



CHALMERS

Proposing a Framework of Preconditions for Idea Adoption

A Case Study Investigating Adoption of Ideas within the Front End of Innovation

Master of Science Thesis

in the Management and Economics of Innovation Programme

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Abstract

The process of innovation is considered a success factor for organizations (Reguia, 2014), and the resulting innovations are a key resource for competitive advantage (Tidd et al., 2005) as well as economic success (Hana, 2013). It is through creative ideas that innovations are created (Hana, 2013), however it is only after these ideas have been adopted and implemented that they have the potential to contribute to the organization's growth and effectiveness (Levitt, 2002). There is little literature in the area of adoption of ideas and there is no concept that covers intra-organizational adoption of ideas in several steps as well as on different levels of aggregation. In this study this activity is referred to as idea adoption. Idea adoption was defined in order to bring clarity to what implications it may have and its role in an organization's New Product Development process. As the concept was established, preconditions for idea adoption were investigated further.

Organizations have gradually turned their focus towards the earlier stages of the New Product Development (NPD) process, which are also known as the Front End of Innovation (FEI) (Koen et al., 2001). The new focus is because these stages have been recognized as an area with much potential for improving the NPD process (Gassmann, 2014). This is consistent with the case of Swedish Match. As the competition in the snus market has increased, Swedish Match has recognized the importance of being innovative, which has also become an outspoken ambition in their way of doing business. The result has been a stronger focus and further structuring of their Ideation phase, where the ideas are born and handled at Swedish Match. It was observed in the beginning of this research that the company had issues related to how ideas are handled and communicated. This contributed to the hindering of ideas being turned into innovations, which has had a negative effect on the NPD process. Swedish Match has thus served as a case to investigate what preconditions there are for idea adoption.

As there was a limited amount of literature in the research area regarding idea adoption within organizations, a qualitative approach was used to generate new theory (Bryman & Bell, 2011). This means that the study was exploratory in nature and primarily inductive, with some abductive elements (Dubois & Gadde, 2002). The data has been collected through 38 interviews with employees as well as 11.5 hours of observations from attended meetings at Swedish Match. The people interviewed were either participating in, or were affected by, the NPD process as well as the Ideation phase at Swedish Match in one way or another.

In this study there were three main findings, namely how idea adoption is defined, that the Front End of Innovation is depicted deceptively simple and which the preconditions for idea adoption are. The two first findings lay out the groundwork for the third finding regarding what the preconditions for idea adoption are. The final result was a proposed framework for preconditions of idea adoption consisting of twelve preconditions, which are arranged into six groups: Structure, Communication, Incentives, Anchoring, Champion and Idea Characteristics. The framework was tested on eight ideas that were followed throughout the study to assess possible generalizations amongst similar ideas as well as to test the framework's internal validity. It was found that certain categories of ideas were affected by some preconditions more often than others, for example ideas that are of an abstract nature seem to be dependent on anchoring and championing to a greater extent than those of a concrete and simple nature.

Finally, areas for further research have been identified and presented. The research areas have been proposed to assess the external and internal validity of the framework as well as to strengthen the concepts and factors that have been identified in this study.

Keywords: Innovation, Front-End of Innovation, Idea Adoption, Precondition Framework, New Product Development, Ideas, Snus, Swedish Match.

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1. Introduction

Innovation can be defined as “the successful exploitation of new ideas” (DTI, 2003) and is considered as one of the success factors for companies (Reguia, 2014). Innovations are a key resource for competitive edge as well as economic success (Hana, 2013). It is through creative ideas that innovations are created and lead to a competitive advantage (Hana, 2013), thus ideas are how innovations are born. There has been a strong trend in increase of patents issued over the past decades, not only in electronics but in other industries such as the food industry as well (WIPO, 2014). The increased number of patents further supports the importance of innovation for companies.

Increased need for companies to be innovative demands greater focus on the New Product Development process (Gaubinger & Rabl, 2014). The New Product Development process consists of several different phases, the further upstream in the New Product Development process, the fuzzier and less concrete it gets (Gaubinger & Rabl, 2014). Because of the lack of concreteness, managers have been less tempted to approach these early phases of the New Product Development process, and have rather focused on the subsequent phases that are characterized by clear responsibilities and more well-developed structure. Despite this behavior, several of the managers are aware of and have recognized the potential of improvement that lie within these early phases, that there is much leverage that can be gained in these phases (Gaubinger & Rabl, 2014).

The early stages of the New Product Development process, where focus is towards idea flow and handling, is an emerging area of research relative to the area of the more established New Product Development phase. Companies start to turn focus towards these earlier stages of the process, also known as the Fuzzy Front End, as this have been recognized as an area with much potential for improving the New Product Development process (Gassmann, 2014). The term Fuzzy Front End was coined by Smith and Reinertsen (1991), with the aim to describe the complexity of the front end, which can motivate the room for improvement in the process. The term has later been referred to as the Front End of Innovation, which is the term that will be used in this report. As it is a relatively new field of research there are certain areas that are not thoroughly investigated within the field.

In order for an idea to be actualized into an innovation, it has to be adopted by the organization. Rogers (2003) writes about external adoption, which takes place when an innovation is adopted by a customer, where the innovation for example can be a product from a company. Whereas an example of internal adoption would be adoption between departments or hierarchical levels of an organization. When conducting this study, there has been little literature found that cover internal, or intra organizational adoption. And those authors that cover this area mainly focus on the adoption of innovation, rather than adoption of ideas. Research on the field of adoption has so far mainly been towards adoption of innovations as described by Rogers (2003), thus on a later phase of the journey of an idea, where it has already become a product. Although there have been authors who touch on the subject of adoption of ideas. Griffiths-Hemans and Grover (2006) write about what they call idea commitment, which is when an organization formally commit to develop an idea into a product. The authors limit idea commitment to being one decision point in the end of the idea phase. Thus not as something that may reoccur along the existence of an idea, nor on different levels of aggregation. Thus there is a gap for literature that explicitly covers internal adoption of ideas, in several layers, and is what will be investigated in this study.

1.1. Company Context and Problem Statement

Snus is a tobacco product that has existed in Sweden for several centuries. It can be consumed in different ways, but the most common form as of today is snus, which traditionally is put under the upper lip. In 1915, a Swedish snus state monopoly was established under the company name *AB Svenska Tobaksmonopolet*, which eventually was changed to Swedish Match. The monopoly lasted

until the 1960s, as it was terminated. Swedish Match has, since then, more or less enjoyed a natural monopoly with the strategy to acquire potential competition and new entrants that have emerged. As the amount of new entrants increased, including ventures with the sole strategy of being acquired by Swedish Match, the strategy of acquiring new entrants could not last. In addition to that, for the past ten years there have been some new entrants and start-ups on the Swedish snus market with the financial back-up from international tobacco producers.

The Swedish snus market has proved to be quite profitable with a high profit margin, which has attracted international companies that want to get a piece of this profit. The increased competition has forced the companies on the snus market to differentiate themselves and find ways to gain a competitive advantage. This calls for increased innovativeness from the firms, which is a way to create a competitive advantage and stay ahead of competitors (Duane & Webb, 2007). Swedish Match has not had much competition throughout the years and therefore also had little need to be innovative. Due to the increased competition, Swedish Match has focused much effort on strategic and organizational changes to fit the changing needs of the market and to remain competitive.

Swedish Match is today the biggest producer of moist smokeless tobacco products in Sweden with a current market share of roughly 70%. Over the past years, the company has moved from a production and product focus towards more of a customer and consumer focus. Meaning that the company listens more to what the customers and consumers wants, rather than telling them what they want. In addition to the increased competition, Swedish Match has realized the importance of being innovative, which has led to innovation becoming an outspoken ambition in their way of doing business. To improve the New Product Development process, Swedish Match has moved from their initial focus on the product development phase, towards focusing more on what they call the Ideation phase. This has resulted in a more structured way of working with ideas, including the introduction of forums to evaluate ideas. The Ideation phase is one of the very early parts in their New Product Development process, and it can be seen as their version of Front End of Innovation.

The shift of focus to the earlier phases of the New Product Development process has happened quite recently, so there has not been much time and resources to spend on optimization so far. The Core Product Innovation Team (CPIT) forum has for example only existed for six months. The Ideation phase is still being developed and has possibly not yet reached its final form, which gives room for improvements. The management at Swedish Match are satisfied with how the later parts of the New Product Development processes are structured, such as the NPD phase and the New Feature Development phase. Although there seems to be a consensus at Swedish Match that more efforts spent on improving the Ideation phase can bring value to the company.

Innovations may arise from any department in Swedish Match, not only Research and Development. The New Product Development process is supported by the Customer Insights department, which helps to sync innovations with market needs. The departments are more or less divided into two locations, the headquarters in Stockholm with Marketing and Sales, and Gothenburg with the focus towards Manufacturing, R&D and Technology Development. Consumer insight is split up between the Gothenburg and Stockholm office.

It was discovered in the very early parts of this study, that there seems to be problem associated with how ideas are handled and communicated at Swedish Match, which has an impact on their innovation performance. That is what this study will focus towards and is why a more in depth investigation of the concept called idea adoption and its context at Swedish Match will be performed. This will be done to investigate how ideas are turned into innovations and to find which factors may affect this procedure.

1.2. Purpose

As stated above, innovation is an important source for competitive advantage. In order to create innovations, ideas are needed. Due to the need of ideas, the Front End of Innovation where the ideas originate, is of great importance for many companies. Swedish Match has had issues related to how ideas are handled and communicated, which has a negative impact on how ideas are adopted and thereby on the New Product Development process in the company. Thus, in order to stay competitive this issue needs to be dealt with. The company issue is within an area of research which has not been the focus for much research so far. The literature closest to dealing with the described issue is what Griffith-Hemans and Grover (2006) describe as idea commitment. Although it misses out on certain aspects that the concept of adoption implies.

The purpose of this study is to explore and critically analyze how ideas are adopted in a relatively large firm such as Swedish Match. This will include investigating what idea adoption means and what factors may have an impact on idea adoption. The intention with this study is to contribute to the given area of research and bring more knowledge to the topic based on a real life case.

1.2.1. Research questions

The final research questions were reached after several rounds of iteration, and was done in order to make sure that the right questions were chosen. The research questions that finally was chosen for this study are presented below:

1. *What is idea adoption at Swedish Match?*
2. *How is Ideation organized at Swedish Match?*
3. *What are preconditions for idea adoption at Swedish Match?*

1.3. Delimitations

The study will be limited to idea adoption in a large industrial organization with the focus on consumer goods. That means that the area of research will not include how idea adoption is done in small size companies. The research will take place within the New Product Development process on Swedish Match and will be limited to what they refer to as the Ideation phase, thus the subsequent phases of the new development process will not be studied. The focus of this study can be compared with stage 1 in Cooper's Stage-Gate model (1988).

This study will focus on Swedish Match Scandinavia Division, which has most of its operations in Sweden. This is where the study will be conducted, meaning that the results may not be applicable for all Swedish Match's divisions. Throughout the report, the name Swedish Match will be used and will only refer to the Scandinavia Division.

1.4. Disposition of Thesis

This chapter aims to provide the reader with an overview of the report to better understand it and easier get the whole picture. This thesis consist of nine separate chapters, which are explained in short below.

1. Introduction

The first chapter provides the reader with the background of the study, the research problem as well as the company context and problem statement. This leads to the purpose of the study, delimitations as well as a report outline of the report.

