an internal challenge called "Service Engineers: Can You Fix It?"

Contributors from a wide selection of teams were invited to participate. The audience included the service engineers, research and development, production, and training teams. The group collaborated to develop a new tool to help remove the part and rolled it out to all of Baxi's 250 service engineers.

The results were impressive: it **saved the business thousands of pounds by reducing the time it took to repair the boiler, as well as reducing health and safety risks.**

### **LOYALTY SCHEME**

An important program managed by Baxi's marketing department is "Works", its loyalty scheme for Baxi-Approved Installers. Baxi's salesforce constantly speaks with installers and help them with the loyalty program.

Together with the sales and marketing teams, the innovation team launched a campaign called "Loyalty Scheme: Baxi-Approved Installer – How can we make our Baxi-Approved Installer scheme the best in the industry?" The focus of the idea challenge was to brainstorm what the next generation of the loyalty scheme should be.

**From this campaign alone, Baxi has already implemented ten ideas, with eight ideas in concept, which the team is working through to progress. Baxi's loyalty scheme has since won several awards.**

# Innovation Culture at Baxi: the Dial Has Moved

## The Impact of Online Collaboration to Support Cultural Change

Since the launch of Xchange in June 2016 to today, the team has been able to show measurable success in transforming Baxi's corporate culture and attitudes towards innovation and collaboration. In Baxi's annual employee survey, the responses to specific questions measuring the value of innovation have shown **double-digit improvements**.

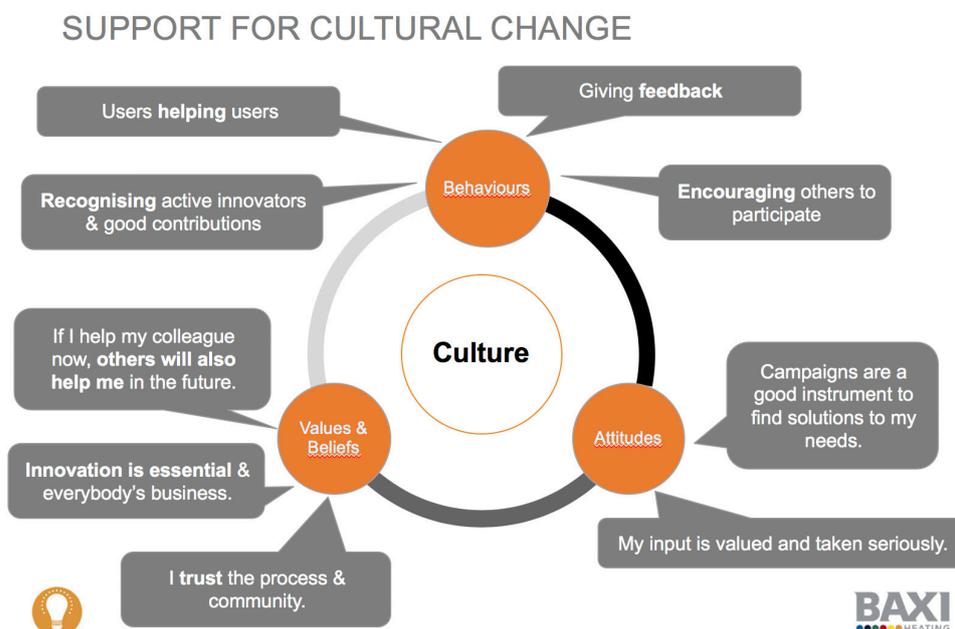
With the support of the Xchange platform, Baxi is creating a culture that encourages knowledge sharing through online collaborative activities driven around business needs to generate specific outcomes – like new products, new business models, and continuous improvement initiatives.

This is also driving overall behavioural change across the organisation. Overall, employees are collaborating more freely – both online, informally in groups, and in meetings. Baxi's cultural shift towards a more inclusive, collaborative environment has sparked greater innovation and creativity as well as more trust in management.

Three primary areas impact Baxi's corporate culture: Behaviours, Attitudes, and Values & Beliefs. Online collaboration gives visibility to ideation, supports feedback, and surfaces outcomes – enabling transparency for the innovation process. By providing a platform that facilitates dialogue and encourages creative collaboration, Baxi's innovation team and the Xchange platform have been instrumental in supporting Baxi's Corporate Values, including **Reliable & Responsive; Positive & Passionate; and Trust & Respect**.

David and his innovation team have moved the dial in changing the corporate culture at Baxi by creating and fostering cooperation and ideation across the organisation. The Innovation Leadership Forum team has built the foundation for sustainable, successful innovation.

Now, the team is looking for new ways and innovative ideas to move the dial even further.



# Feedback and Advice from the Field

## 5 points of advice from David Willetts for fellow Innovation Managers



### **TRANSPARENCY IS KEY**

A major benefit of our online collaboration is that Xchange provides transparency for our innovation process - helping us to bring alignment to what we say we are going to do and what has really been done. This builds trust and belief when we talk about innovation in general. If we can execute on belief, this encourages more collaboration. We can see the results in how our corporate culture has shifted.