2. Previous research

As indicated by the title, previous research is presented. This was done for two reasons, the first being to provide the reader with relevant information and knowledge to be able to better understand the research performed in this study. The second reason was to investigate one of the key concept for this report, idea adoption, as an attempt to define it.

3. Methodology

Chapter 3 aims to present the reader with a detailed explanation of how the research was performed. That includes the research strategy, research design as well as a discussion concerning the quality of the research.

4. Empirical Findings

In this chapter the data, which was collected at Swedish Match, is presented regarding how idea adoption is perceived, how ideas are adopted as well as what preconditions there are for it. The chapter ends with a follow-up of eight different ideas and decisions made regarding them in the front end of Swedish Match's NPD process.

5. Analysis

The analysis is where the empirical findings are analyzed and coded to identify as well as determine new definitions and patterns concerning idea adoption at Swedish Match.

6. Proposed Framework of Preconditions for Idea Adoption

This theoretical framework consists of twelve parameters that are believed to have an impact on idea adoption, based on what was found in the empirical study. This framework was used when studying idea adoption at Swedish Match to get a better understanding of what factors are important in the adoption of ideas.

7. Discussion

The discussion includes the implications of the findings and the analysis is discussed further. The focus in this chapter is towards the concept of idea adoption, followed by the structure of the Front End of Innovation as well as a discussion regarding the preconditions for idea adoption. Finally several potential generalizations of idea categories are discussed.

8. Conclusion

Chapter 8 presents the main findings and conclusions in this study, as well as answers the research questions.

9. Further Research

The final chapter includes recommendations on further research that are suggested within the area of idea adoption.

2. Previous Research

The section below will cover those concepts and theories that are considered important to understand in order to carry out this research. It will introduce the reader to the concept of idea adoption as well as its context in the New Product Development process, here on referred to as the NPD process.

The chapter will initially cover innovations and how ideas in certain cases can be seen as the seed of an innovation. It is followed up by an introduction to Front End of Innovation (FEI), which is where the ideas exists in general, and how it may be structured as well as function. Finally the concept of idea adoption is introduced in the context of Front End of Innovation.

2.1. Innovation

The concept innovation plays a crucial role in a firm's success and competitive advantage (Porter, 1980; Tidd et al., 2005). However, innovation is a term that can be used in various settings and is referred to in different ways (Garcia & Calantone, 2002). Some researchers refer to innovation as an activity. According to Tidd et al. (2005), innovation is driven by the ability to see connections, spotting opportunities, and taking advantage of those opportunities. Cooper (1998) states that firms innovate to improve and to distance themselves from competitors and to do this they develop and/or adopt new products, processes, techniques or procedures (Cooper, 1998). However, the advantages from these steps gradually get competed away as other firms imitate and innovate themselves. So unless an organization is able to innovation further, which is a concurrent activity, it risks being left behind as others take over the lead (Tidd et al., 2005; Cooper, 1998).

As stated above, the concept innovation has a myriad of definitions, and there is not one definition of innovation that all researchers have agreed on. Some researchers refer to innovation as a thing. Van de Ven (1986), much like Rogers (2003), defines innovation as an idea which is perceived as new to the individuals involved. Swann (2009) states that an innovation can be divided into product- and process innovations. A product innovation gives a product more characteristics or improves its quality, whereas a process innovation changes a production process, making it more efficient (Swann, 2009). This study only considers product innovations and will thus be the focus from here on.

An innovation's level of innovativeness can be categorized using the terms incremental (continuous) and radical (discontinuous) innovation, where the term discontinuity concerns the dramatic leap in terms of familiarity and use of the new innovation (Veryzer, 1998). There is a distinct difference between incremental and radical innovation, according to Reid and de Brentani (2004).

An incremental innovation can be defined as improvements, such as features, benefits, price, manufacturing and process, to the existing product or product system in the existing market. Radical innovations, however, can be defined as innovations that embody a new technology that either results in a new market infrastructure or in the creative destruction and transformation of the existing infrastructure (Garcia & Calantone, 2002). The concept creative destruction applied to innovation means that the innovation creates new value while destroying or replacing inferior technologies as it diffuses (Lepak et al., 2007).

The problem with discontinuous innovation is that it presents challenges that do not fit the existing frame of references of an organizations NPD process and hence require a reframing, which is something that most longstanding organizations find hard to do (Gioia, 1986). Radical innovations are often related to high technical- and market uncertainties, where product specifications, customer wants and needs, sales methods and distribution are important factors to identify (Leifer et al., 2001). It has also been shown empirically in earlier research that radical innovations entail greater risk than incremental innovations (Olson et al., 1995).

2.1.1. Ideas with Innovation Potential

According to West (2002) innovation, seen as an activity, consists of two broad stages: idea generation and idea implementation. The first stage of the process, idea generation, concerns producing novel and useful ideas for the firm, and is the part of the NPD process which Amabile (1988) defines as creativity. The second stage, implementation, refers to the extent to which the ideas generated are adopted by the organization and implemented (Amabile, 1988). Naturally, it is only after ideas have been adopted and implemented that they have the potential to contribute to the organization's growth and effectiveness (Levitt, 2002).

Creative ideas in the first stage may be generated by employees in any job and at any level of the organization (Robinson & Schroeder, 2004). These ideas can range from small, incremental refinements in procedures to radical, major breakthroughs in the development of new products (Mumford & Gustafson, 1988). Ideas are considered novel if they are unique relative to other ideas currently available inside the organization, and useful if they have the potential for direct or indirect value to the organization in the short- or long-term (Silva & Oldham, 2012).

Although the NPD process at Swedish Match ranges from idea generation all the way to commercialization, this study will only deal with the earlier phases of innovation work, up to the moment when the organization has decided to move the idea onward from what they call the Ideation phase. Therefore it is not innovations *per se* that are studied; rather ideas that, according to the organization, have the potential to become innovations after they have been adopted and eventually been commercialized.

2.2. The Front End of Innovation

The early parts of the NPD process, where ideas are generated and handled before entering the New Product Development phase, is also known as the Fuzzy Front End (Gassmann, 2014). The term was coined by Smith and Reinertsen (1991). There has been work done prior to the birth of the concept that also can be connected to the research area of Fuzzy Front End, for example Cooper (1988) and his Stage Gate model, which will be covered in this study. There have been several attempts of explaining the Fuzzy Front End through different models and the three most commonly cited and used will be covered below. This is to provide a context for idea generation and handling as well as to see how these models compare to the front end at Swedish Match.

As opposed to the later phases of the NPD process, like the traditional New Product Development phase, there is less written about the Fuzzy Front End. There is also a lack of established and consistent terms for the components of the Fuzzy Front End (Koen et al., 2001). This makes it hard to explain the Fuzzy Front End, which can create issues when communicating and is therefore important to straighten out. In order to determine how, what and why certain things in the early phases are done at Swedish Match, it is of interest to understand what makes up the Fuzzy Front End. By providing a better understanding of the research done on Fuzzy Front End, the case of Swedish Match can be analyzed and put into relation to what is advocated in literature.

The Fuzzy Front End can also be called Front End of Innovation, and is according to Koen et al. (2001) a more suitable name. That is because they claim that the word *Fuzzy* is misleading and gives the impression of the Front End being unknowable and uncontrollable. The definition Front End of Innovation is what will be used from here on for this study. Nonetheless there are certain aspects that contribute to a potential fuzziness of the Front End. For example, the usefulness of a certain model for certain companies can vary depending on the characteristics of the company, there is not one model of the Front End of Innovation that can be said to be best practices and fits every company (Khurana & Rosenthal, 1997). Which is also the case for the entire NPD process (Gaubinger & Rabl,

2014). It is even possible that companies can benefit from using more than one Front End of Innovation model (Khurana & Rosenthal,).

The definition of the Front End of Innovation can vary slightly from author to author, but the main message is consistent. Koen et al. (2001) define it as the activities that are carried out prior to the new product (and process) development. The New Product Development is characterized as formal and well-structured in comparison to the Front End of Innovation. The definition has also been described as the time from when an opportunity is discovered to when serious effort is devoted on a development project (Gaubinger & Rabl, 2014). Despite the definitions above, it can be difficult to determine where the Front End of Innovation ends, as the definitions allow for personal interpretation. Serious effort for example, as referred to by Gaubinger and Rabl (2014), can have different meaning in practice depending on who decides this point.

The Front End of Innovation has been recognized to have much potential for improvement by several authors. According to Gaubinger and Rabl (2014), managers are aware of and believe that there is much leverage for improvements, of the NPD process, to be gained by focusing on its earlier parts. Despite this, managers spend most effort on the later parts of the NPD process, which are characterized by well-defined and structured procedures with clear responsibilities (Gaubinger & Rabl, 2014). When managers have been asked regarding what the biggest weakness of their own NPD process is, they answered that it was in the Fuzzy Front End (Khurana & Rosenthal, 1997), and that innovations may fail due to an insufficient Front End of Innovation. Both Koen et al. (2001) and Gaubinger and Rabl (2014) claim that most leverage and opportunities are to be found in the early parts of the NPD process, more specifically the Front End of Innovation, and that this can improve a company's competitiveness.

As mentioned above, there are several models for structuring the Front End of Innovation and the most commonly cited and used models will be covered below.

2.2.1. Stage-Gate Model (Cooper, 1988)

The model introduced by Cooper is what is called the Stage-Gate process. It consists of numerous stages and gates, where a stage is the activity that is carried out and the gate is a go/no-go decision to determine if the project should carry on or be killed. In Cooper's Seven-Step New Product Process (depicted in Figure 2.1) the three first stages are called the predevelopment or up-front activities (Cooper, 1988) and can be viewed as the front end of the New Product Process (Gaubinger & Rabl, 2014).

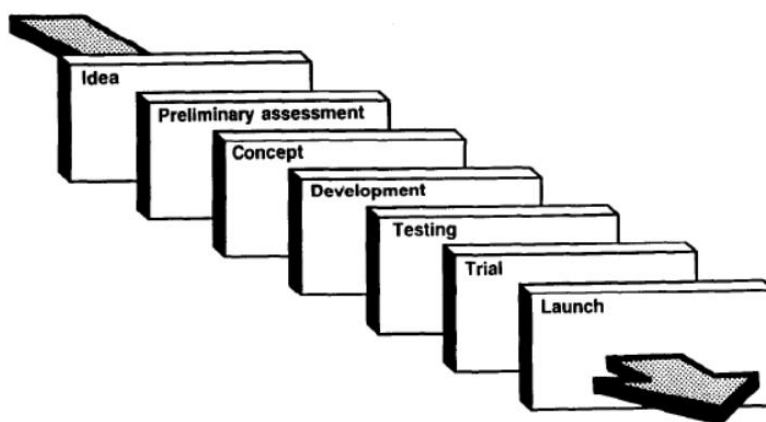


Figure 2.1. The Seven Step New Product Process (Cooper, 1988)

As can be seen it is a structured and linear model, which means that once a project has passed through a gate, it cannot go back or be reiterated. This puts a limit on the flexibility of the model (Gaubinger & Rabl, 2014). On the other hand, the solid structure can provide stability to the NPD process due to the model's standardized nature and thereby create a greater overview of the process which makes it easier to determine where in the process a project is (Gaubinger & Rabl, 2014).