### **CONNECTING PEOPLE**

Connecting people is why we implemented the HYPE platform at the beginning - to break through the clay layers of the company to connect people across the organisation, regardless of location or role.

Our team found that when we opened the communication channels, Xchange was facilitating high-impact changes and operational improvements in connecting customer-facing employees who were engaged daily in the field to managers and executives with the resources to make things happen.

### **EXECUTIVE SUPPORT IS INVALUABLE**

Our CEO, David Pinder, sponsored our first campaign. This showed our employees that Baxi placed a high value on collaboration, and we were giving them the tools through our Xchange platform to do so. And the campaign was open to all: every employee was directly invited to participate by our CEO.

So we had the “wind at our back” at the very beginning - with resources and tools to support us. This made a big difference in getting our innovation initiatives off to a quick start. In reflecting upon Baxi’s culture today, our executives are proud to share how our company has “socialised” innovation.

### **ALLOW TIME FOR YOUR EMPLOYEES TO BE CREATIVE**

Our innovation program encourages our employees to take the time to share knowledge, and Xchange gives them a vehicle to be creative, to explore ideas, and to discuss topics with people outside their direct teams. And it is sparking conversations with employees who might never have met otherwise because of organisational roles or geographic distances.

Like-minded people who are connected online are now meeting outside of the platform to engage about common topics and themes. People are sharing knowledge in their free time, and employee collaboration is gradually becoming baked into our corporate culture.

### **OVERCOMING RESISTANCE**

Although we really didn’t experience resistance directly, there were pockets throughout the company where potential sponsors were not engaged as much as we wished. To highlight the benefits, we communicated our early successes and shared mini case studies. This helped to defuse resistance, especially with mid-level management.

As their employees were actively collaborating in Xchange, we were able to help their managers uncover and solve problems. When you see other managers generating wins in the platform, FOMO (Fear of Missing Out) is a great tool!

# Benefits of the HYPE platform

HYPE Innovation was selected to run the Xchange platform because it met Baxi's criteria, including these key aspects:

Enterprise-wide scale, so all employees can participate

Support for both ideation and incubation processes

Provide local language support

User-friendly, no training required

Workflow with track and trace

Support for rewards and recognition based on participation

# Innovation Advocates

The role of the innovation manager is still new to many companies, and the person appointed to the role can feel like a lone wolf trying to build momentum around an innovation program.

One way organizations are helping to overcome this challenge is to **build networks of innovation supporters, or advocates, across the company**. These individuals can promote engagement, focus people on the right behaviors for collaboration, and help the innovation manager understand each locale.

As you establish your advocate network, three important questions need to be answered:

- **How can we identify potential advocates?**

They won't be paid to drive innovation, so how can we find volunteers? One way is to observe the right behaviors in participation on the platform; those that join regularly and promote collaboration and idea development. If you see this pattern over time, across different campaigns, those individuals are the perfect choice.

- **What role should we ask of them?**

We must be careful not to ask too much, particularly since we have proof they are voluntarily doing a lot already. We want to encourage them to continue with more of the same, and whenever the opportunity arises - the water cooler discussions for example - talk about the program, the objectives, and the results.

- **How can we keep them engaged?**

A basic training plan is the first start; ensure they understand what you're trying to achieve, and why they've been selected to help. If you can't bring the advocates together in person, at least try to meet online for a monthly call to share stories, updates, and lessons learned.

Further Reading:

- <http://blog.hypeinnovation.com/innovation-advocates-build-a-new-culture-of-innovation-from-the-bottom-up>
- <http://www.hypeinnovation.com/innovation-advocates>



## ABOUT BAXI

With a proud tradition of excellence in manufacturing and customer service going back over 150 years, Baxi Heating's portfolio includes some of the best known and most respected brands in the domestic and commercial heating industry in the UK and Ireland, including Baxi, Potterton, Andrews, Heatrae Sadia, and Remeha. Baxi Heating is part of BDR Thermea Group, world-leading manufacturers and distributors of sustainable, smart climate and sanitary hot water solutions and services. With headquarters in Apeldoorn, The Netherlands, BDR Thermea Group operates in more than 70 countries worldwide, employing over 6,400 people and has annual sales of close to €1.7 billion.



## ABOUT HYPE INNOVATION

HYPE Innovation is a global leader in innovation ecosystem management software and services. HYPE's platform offers dedicated innovation tools to address a range of innovation scenarios. With HYPE, organizations can engage employees, customers, and partners in idea generation and collaborative problem-solving. Our client community includes global companies such as Airbus, AkzoNobel, ConocoPhillips, Deutsche Post DHL Group, Fujitsu, Mattel, Merck, Nokia, Saudi Aramco, and Siemens.

HYPE offers an integrated solution: HYPE Enterprise is your value creation hub, allowing all innovation activities to be tracked on a unified platform.



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