The three initial steps in the New Product Process are idea, preliminary assessment and concept, which can be considered the front end in Cooper's (1988) Stage-Gate model. The Idea stage covers the activities of generating and the initial screening of the ideas for new products. The subsequent step, preliminary assessment, is where initial resources are invested in order to gather information about the market and feasibility of the project. Cooper (1988) puts emphasis on the importance of focusing on the potential customer and market, he states that many projects fail because of insufficient market research and lack of customer focus. The final step of the front end, concept, is the final go/no-go decision before the project enters the New Product Development phase. The concept is identified, developed, tested and evaluated, where the evaluation is the go/no-go decision. The phases and how they are linked together can be seen in Figure 2.2 (Cooper, 1988)

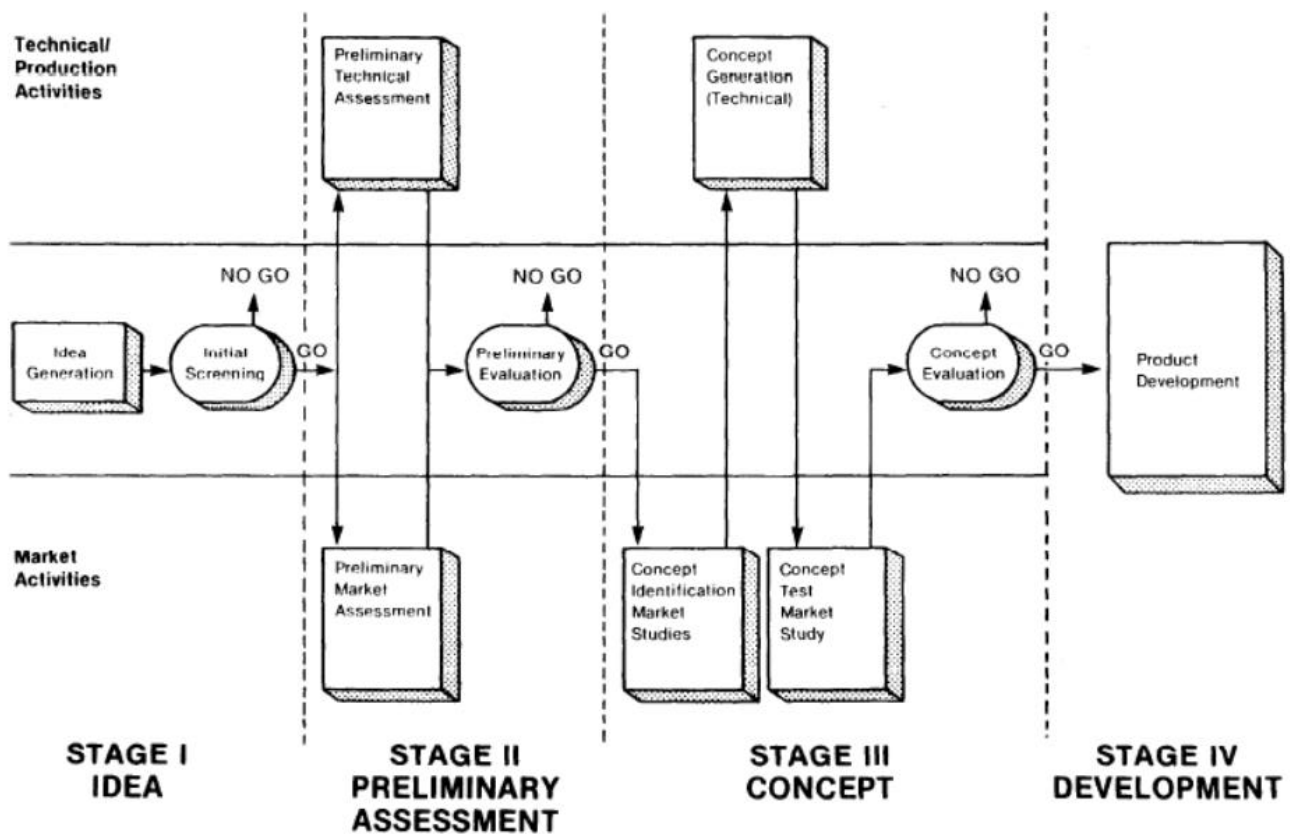


Figure 1.2. The Up-Front or Predevelopment Steps in the New Product Process (Cooper, 1988)

2.2.2. Three Phase Front End Model (Khurana & Rosenthal, 1997)

The model provided by Khurana and Rosenthal (1997) have several aspects in common with the one provided by Cooper (1988). It is a sequential model without any feedback loops and lacks flexibility. The model consists of two parts, the foundation elements, which are the factors that are shared throughout the whole company, and the project-specific elements that consists of product-specific activities, see Figure 2.3. (Khurana & Rosenthal, 1997).

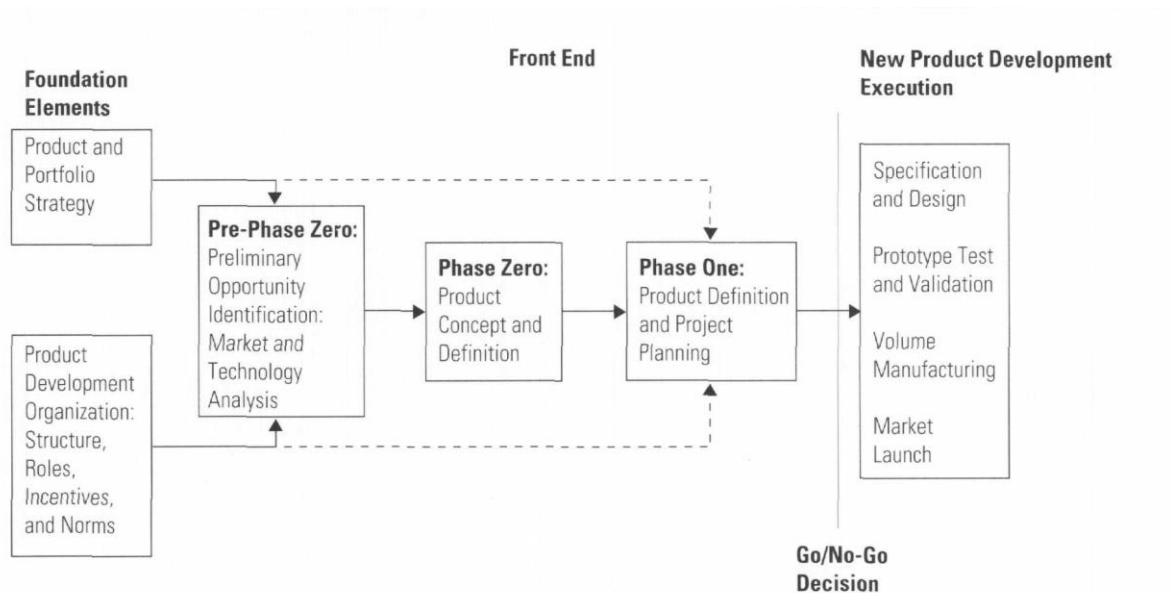


Figure 2.3. A model of the New Product Development Front End (Khurana & Rosenthal, 1997)

The foundation elements are included in the model so that any new project that is initiated can be aligned with the overall product and portfolio strategy, as well as the organization structure, to provide a foundation for successful products (Khurana & Rosenthal, 1997).

The project-specific elements are divided into three phases, pre-phase zero, phase zero and phase one. In the initial phase an opportunity is identified and defined as well as market and technology analysis is performed. As opposed to the Stage-Gate process, there are no formal go/no-go gates between the phases in the front end. After the opportunity is identified, the product is conceptualized and defined in phase zero. In phase one the technical feasibility is checked, the product definition is confirmed and the project for actualizing the product is planned. The front end activities result in a product concept, product definition and product plan. The process is performed by a core team and executive review committee of senior functional managers. If the project passes the go/no-go decision, it enters the New Product Development phase. (Khurana & Rosenthal, 1997)

2.2.3. The New Concept Development Model (Koen et al., 2001)

When attempting to settle on a best practice for the Fuzzy Front End, Koen et al. (2001) realized that the studied companies had no common language for the Fuzzy Front End, nor a clear definition of the key elements in the Fuzzy Front End. In order to solve this problem, the New Concept Development model (NCD) was created with the aim to create a common language for the Fuzzy Front End (Koen et al., 2001).

The model consists of three main parts, those are front-end elements, the engine and influencing factors (see Figure 2.4). The front-end elements consists of idea selection, idea genesis, opportunity analysis, opportunity identification as well as concept and technology development. These are the activities that are passed through in the front end. As denoted in the picture these happen in a circular manner, in contrast to the linear models presented above, which means that there is no clear path for an idea and activities can be repeated. This can bring challenges to determining how close a project is to entering the New Product Development phase. The engine in the NCD-model is the driver for the five front end elements and it represents leadership and culture in the organization. The influencing factors can be factors such as the organization, enabling science and technology, environmental aspects and organizational capabilities. (Koen et al., 2001)

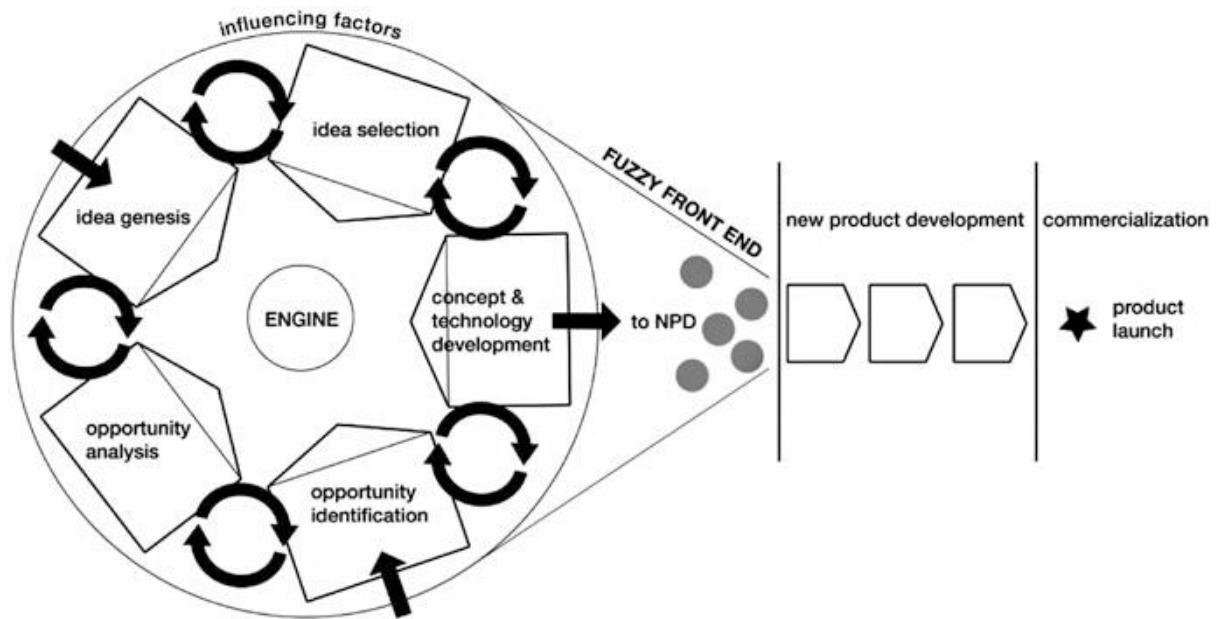


Figure 2.4. The New Concept Development model by Koen et al. (2001) (Gaubinger & Rabl, 2014)

2.2.4. Comparison and reflections of the models

The models mainly differ in the way that they are structured. Whereas the Stage-Gate model by Cooper (1988) and Khurana and Rosenthal's (1997) Three Phase Front End model are linear, as opposed to the NDC-model, which allows for iterations and is non-sequential. There are different advantages and disadvantages in the models that have been presented, which is why it is difficult to determine whether one model can be said to be better or more successful than another. This is in line with what Nobelius and Trygg (2002) claim, about the little use of chasing the optimal Front End model. It is more important to have managerial flexibility in the early phases rather than to find *the* Front End (Nobelius & Trygg, 2002). The linear models presented, allow little or no flexibility in the NPD process. Once a phase is passed, there is no iteration and a previous phase will not be revisited. This makes it easier to make sense of where in the process an idea is and thereby get an idea of how much of the process that is left. The NCD process on the other hand enables much more flexibility which can be good for the creative process but too much flexibility can also have a negative impact. There is a thin line between how much control and flexibility should be allowed. Too strict control will kill the creativity whilst too loose structure will also have a negative impact (Gaubinger & Rabl, 2014). The Front End of Innovation should have enough structure to enable control of the project and communicate as well as clarify decision, although it cannot be too structured so that it will decrease the creativity and flexibility (Gassmann & Schweitzer, 2014). Thus it is important to consider the degree of flexibility within the early phases of the NPD process, such as the Ideation phase.

The Three Phase model by Khurana and Rosenthal (1997) is similar to the Stage-Gate model in several aspects, but at the same time it also adds further insights in what elements that may affect whether a project succeeds or not (Koen et al., 2001). As the definition of Front End of Innovation, in itself, is slightly fuzzy it can be interpreted in different ways. This can make it hard to determine where, in the NPD process, that the Front End of Innovation ends in practice. The definition of the start is slightly clearer, at least in theory, as this is when an idea is born. Although this point may not be as easy to identify in practice as it may vary, depending on where in the organization that the idea generation takes place.

The authors for the models presented, separately claim that most problems arise in the Front End of Innovation and that this is also where there is the most room for improvements (Koen et al., 2001) (Khurana & Rosenthal, 1997) (Cooper, 1988). That implies that this may also be the case for Swedish Match, which motivates why the focus for this project is towards the Front End of Innovation. The insight from this sub-chapter will serve as a basis to better understand the early phases in the NPD process at Swedish Match. A better understanding of the Ideation phase at Swedish Match will enable for deeper investigation of what factors that may have impact on its performance.

Despite the fact that the creators of the three models focuses on the front end, there is not much written about how this should look in practice or how such a model should be applied in real life. That can be one of the reasons for why the presentation and perception of the Front End of Innovation varies. This problem can possibly have arisen due to the individuality of needs for different companies. Different parameters may be important for different companies and thereby call for different setups. Therefore general guidelines for how the FEI should be setup is likely to be more suitable, rather than a detailed description that would only be applicable for a limited number of companies. Regarding the presentation of the Front End of Innovation, the authors write about which stages are present that an idea has to pass through in general. That being said there is not much detail about what happens in these stages in practice, such as how ideas are adopted and handled, which makes it hard to grasp the magnitude of the concept.

For an idea to potentially become a successful innovation, it first has to be adopted by the organization in order to be actualized. For an idea to enter the New Product Development phase, it has to be accepted and supported in the Front End of Innovation in order to be adopted, and then passed on to New Product Development. Griffiths-Hemans and Grover (2006) write about what they call idea commitment, which takes place in the end of the Front End of Innovation. It is explained by them as the point where an organization decides to formally commit to an idea to be actualized from an idea into a product. Although this is seen as a single point that solely happens in the end of the Front End of Innovation and is thus the final stage before a New Product Development is started. Idea commitment can thus be seen as idea adoption, at a single point, which ends the Front End of Innovation. In this study the concept of idea adoption will be introduced and will be elaborated further in next sub-chapter.

2.3. Idea Adoption

The concept of idea adoption, as well as adoption by itself, is a concept that is rarely defined in research and there is not much explicitly written about it. The use of the word adoption has more or less become a part of the common language and there are issues associated with this (Eveland, 1979). Because of the common use, the precision of the concept has decreased due to those who apply it do not reflect on what adoption actually implies (Eveland, 1979). This shows the importance of defining even those concepts that may seem straight forward, such as adoption.

A common definition of adoption is “a decision to make full use of an innovation as the best course of action available” (Rogers, 2003), where innovation refers to an idea, practice or object that is perceived as novel (Rogers, 2003). According to Eveland (1979), there is a risk that established definitions are reused without any deeper analysis of what it is that the definition actually means and whether or not it should be situation specific. The adoption of an idea can be company specific and will vary depending on its context. This motivates that the concept of idea adoption should be anchored with those that are involved in Swedish Match and should be investigated in order to understand what it means to them.

Regardless of the context that the concept adoption is used in, there are certain things that are characteristic for it. Adoption is an activity that generally passes an idea or innovation on, from one

stage to another. It is characterized by some kind of decision (Eveland, 1979), conscious or subconscious. This can be compared to the work of Rogers (2003) on external adoption and his model of five stages in the innovation-decision process. The five stages are knowledge, persuasion, decision, implementation and confirmation. At the decision stage the idea will either be adopted or rejected (Rogers, 2003) and is consistent with the claim of Eveland (1979). Woodside and Biemans (2005, p.385) describe adoption as “the decision-making process of an individual unit of adoption, such as an organization, business unit, department or individual”, which is consistent with the above and further describes how adoption can take place on different levels of aggregation. Rogers’ (2003) work on adoption in regard to external adoption, that is, between for example customers adopting a firm’s product. The adoption considered in this study takes place in the Front End of Innovation and is thus more of an internal or intra organizational adoption. Even though Rogers (2003) focuses on external adoption, it is reasonable to think that there are certain aspects or parameters in his adoption model that is generic and not dependent on where the adoption takes place, which makes Rogers’ model interesting to study even though it may not be a perfect match. In addition to Rogers’ (2003) research, Griffiths-Hemans and Grover (2006) write about idea commitment, as mentioned in previous chapter. Even though they do not call it adoption, there certainly are similarities between the concepts. Griffiths-Hemans and Grover (2006, p.29) define the output of idea commitment as the “organizational commitment to formally develop the product”. Put into context to what has been stated above, idea commitment can be seen as a kind of adoption, even though it does not include decision-making in different levels of aggregation.

There can be issues locating where the adoption is taking place because of the difficulties defining, identifying and interpreting adoption. In organizations, the adoption of an idea or innovation is often identified in retrospect and even in this case it can be hard to identify a specific point where the adoption took place (Eveland, 1979). Even if the stages and structure seem clearly defined in theory, it may not be the case in real life. As the organization may move back and forth between different stages it can create a messy model of adoption within a firm (Van de Ven et al. 1999). The lack of clarity adds to the difficulties in identifying and studying adoption in practice.

The literature referred to in this sub-chapter have a focus towards the adoption of innovations. As explained above, an idea can be seen as a potential innovation in its very early stages. Which is why the theory that has been studied is considered fit for the case of Swedish Match. Due to the limited literature regarding adoption and its situation specificity, this section will serve as a framework to enable finding, identifying and eventually define idea adoption at Swedish Match. From this literature review two factors have been emphasized that will be used as the frame for the empirical study. First, adoption generally includes a decision, and second, depending on whether the decision is to adopt or not, the idea will either be passed on to the next stage, or shut down. Thus an empirical study will be carried out to define the concept of idea adoption in the case of Swedish Match.

3. Methodology

This chapter presents the selected research methodology for the study, used in order to achieve the purpose of the research. The qualitative research strategy of the study is presented, followed by an explanation of the inductive and abductive research process. Later, the literature review and the research questions, together with the empirical study are presented. These steps lead to the creation of a framework for idea adoption and the chapter ends with a discussion on ensuring the quality of the results.

3.1. Research Strategy

A research strategy is a general orientation to the conduct of research. According to Bryman and Bell (2011) there are different types of research strategies, which can have a qualitative or quantitative approach, or a mixture of both.

A quantitative research method can be described as a method that uses measures and quantification of data, and where the focus generally is on testing theory (logical deduction) (Bryman & Bell 2011). Swedish Match does not have much historical data that can be used for analysis, mainly because the Ideation phase in their NPD process is new. Bryman and Bell (2011) claim that a qualitative approach is preferred when there is little or no quantifiable data, which is the case in this research.

There is also an absence of literature in the research area regarding idea adoption within organizations. A qualitative approach will focus on words rather than quantification and is a well fit tool to generate new theories (Bryman & Bell, 2011). Wallén (1996) agrees that qualitative studies are necessary when studying topics that are vague and when there is no single truth, as is often the case in this study and why this strategy is deemed suitable. According to Bryman and Bell (2011), a qualitative approach is well accompanied by other research- and data collection methods such as observations, interviews and focus groups. Out of these methods, two were used, which will be explained further in the next sub-chapter 3.2.

Bryman and Bell (2011) stress that most business research studies combine both a deductive (testing theory) and inductive (generating theory) approach. However, as this study is exploratory in nature and aims to generate new theory regarding idea adoption, the thesis is primarily inductive. Also, the need for going back and forth between theory and empirical data in order to gradually build an understanding of the research topic means that the thesis can be described as abductive as well (Dubois & Gadde, 2002). Dubois and Gadde (2002) discuss that abductive research, also called systematic combining, is mainly concerned with theory development rather than theory generation, meaning that it builds more on refinement of existing theories than on inventing new ones. As the report uses the theory used is successively modified and the results aim to enhance the theory concerning FEI, systematic combining also describes the methodology of this thesis.

To be able to generalize the findings from a case study to another context there is a need for thick descriptions and a rich amount of data (Bryman & Bell, 2011). A thick description does not only explain a certain behavior, but it explains its context as well, so that general statements about the behavior and its significance can be created (Geertz, 1973). Therefore, an important part in this study was also to define the related concepts carefully, since they can have different meaning depending on who uses them. Clear formulations of the different concepts were communicated during the data collection to ensure the validity of the research, which will be further discussed in the chapter 3.3.2.

3.2. Research Process

The research process consisted of two major parts: a literature review and an empirical case study. These two parts provide a base for analyzing and answering the research questions. When using

systematic combining, the literature review runs in parallel with the empirical study (Dubois & Gadde, 2002). This means that the initial theoretical framework will not be the same as the final, but will develop throughout the research process and change according to which factors are found interesting in the empirical data as well as through interpretation and analysis (Dubois & Gadde, 2002).

The research started with an explorative phase where an initial literature review of three main areas of the research, namely innovation, adoption and the front end of innovation were studied. This literature review was mainly meant for giving a basic understanding of the investigated areas, but also had the aim of establishing potential gaps in the existing literature on idea adoption in organizations.

During the review it was determined by the researchers that the previous research that has been done in the area of adoption mainly focuses on the innovation adoption by consumers in a market and employee adoption of new innovations (in terms of developed technology) in an organization. However, very little was written about how new ideas are adopted inside an organization, and therefore the concept "Idea Adoption" was created to fill this gap.

This finding led to the formation of the initial, guiding research question:

1. What is idea adoption?

The answer would be necessary to be able to further investigate what lies behind the concept and what factors that affect idea adoption in a large organization. As there was not enough in the literature areas reviewed to answer this question, the researchers endeavored to generate theory on the subject using the findings in the empirical study. For this, several guiding questions were specified together with Swedish Match to be able to collect relevant data regarding the area of idea adoption in the organization:

2. How are ideas adopted in Swedish Match today?
3. Who are the (possible) stakeholders in idea adoption?
4. Which ideas are adopted and which ideas are not adopted?
5. What are prerequisites for ideas to be adopted?
6. What does successful idea adoption mean to Swedish Match?
7. How can Swedish Match enable successful adoption of innovative ideas?

As the empirical study advanced, interviews and observations presented important factors affecting idea adoption. Once these factors were identified, the researchers needed to go back to the literature to find theoretical support for these. Several of the factors were not found in the literature from the initial exploratory review, so a deeper literature review was performed.

After the deeper literature review had been carried out, the researchers could after several rounds of iteration settle in three main research questions for the study. These research questions, presented below, would eventually be used to perform the data analysis:

1. *What is idea adoption at Swedish Match?*
2. *How is Ideation organized at Swedish Match?*
3. *What are preconditions for idea adoption at Swedish Match?*

Mainly books and scientific articles have been used as sources of literature for this study. The information was found through the use of databases accessible online such as Chalmers Library Database and Google Scholar.

The next chapter will cover the second part of the research, namely the empirical study.

3.3. Research Design

The research design is the overall structure of the data collection and -analysis, explaining how and why data is collected and analyzed (Bryman & Bell, 2011). The choice of research design reflects the decision about the priority being given to a range of dimensions of the research process (such as causality and generalization) (Bryman & Bell, 2011), which will be discussed further in the sub-chapter *3.4. Quality of Research*.

A research design that involves the detailed and intensive analysis of a single case is called a case study (Bryman & Bell 2011). Since this research is based on an in depth investigation of a unique case connected to a single actor (Swedish Match) within the tobacco industry, a case study research design is chosen. According to Bryman and Bell (2011) a case study design has the possibility to grasp the complexity and particularities of a unique case, such as idea adoption at Swedish Match. This design is also widely used within business and management research (Bryman & Bell, 2011). These factors are why the design is considered suitable for this research. However, Bryman and Bell (2011) state that a case study has to be separated from other research designs because it is bound to one system or situation, where the system or situation can be a specific organization, department or person. This is something that will be discussed in sub-chapter *3.4. Quality of Research*.

The empirical data in this study has been collected through two main methods, namely interviews with employees and observations of decision forums at Swedish Match. The data collection can be divided into two phases. The first phase concerns the investigation of idea adoption; to determine what the concept means in the case of Swedish Match, how it works and what factors that may have an impact on it. This data is based on the opinions from the employees that have been interviewed. The second phase concerns the tracking of eight ideas at Swedish Match to have a second source of data that is connected to concrete examples.

The analysis of the data, which was collected for the definition and the process of idea adoption, was interpreted and translated into a manageable and structured format. The data for factors that affect idea adoption was analyzed through the method grounded analysis to make sense of the large amount of data and to settle on a handful factors that are believed to have an effect on idea adoption. These factors were made into a precondition framework for idea adoption, using the findings from the study together with the theory from deeper literature review. Finally the framework for idea adoption was used to analyze the eight ideas that were followed.

3.3.1. Data Collection

The purpose of the data collection is to explore the area of idea adoption, to gain a conceptual understanding of the phenomenon and how it works at Swedish Match. The data collection process consists of five stages, where results from earlier stages are used as a foundation for later stages in a linear manner. Each stage is explained further in table 3.1. This approach enabled a funnel structure with a continuously narrowed focus towards certain areas in later stages.

Table 3.1. Data collection stages, with interviews and observations explained (Source: authors)

	Interviews focus	Interview type	Position	# of persons interviewed	# of hours observed
Stage 1	Exploratory	Unstructured	Managers	2	N/A
Stage 2	Idea adoption	Semi-structured	Managers and Department Employees	11	2
Stage 3	CPIT Forum	Semi-structured (+Observation)	Managers and Department Employees	7	5
Stage 4	MC Forum	Semi-structured (+Observation)	Managers	7	4.5
Stage 5	Ideas	Semi-structured	Managers and Department Employees	11	N/A
Total				38	11.5

To be able to fulfill the purpose of this study, a large amount of data had to be collected. The qualitative research strategy required data collection based on unstructured and semi-structured interviews within Swedish Match, as well as observations. The employees interviewed inside the organizations were from different departments, and were all involved in the innovation work. There were a total of 38 persons interviewed, while each interview took between 30 and 90 minutes. Some departmental meetings were observed in stage 2, adding up to two hours. The observed forums, CPIT and MC, lasted five and four and a half hours respectively.

The initial interviews were a part of the exploratory phase, meant to define and shape the research problem. They were performed with the company representatives responsible for the NPD process – the President and the Vice President of Innovation. These interviews were essentially discussions and thus only a few questions were prepared in advance. This type of interview is by Bryman and Bell (2011) described as unstructured, and has characteristics similar to a conversation. According to Saunders *et al.* (2012) unstructured interviews are informal and used to explore in depth a general area that is of interest. The initial interview with these representatives led to a general understanding of innovation at Swedish Match and related challenges. Snowball sampling was also used, meaning that the interviewees were asked, after they had been interviewed, to recommend other individuals with extensive knowledge about the NPD process (Bryman & Bell, 2011.).

The interviews in the following stages were semi-structured. This is a more controlled way of interviewing, compared to unstructured interviews, where the interviewer has guidelines to follow during the interview (Bryman & Bell 2011). Semi-structured interviews should be used for qualitative data collection, as these are of a flexible nature, with the option to adjust to what the interviewee says throughout the interview (Bryman & Bell, 2011). As the objective for this research is to explore and define the area of idea adoption, a semi-structured interview technique will be an appropriate choice for a majority of the interviews conducted.

The questions were of an open ended character in order to get the whole picture of how ideas are adopted, without influencing the interviewees answer. The questions in the interview guide were built by using open informant factual questions, as the interviewees had the role of informants rather than respondents to questions about themselves. This, according to Bryman and Bell (2011), would let the

interviewees talk openly about the questions. The questions were based on the guiding questions, made from information collected in the literature review as well as the initial interviews.

When it comes to the disposition of the interview questions, Bryman and Bell (2011) recommends putting general questions about any given subject before the specific ones. The reason is that respondents tend to leave out elements in a general question that have previously been asked about more specifically. Thus, the ordering of topics and questions in the interview guide were organized to make the scope of the questions gradually narrow.

The interviews in stage 2 were semi-structured and held with managers and employees from the various departments at Swedish Match involved in the innovation forums in the front end. The interviews were made to gather data for the definition of idea adoption, the process of idea adoption and the factors affecting idea adoption. This round of interviewees was handpicked, together with the snowball sampling, in order to cover all functions and roles that could be considered stakeholders of idea adoption at Swedish Match. This is known as purposive sampling, and is explained by Bryman and Bell (2011) as a sampling where the researchers use their own judgment in order to get data from necessary areas.

The stage 3 observation was made on the Core Product Innovation Team Forum to understand how the ideas collected from the organization were discussed, handled, and at times sent on to the Monitoring Center Forum. This could be seen as time sampling as well as behavior sampling. Time sampling is a sampling method in structured observation, which entails using a criterion for deciding when observation will occur, in this case the occurrence of the meeting (Bryman & Bell, 2011). Behavior sampling is an approach whereby an entire group is watched and the observer(s) records who was involved in a particular kind of behavior, for example anchoring or championing (Bryman & Bell, 2011). It could also be argued that this was an ad libitum sampling, meaning a sampling approach whereby whatever is happening at the moment the observation is due, is recorded (Bryman & Bell, 2011). Interviews were then made with the seven members of the Core Product Innovation Team to understand how these interviewees had assessed the ideas presented at CPIT.

The stage 4 observation was made on the Monitoring Center Forum to understand how the ideas sent from the CPIT meeting were discussed and handled. Interviews were then made with the seven members of the Monitoring Center to understand how these interviewees had assessed the ideas presented at the MC.

Finally the stage 5 interviews were made with the idea generators or employees with data regarding the history of the idea prior to it being presented at the CPIT forum. This was done to backtrack the ideas, to understand how they have reached the decision forum and what had affected them on the way.

3.3.2. Data Analysis

As each interview was performed, the data was summarized and categorized into the corresponding research question and data collection stage. The analysis of qualitative data is often an iterative process where the data collection and -analysis are performed simultaneously (Bryman & Bell 2011). Consistently, Huberman and Miles (1994) recommend a continuously ongoing analysis, especially since patterns and suitable theory may take considerable time to discover. This was the case for the data analysis concerning the research question relating to idea adoption and its process at Swedish Match, which was why an on-going analysis was conducted. This allowed the researchers to continuously identify patterns in the collected data as well as revise factors affecting idea adoption over the course of the study.

The data that was collected for the definition and the process of idea adoption, was interpreted and translated into a manageable and structured format. The data for the definition of idea adoption was manageable in terms of size and it was therefore possible to synthesize a definition without coding the data. The data that was collected regarding the process of idea adoption was also, to a great extent, consistent and there were no real contradictions. Although, the data about the process contained more data points than the definition data, which made the data analysis slightly more demanding and complex.

The process data analysis showed that several employees might not be aware of the innovation procedures of other departments. Thus it was important to hold interviews with employees from all departments involved in the Ideation phase, to get a complete and valid picture of the idea flow. From this, a visualization of the Ideation phase was created.

Next, the identified factors stated to affect idea adoption in the interviews were analyzed. An open approach to analyze qualitative data is described by Easterby-Smith et al. (2012) as grounded analysis. Grounded analysis means that the data is systematically analyzed so that it leads to categories that will be declared in the findings. To make sense of the large amount of data collected and to be able to settle on a handful of factors that affect idea adoption grounded analysis was deemed a suitable method of analysis. The analysis can be made in seven steps, as introduced by Easterby-Smith et al. (2012).

The first step is *familiarization* and in this stage the researchers reminded themselves of the focus of the study, what the data suggested and whose point of view was being expressed in the data. The second step was called *reflection* here the researchers compared the qualitative data to the identified literature, to see if there were any inconsistencies.

In the third step called *conceptualization* the researchers identified patterns and reoccurring concepts in the data. These concepts needed to be coded, as coding aims to separate empirical findings into meaningful themes or entities (Saunders et al., 2012). The coding, or *cataloguing the concepts*, was the fourth step the researchers did. The codes chosen had to be simple and precise, in accordance with Charmaz (2006). Several iterations of *re-coding* had to be made as there was a need to check the categories against the original data, which was the fifth step of the analysis.

In the sixth step, called *linking*, the created framework consisting of the coded categories together with the patterns emerging between the categories started to become clear. This allowed the researchers to link the key variables into a more holistic hypothesis of which the factors affecting idea adoption were. The last step in the analysis included thinking and receiving feedback from supervisors at Chalmers and Swedish Match. This step was called *re-evaluation* and made sure that some factors were not forgotten or over-emphasized.

The precondition framework for idea adoption which was created was based on factors that have been mentioned or discussed by those employees who have been part of this study. That being said, there might be additional factors that can also be considered pre-conditions for idea adoption. Also, the factors were backed up by literature found in the deeper literature review.

Finally the factors, or pre-conditions, in the framework derived from the grounded analysis were used to analyze the eight ideas that had been tracked. The qualitative data from the ideas was compared to the pre-condition framework and entered into a table where the observed effect from each precondition on each idea was documented. The summarized table was the used as a base for the discussions made, illuminating similarities and differences between the ideas, as well as which factors had more effect on the adoption decisions.

3.4. Quality of Research

In this section, a more methodical explanation of the research quality will be presented. According to Roberts et al. (2006) and Saunders et al. (2012) reliability and validity are two ways of evaluating the stability of the research process and the trustworthiness of the research findings.

Maxwell (1992) states that quantitative researchers have raised critique towards the lack of standard means to assure the validity in qualitative research. The terms validity and reliability are not always applicable in qualitative research and Bryman and Bell (2011) therefore present alternative criteria that also can be used to evaluate the quality of a qualitative research. These criteria are: credibility, confirmability, transferability, and dependability and will be commented upon in the following sub-chapters.

3.4.1. Reliability

Reliability concerns the consistency of the study of a concept, meaning that the results will be the same if the research is repeated - independently of who performs it (Bryman & Bell, 2011). Since this research is qualitative, it may be difficult to ensure that the findings are repeatable (Bryman & Bell, 2011), and therefore efforts have been made to document the execution of this study as well as possible. This will improve the chances that the study can be repeated as well as increases the dependability (Bryman & Bell, 2011)

For the unstructured- and semi structured interviews the reliability can be questioned when it comes to standardization. Due to the open nature of the interview techniques, it can prove difficult to repeat each interview in the same way in the future (Bryman & Bell, 2011). A large amount of information was collected from qualitative interviews, and efforts were made to perform them in a similar manner and setting. Data collection through interviews also involves the risk of anchoring, which means affecting the starting point of the interviewee and may influence the results, depending on which questions are asked and how (Bryman & Bell, 2011). To ensure the reliability of the interviews and the study in general, meetings with supervisors from both Chalmers and Swedish Match have served as an evaluation of the research process. This can be seen as a form of internal audit, which is a form to increase the reliability according to Bryman and Bell (2011).

In order to increase the reliability of the interviews further, several methods can be used. One method that was used was to record the interviews in order to be able to review them afterwards, to make sure that the answers are perceived correctly. This ensures that the research is not influenced by the researchers own impressions and values (Bryman & Bell, 2011). The recording were also used to enhance the confirmability, since listening to the interviews again made it easier for the researchers to have an objective perception of what was said during interviews. Another method is to have more than one interviewer present at the interview in order to both observe and later compare the findings. Having more than one interviewer present ensures that the answers have been understood in a similar way, which increases the reliability of the research (Patel & Davidson, 2011). Both methods were used in this thesis, where all interviews have been recorded to enable the reviewing of interview notes and both researchers have been present to observe in pair.

3.4.2. Validity

Validity concerns whether or not the conclusions that are made are legitimate, and whether or not a study of a concept really evaluates the actual concept (Bryman & Bell, 2011). According to Bryman and Bell (2011), validity is the single most important criterion of research.

Validity can be split up into the categories internal and external validity. The internal validity of research refers to causality and whether or not the relationship between cause and effect as argued in the thesis is reasonable (Bryman & Bell, 2011). The internal validity will be in focus of this report, and further elaborated upon in the chapter 7. *Discussion*. To illustrate the causality as clear as possible, the chapter 4-8 have been structured in the same way to improve the overview of the findings.

External validity, on the other hand, discusses whether or not the results of the study are generalizable to a broader population and not just the sample (Bryman & Bell, 2011). Bryman and Bell (2011) note that a single case study very rarely can provide results that can be applied to other contexts than its own. This makes the generalization of a business research like this questionable, since the studied phenomenon and its social contexts cannot be representative for a broader population (Bryman & Bell 2011). Taking this into account stresses the importance of using the thick descriptions, mentioned earlier in this chapter, created in this report. The thick, detailed descriptions and the rich amount of data also ensure the transferability of the research, improving the possibility that the findings can be applicable in other social settings after further research (Bryman & Bell 2011).

According to Bryman and Bell (2011), one of the main ways to ensure validity, as well as reliability, is through triangulation. The term credibility, presented by Bryman and Bell (2011) as a measurement of how believable the findings of a study are, is also improved by triangulation. Triangulation means the usage of more than one data collection method or source of data in the research so that findings may be cross-checked, tested and compared in relation to each other (Bryman & Bell, 2011). Therefore, the use of triangulation was used as often as possible in this study. The research more or less used all of the four triangulation types mentioned by Denzin (1978); namely data-, investigator-, theory - and method triangulation. For example, data has been gathered from many different actors at Swedish Match, with different positions in the organization. Investigator triangulation has always been used, as two researchers have collected and analyzed the data. Theoretical triangulation has been applied by using several sources for evaluating the findings of the thesis. Lastly, methodological triangulation has been used as the qualitative approach includes the data collection methods observations and interviews.

4. Idea Adoption at Swedish Match

The data that has been collected throughout the research period will be presented in this chapter. The data has been collected through two main methods, these are interviews with employees and observations at Swedish Match.

The data collection can be divided into two phases. The first phase concerns the investigation of idea adoption; to determine what the concept means in the case of Swedish Match, how it works and finally factors that may have an impact on it. This data is based on the opinions from the employees that have been interviewed. The second phase concerns the tracking of eight ideas at Swedish Match to have a second source of data that is connected to concrete examples. This data is based on interviews with idea generators and employees involved in promoting the idea.

The data in this study has been collected with the aim to support the research questions of this study. In order to be able to answer the research questions of this study, there are three areas that have been the focus for the data collection for the first phase. Those are:

- How idea adoption is perceived
- How ideas are adopted
- Preconditions for idea adoption

These three areas are specific for the case of Swedish Match. The data has been collected through interviews with employees involved in or affected by the NPD process as well as through observations on meetings and in the daily work of the employees.

In the second phase, ideas will be followed and backtracked in order to get another source of data, which can be compared with the data obtained through observations and interviews. Here, an overview of each idea will be presented together with the respective decisions made for each idea in the Ideation phase. The identity of the interviewees will be kept anonymous to prevent that their position or daily work will suffer because of the information that has been shared in confidence during the interviews. The information will be presented in a way so that no trade secrets of Swedish Match will be made public.

4.1. How Idea Adoption is Perceived

The first effort that was done in the data collection was to establish what the concept of idea adoption meant in the case of Swedish Match. A majority of the interviewees had not heard of the concept before it was introduced to them in the interview. Although when the interviewees were asked to describe how ideas are adopted at Swedish Match the answers were in general along the same line, where certain factors reappeared and were emphasized by the interviewees. Thus the data collected from the interviews was used to form the definition of Idea Adoption, based on how it was perceived by the employees. The factors that were mentioned in the interviews along with examples of the answers provided can be seen below in Table 4.1.

Table 4.1. Factors mentioned in the interviews, which were perceived to have a role in idea adoption, along with concrete examples of answers (Source: authors)

Factors mentioned	# of persons who mentioned it	Quotes
Understand benefit of the idea	12	"When enough people understand the potential of what you can really do with the idea"
The idea is supported by the adopter	5	"Someone has to support it, (...) one can do it with different degrees", "It may be passive support, but it has to be support"
Convincing others of the benefit	3	"If you are good at convincing, persuading, have the ability to communicate and presentation techniques (...) of course people will listen more"
Communication of the idea	6	"It's all about rhetoric and selling the idea", "Kick-ass presentation"
Embed the idea in the organization	1	"One must go around and sell that idea with several people , so that it so to say, takes hold in the organization"

As can be seen in the table above there are several factors that have been mentioned throughout the interviews, regarding how idea adoption at Swedish Match is perceived. It is also clear that several of these factors are along the same line and can closely be linked to each other. The factors that were emphasized the most, and thus seem to play a big role in idea adoption at Swedish Match, was three factors:

- The benefit of the idea is understood
- The idea is supported by the adopter
- Communication of the idea

Beyond the three factors above, there was one factor that was not emphasized explicitly, but was implied in several interviews. Namely several employees seemed to imply that idea adoption happens through a decision. Idea adoption takes place in what Swedish Match calls the Ideation phase. The Ideation phase and its relation to the NPD process will be presented below, where the findings regarding the structure of the idea flow is covered.

4.2. How Ideas are Adopted: the Ideation Phase at Swedish Match

The next step was to understand and investigate where idea adoption takes place and how ideas flow in Swedish Match. The NPD process at Swedish Match consist of four phases: Ideation, New Feature Development, New Product Development and finally Product Launch. It is within the Ideation phase that the new product ideas flow and thus where idea adoption takes places. When an idea moves on from the Ideation phase it becomes more than just an idea, as it starts to concretize and turns into a feature project. In Figure 4.1. the NPD process at Swedish Match is depicted along with the decision forums that are formally present in the NPD process. The Ideation phase at Swedish Match can be compared with what is referred to as the Front End of Innovation in chapter 2. *Previous Research*. The end of the Ideation phase is where serious effort is devoted to a development project, which is consistent with what Gaubinger and Rabl define as the end for the Front End of Innovation (Gaubinger & Rabl, 2014).

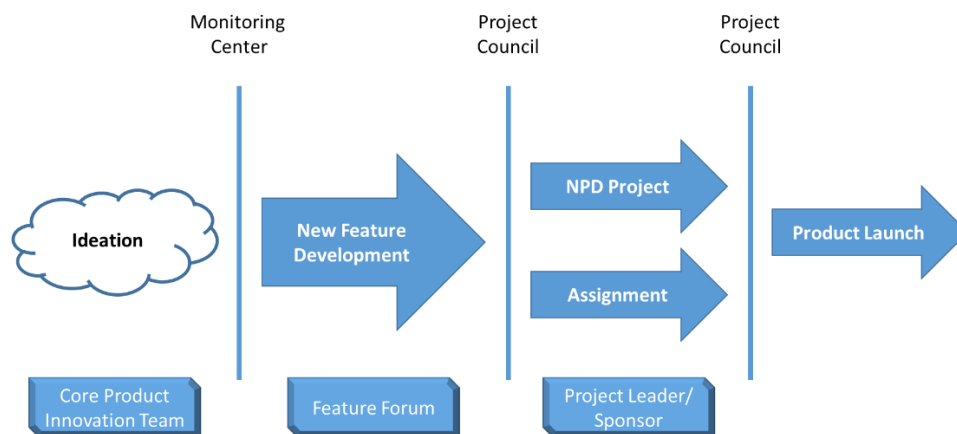


Figure 4.1. The NPD Process at Swedish Match (Source: Swedish Match)

Since this study focuses on idea adoption, it is the Ideation phase that has been the target to investigate further. The figure presented above is provided by Swedish Match, and illustrates the highest level of detail available of the Ideation phase that has been mapped by Swedish Match. To better understand how the ideas flow and to investigate the role of idea adoption in the Ideation phase, the Ideation phase had to be broken down further. As a part of further mapping of the Ideation phase, idea evaluation and handling of ideas was also studied to better understand how idea adoption functions at Swedish Match.

4.2.1. Idea Flow Structure

According to top management at Swedish Match anyone, more or less, can submit ideas and can thereby become a part of the Ideation phase. They also believe that the structure of the Ideation phase is clear, and that the idea flow as well as how the ideas are handled is transparent to most employees. From the interviews that were performed with the employees below top management, it seemed as if the structure of the idea flow was not very clear from their point of view. The knowledge of the Ideation phase structure thus seemed to vary depending on what position the interviewee possessed. In some cases, the lack of knowledge had led to uncertainty in how and where ideas should be submitted, as well as how far the ideas were expected to be developed to be considered ready for submission. Not knowing the structure and expectations was mentioned as a factor that could have negative impact on creativity.

It was also observed that the purpose of the different formal forums, in the Ideation phase, was not always clear to the employees that were not in a managing position. This also contributed to the uncertainty regarding the structure and expectations of ideas. Another aspect related to submitting ideas that was mentioned in some interviews was the fear of submitting stupid or irrelevant ideas, partially due to unclear expectations. Some of the employees said that they sometimes considered not presenting an idea, because they thought it might be too obvious or that it would be ridiculed and considered stupid. Thus the presence of fear of failure or embarrassment may result in ideas not being presented. Related to this, some employees may be uncertain what the definition of an innovation is. It can be unclear what level of innovativeness an idea needs to fulfill in order to be considered worth submitting. From the performed interviews it seems as there is no common definition for what an innovation is and thus that what is perceived as an innovation differs from person to person.

Ideas are often generated in one of the departments at Swedish Match. In general it is a person, or a group of people, who comes to think of an idea that (s)he thinks is good or interesting for some reason. There is not much structure for how the generation of ideas should be performed at Swedish Match. As of today it can be through discussions, experiments, experience of issues that needs to be solved

or simply that an idea seems to be interesting to investigate. The employees at Swedish Match have ten percent of their work time assigned to innovation- and idea work, where they can spend time working on ideas they have interest in personally. Once the employee feels confident enough about the conceptualization of his or her idea, it is submitted to the next forum or person in line. Where to submit the idea depends on the position and department of the idea generator.

The Core Product Innovation Team is the first formal meeting where ideas are exposed to cross-functional opinions and evaluations. Ideas are submitted to the CPIT forum from the different departments and the forum serves as an aggregator and evaluator of ideas, before they potentially are passed on to the Monitoring Center. Ideas are sent to the Monitoring Center if they are approved in the CPIT forum, and cannot appear there in any other way. If the ideas later are approved in the Monitoring Center, they are passed on to Feature Development as a feature project. The CPIT forum is the most recent addition to the NPD process and was introduced in the fall of 2014, which means that it is relatively new and work is therefore still being done to settle on its final form.

There are two major forums where ideas are evaluated, the first is the Core Product Innovation Team (CPIT), which is followed by the Monitoring Center (MC) that serves as the final gate before the ideas leave the Ideation phase. The forums comprises of employees from several different departments in order to get different views on the ideas that are presented. In general these employees are top-management and some members in the CPIT forum reappear in the MC, although their roles may differ.

Once an idea has been evaluated in the CPIT forum there are basically three things that can happen to the idea. If it is deemed that the idea is good it can be passed on straight to the Monitoring Center. It is also possible that an idea shows potential but it is decided that the idea is not ready to be passed on to the MC, which is the second case, whereas the idea is looped and worked on further before it is once again is presented in the CPIT forum. The final outcome is that the idea is evaluated to not have any potential, at least not at that time, and is therefore cancelled and thus it is no longer in the loop. Even if an idea gets a no, it is possible for the idea generator to keep working on the idea on their ten percent personal work time.

In the Monitoring Center the possible outcomes are similar. An idea can be looped back all the way to CPIT or a smaller loop before it reappears in the MC without reentering the CPIT forum. The ideas that are approved either enter a Feature Project or go straight to New Product Development phase, depending on the character of the idea.

The structure of how ideas travel, before being submitted to the CPIT forum, differs between the different departments. Some departments have more of a formal, department-specific, forum where new ideas are presented, which work as a pre-forum to the more cross functional CPIT forum. In other departments it is more of an informal discussion about the ideas and they are submitted straight to the CPIT forum when deemed worthy. There is a difference in opinions between the different departments regarding what is considered a sufficiently developed idea for submitting to the CPIT forum. This has led to an asymmetry in how far different ideas are developed before they are presented in the CPIT forum, and depends on from which department the ideas originates. For example, in some cases there has been prototypes of the idea that have been presented. In other cases the presented idea has been more of a thought. There are arguments to be made for both sides, for example if an ideas is presented too early it may be hard to understand the potential of it. In other cases if the idea is presented too late it may turn out that the development of the idea has been a waste of resources in the wrong direction.

Idea adoption is present at each level of the Ideation phase and the adopter can be either a person or a group of people. For example, an idea that is generated in the Product development department may have to first be adopted in the department forum, subsequently in the CPIT forum and finally in the Monitoring Center forum, in order to be passed on from the Ideation phase. An idea is adopted at a forum when the group decides that an idea is to be approved, most usually through a decision.

4.2.2. Idea Evaluation

When an idea is introduced in the CPIT or MC forum it is presented by the idea generator, if that employee is a member of the forum. If the idea generator is not a member of the forum, it is presented by the person who represents the department in which the idea generator works. When an idea is presented at the CPIT forum, it is the first formal presentation of the idea on a cross functional level. That being said, an idea can be known by the members prior to the forum for several reasons. For example, it may have been presented in the forum before and failed or has been presented or communicated informally prior to the forum meeting. After the idea has been presented in the CPIT- and MC forum, it is evaluated by the members of the forums.

The evaluation of ideas at the CPIT and MC forum did not follow any certain agenda or structure to determine if an idea was to be approved or not in the forum. Approved being that the idea is submitted to the next step. It was observed at the forum meetings, that the ideas were not evaluated in terms of predetermined success-factors, but rather based on what the members of the forum personally considered a good idea. Thus the decision, whether or not to approve on an idea, was based on personal opinions that very well could differ from person to person. This was confirmed through follow-up-interviews. When the participants of the forum meetings were asked about what factors an idea should fulfill in order to be approved, the answers were in general concrete and along the same line. The answers are presented below in Table 4.2.

Table 4.2. Factors to be used to evaluate ideas, according to interviewees at Swedish Match (Source: authors)

Evaluation factors	# of persons who mentioned it
Positive financial return	3
Technical feasibility	4
Strategic fit	6
Cost	6
Time to market	2
Market potential	4
Matched with market need	5
Curiosity creation	2
Benefits for someone	10
Comply with regulations	3
Newness	5

The factors were mentioned within four general categories, namely: feasibility, newness, benefits and strategic fit. These are the categories that were emphasized in most interviews. As can be seen in the table, when asked about how ideas should be evaluated, the interviewees mention several factors that would allow for an objective evaluation. Although once the actual evaluation of the idea takes place it was described by the participants, and observed in the forums, that the ideas were evaluated based on a gut feeling and experience. This experience is based on personal as well as professional experience, department specific knowledge and a general impression of whether or not the idea brings any benefits as well as is feasible to actualize.

The actual and formal decisions are made through a kind of consensus. Someone in the forum eventually suggest that the idea should or should not be approved. If the other participants in the forum meeting seem to agree, or at least do not oppose the proposition, the suggestion becomes the final decision. This is something that was observed in the forum meetings and was agreed with to the most part in the follow-up-interviews. From the interviews performed, the impression was that the members of the CPIT and MC forum think that objectivity is important in order for proper evaluation of the presented ideas. The interviewees have mentioned that there are more formal and objective methods for evaluating ideas in the forums, but these were not used in the forums that were observed.

4.2.3. Idea Handling

To a great extent there are formal roles for how and by who ideas should be handled throughout the Ideation phase. There are employees assigned to collect ideas in most departments. Despite this, it has been observed that it is possible that employees with lower ranks may not know who to communicate or consult with, regarding certain ideas. If an idea is approved in one of the forums, one of the participants in the meeting is assigned to bring the approved idea in to the next forum. At the Core Product Innovation Team forum the ideas are, as explained before, presented by the person representing the department that the idea originated from, which also is what was observed during the meeting. That being said, it is not the person who generates the idea, who presents it at the forum in general. At the Monitoring Center forum the idea is supposed to have one person responsible for presenting all ideas. This is not what happened on the observed MC forum, because the person responsible for the presentation could not attend the meeting in person. Thus, the same procedure as the one used in the CPIT forum was used in the MC forum as well.

Depending on what person presents an idea, it can have an impact on which factors are emphasized and which aspects are considered important to bring forth. That means that if an idea is not presented by the idea generator, it can be interpreted and presented different from how the idea generator intended. In turn, this can alter how an idea is perceived by the forum participants and the original benefit of the idea risks not being presented. This occurrence has been observed during the data collection and it does not exclusively occur in the CPIT forum, but can also be the case when an idea is passed on from the CPIT forum to the MC forum.

Once an idea has been evaluated in a forum there is no formal structure for providing feedback to the original idea generator. The feedback most often reaches the idea generator eventually, but it can take a while, and the feedback may not contain much information. This has been something that brings frustration to the idea generators. It has been observed through interviews that a lack of feedback may inhibit the creativity of the idea generators because they get little or no feedback of why an idea was denied and not adopted. For example it can be that an idea generator is informed that her or his idea did not get approved, but without much feedback about why. This can also be the case for a good idea, that there is little or no feedback regarding what made it a good idea.

4.3. Preconditions for Idea Adoption

The factors that employees have mentioned to have an effect on idea adoption, will be presented in this chapter. This data was collected from employees that in one way or another may be affected by, or involved in, the ideation phase at Swedish Match. Thus not only the participants of the CPIT and MC forum. The factors that are mentioned are those listed in the table, and those behaviors or conditions that are described without being named are assigned a suitable name. The majority of those factors that were mentioned in the interviews are listed below in Table 4.3., in alphabetic order.

Table 4.3. Factors considered to be preconditions for idea adoption by the employees at Swedish Match (Source: authors)

Factors mentioned	Examples of answers
Anchoring	It is good to anchor your idea with other people, it can increase the chance that your idea will be adopted.
Benefit	Ideas should have some sort of consumer benefit, does not always have to be market pull though.
Champion	Without the personal passion, others cannot get passionate.
Clarity of expectations	There can be a hesitation of submitting an idea because it might be considered simple or stupid.
Clarity of roles	Many of the same individuals are part of several forums which can make the roles unclear.
Clear purpose	Clarity of what forum to turn to with an idea is needed.
Common language	Idea owners' ideas should be translated into the common language.
Communication	The decisions and what goes on in CPIT needs to be communicated by its members.
Competence asymmetry	Develop the competencies on the people who are in the forums.
Cross-collaboration	Informal exchange of information is important in the early phases of idea adoption to develop ideas.
Cross-department insight	One department might not understand the potential of an idea from its own point of view.
Different mindset	Increase the understanding between different departments so that it is easier to communicate.
Cultural distance	Due to a cultural gap it can be difficult to communicate certain ideas.
Definitions	Different individuals and departments have different definitions of innovation.
Feasibility	Product ideas outside of the company production ability are harder to be adopted.
Feedback	It should be more feedback to idea generator regarding why an idea is good or bad, that way it is easier to avoid misunderstandings.
Focus differences	Factory side focuses on cost and the Market side focuses on opportunities.
Geographical distance	Would probably be easier if all departments sat at the same location, but that is not the case today.
Idea flow	Employees need to know who to talk to regarding their ideas.
Idea handling	Large and small ideas are handled in the same way, which could disadvantage large ideas.
Idea submission form	Formal and square form to fill out, limits creativity.
Knowledge	A better understanding for regulations so that the employees better know what is possible to do.
Lack of standards	A more standardized way of presenting the ideas is needed.
Limited personal worktime	Increased possibility to read up on things that are relevant for the business and is happening globally as well as time to work on individual projects.
Limited room for idea exchange	There should exist more room to be informal when handling ideas before presenting them.
Market insight	Needs and desires for new products should be better understood.
Maturity of ideas	The idea is not sufficiently explained and therefore it is not possible for others to see the potential of the idea.
Miscommunication	There can be a little bit of Chinese whisper syndrome.
Newness	Much that is discussed is not innovation, merely product improvements or continuous improvement.
Objectivity	Should be more consequent use of tools that are available to avoid subjectivity.
Performance indicators	The Supply department is only trying to cut costs, whereas the R&D department focuses more on developing ideas that increases customer value that not necessarily decreases costs.
Personal agenda	The ideas should be adopted for the overall good of the company.
Presentation	There is a lack of presentation skill and ability to "dress" the ideas so that they are possible to understand for other people.
Presenter	The idea owner should present their idea to save time and to explain it correctly.
Prioritization	The company is trying to be too innovative, and no priority decisions are made.
Resources	The capacity of the Factory side hinders the new opportunities.
Structural fit	The routines today are made for a larger company and the administration obstructs creativity.
Structure complexity	Make the structure of the ideation less complex, it is fit for a large firm.
Understanding of ideas	There needs to be a better understanding of what lies behind the ideas.

In the table above there has been no attempt to group or order the different factors that were mentioned in the interviews. There were several factors that were mentioned by more than one employee, but is only mentioned once in the table. The data will be analyzed in the next chapter to determine what preconditions are emphasized the most, which conditions that are related and if there are conditions that overlap, in order to be able to group them together. As mentioned before, these preconditions are based solely on the opinion of the interviewees. Once the data is analyzed, it will be applied on actual ideas that have travelled through the Ideation phase, to try to assess if the mentioned conditions truly can be considered preconditions for idea adoption.

There were several preconditions that were described in similar ways, even though a slightly different terminology was used. It was possible to, simply by determining the frequency that certain conditions were mentioned, form several categories that contained factors with the same or similar meaning. Slight interpretations had to be made to determine the actual meaning behind a few conditions to be able to put them in a group. There were 13 categories that emerged and it was thus these factors that were mentioned most frequently. This was made to get a more manageable dataset and the interrelatedness between the categories were not investigated at this point. The resulting categorization of preconditions can be seen below in Table 4.4, in alphabetic order.

Table 4.4. Most frequently mentioned preconditions (Source: authors)

Preconditions
Anchoring
Champion
Different KPIs
Different mindset
Geographical distance
Idea characteristics
Knowledge and competence
Objectivity
Personal agenda
Presentation and communication skill
Resources
Structure
Transparency

In the analysis chapter 5. *Analysis* the preconditions, listed in the table, will be further investigated and analyzed to determine if there can be further categorization. This is where the procedure and result will be presented as well. Below follows a description of each of the resulting preconditions. The description is based on the data collected from the interviews as well as the interpretation of the data.

Anchoring – Getting support from someone, before the formal evaluation is done, to provide understanding for an idea.

Champion – Someone, or a group of people, that are really passionate about an idea or an initiative and really pushes for it to succeed.

Different KPIs (Key Performance Indicators) – Depending on what department an employee works in there are different KPIs that determine what success or good performance means. For example, when it comes to R&D, the focus is on developing new ideas and it is ok that money is spent. On the other

hand it is common for departments closely related to production to have indicators that value efficiency and cost reduction. This can create conflicts in terms of what is regarded as a good idea as well as create differences and barriers on a department level. It may also lead to some employees being more reluctant to adopt ideas that can have a negative impact on their own performance.

Different mindset – It is possible that, depending on what role or position a person has in the company, his/her mindset concerning what is considered a good idea might differ. This difference can be caused by different KPIs, as mentioned above, but other factors have also been emphasized, such as whether or not ideas should be technology push or market pull.

Geographical distance – The fact that some departments are positioned on different geographical locations has been mentioned as a reason for increased difficulties of communication. This can also create a sense of different mindset and a feeling of “us and them”.

Idea characteristics – There are several aspects that can make an idea interesting and good, although there are four general factors that reoccur throughout the data collection. The first one is that the idea should bring some kind of benefit either to the customer, consumer or internally for Swedish Match. Second is that the idea should be feasible. This can for example be in terms of whether it is possible to realize the idea with today’s technology, if it is economically possible and if it is within current regulations. The third one is that the idea should be new in some sense, either to the company or the market. The final one is that the idea should be a strategic fit, meaning that it should be in line with the overall strategy of the organization. Otherwise it is either of no interest or simply that it does not fit in in the Ideation phase. All the three factors mentioned above are stated to be necessary in order for an idea to pass through the Ideation phase.

Knowledge and competence – An asymmetry of knowledge and competence can create complications in understanding the benefits of an idea that is presented from a different department. It can either be what an idea actually means as well as how it should be applied.

Objectivity – It has been mentioned that decisions are not always made objectively, even though it is the aim, and that it may create inconsistencies in how ideas are evaluated.

Personal agenda – In the evaluation of some ideas there may be parties that have a personal agenda when evaluating an idea. For example, if there is an idea that may have a positive impact on a party’s daily work, that party will push for the idea to be approved. The same goes for the opposite situation, the party may oppose an idea with a negative impact.

Presentation and communication skill – The ability to present and communicate an idea has an impact on how an idea is perceived. Sometimes it is even a matter of understanding or not understanding, depending on how well the idea is mediated.

Resources – If there is not enough resources for idea work for the employees, there will be no incentives for adopting ideas since this may have a negative impact on the daily work. Another aspect is that if too many ideas are to be approved, there will not be enough resources to handle and pursue all of the ideas, which may lead to poor overall performance or that some ideas are eventually cancelled.

Structure – There are different opinions on whether or not the structure for idea work and idea flow is too structured or too loose. In some cases it is mentioned that the flow for ideas is too strict in order to create an innovative and creative atmosphere. In other cases there are issues related to not

knowing who to talk to regarding ideas and that there are not enough dedicated time for cross-functional work.

Transparency – This is emphasized in two cases, the first being feedback and transparency in what kind of ideas are expected or desired from the company. There have been cases where there has been no or little feedback regarding why, for example, an idea was rejected. It can also be cases where the idea is approved, but the idea generator gets little information about what it was that made the idea good and therefore may not be able to amplify it. This goes hand in hand with transparency in what is expected from the company, which kind of innovation is desired, what is considered an innovation and what kind of ideas are desired as well as considered good. The second aspect regarding transparency is clarity in what purpose the different forums have as well as what the role the members of the forums are expected to have as well as have in reality.

These terms are explained as factors that affect idea adoption in general. There are also several ideas that have been tracked throughout the Ideation phase to get practical cases to study to further investigate how ideas travel and are adopted. Those ideas will be presented below.

4.4. Ideas Observed in the Ideation Phase

During this study eight ideas have passed through the Ideation phase of Swedish Match's NPD process. The researchers have tracked these ideas to their origin as well as followed decisions made regarding them on their way through the Ideation phase. The eight ideas and the observations made regarding them will be presented below.

With regards to confidentiality the ideas will be presented so that no trade secrets of Swedish Match will be made public, and therefore the ideas have been labelled from A-H with their idea characteristics anonymized. Table 4.5. describes the eight ideas followed, by their type, benefits and origin as well as the respective decisions made for these ideas in the Ideation phase. Overall, five out of eight studied ideas were adopted in the final forum of the Ideation phase. Three ideas were not adopted for different reasons. One idea (B) needed more work, another (G) was channeled to another department and the last one (H) was simply overlooked.

Table 4.5. Idea overview and decisions made (Source: authors)

Idea	Type	Potential main benefits	Origin	Number of times rejected previously	Decision in CPIT	Decision in MC
A	Brand attribute	Flexibility in product development	Product Development Department	0	Adopted	Adopted with modification
B	Pouch attribute	Improved company image	Product Development Department	1	Looped back for development	N/A
C	Pouch attribute	Visual effect	Research Department	More than one	Adopted	Adopted
D	Pouch attribute	Ergonomic effect	Research Department	0	Adopted	Adopted
E	New product	Reach new market	Marketing Department	1	Adopted	Adopted with modification
F	Packaging attribute	Improved company image	Packaging Development Department	1	Adopted	Adopted with modification
G	Tagging attribute	Improved product image	Product Development Department	0	Channelled to other department	N/A
H	Pouch attribute	Visual effect	Product Development Department	0	Superseded	N/A

There are several things that the eight ideas below have in common. All ideas were new to some extent and went through roughly the same steps before they entered the CPIT forum. They were at first discussed and developed informally, which eventually led to the submission of the idea to the CPIT forum. From here on the process was more structured and formal.

In general, idea presentations were longer in the CPIT forum than in the MC forum. In both forums there were no evaluation parameters used when deciding which ideas should be adopted and decisions were made through consensus without voting. In the cases where there had been a clear idea generator active in the upbringing of the idea, these stated that they were not well informed of where the idea was and what had happened to it. This is in accordance to what has been mentioned in earlier sections of the empirical study.

The statements presented in this section are example statements of what was said in the interviews, as well as discussed in the forums. These have been translated from Swedish and adjusted to not reveal any confidential information.

4.4.1. Idea A

Idea A was a new brand attribute for the product, and was an idea that originated from the product development department. Its benefits mainly consisted of enabling flexibility in product development, and was possible to implement. The idea travelled through all the forums within the Ideation phase, and was accepted in the Monitoring Center.

The idea came up through a discussion between product development and Swedish Match's own store personnel and was then discussed informally among co-workers in the department. An employee involved filled out an idea form and submitted to the idea collector formally within the department. The idea was described as simple by the idea generator, and did not need much development. It was then presented in a department forum by the idea collector. There it was decided that it would be taken to the CPIT forum.

At the CPIT forum the idea was presented by the representative of product development, using a standard Swedish Match presentation document as presentation material. In the discussion the marketing department and the product development department representative were in disagreement regarding how the idea would be implemented and used. They both proposed implementations that would not have negative consequences for their own department. Example statements from the product development department was that “we’ll get rid of some technical steps in the process, and the work on the marketing side should be rather unchanged” while the marketing department stated that “it is difficult to handle new brand attributes”. After the discussion the idea was deemed interesting, as the benefits were clear and the attribute was possible to implement. It was decided that, through consensus without voting or using screening parameters, the idea would be sent to the MC forum.

In MC forum the idea was briefly presented by the representative of product development. The marketing department representative and the product development department representative were still in disagreement regarding how the idea would be implemented and used. An example statement from the discussion, coming from the sales department was that “it is important with a starting-point in marketing perspectives”. In the forum it was decided that the idea was accepted with some modifications, to address the concerns of the marketing department.

4.4.2. Idea B

Idea B was a new pouch attribute for the product, and was an idea that originated from the product development department. Its benefit was an improved company image, however it was not deemed possible to implement and needed much resources to be developed. When the idea was presented in the CPIT forum, it was decided that the research department should develop this idea further before presenting it again.

The idea was born through a discussion between co-workers of product development, during another idea (H) presentation at the department forum. There it was decided that this new idea (B) would be added onto idea H and sent to the CPIT forum.

At the CPIT forum the idea was presented by the representative of product development, using a standard presentation document as presentation material. The idea was described as important by the presenter, but was said to be a need rather than a finished idea and that more development was needed to develop it. The research department commented on the limited feasibility of the idea based on today’s knowledge, declaring the “extensive time for development”, and that it would require much resources in the future. After the discussion the idea was deemed as interesting, but it was decided that it would be sent to the research department and that resources should be allocated for this idea. This would allow further development to the idea before another presentation at CPIT would take place.

4.4.3. Idea C

Idea C was a new pouch attribute for the product, and was an idea that originated from the research department. Its benefits were at first explained as a visual effect, although how the effect should be used was not decided. The attribute could be implemented, with the help of a large supplier. The idea had previously been assigned for further development, but travelled through all the forums within the Ideation phase this time. Although, it was put on hold in Monitoring Center until a consumer test had been made.

The idea had come up from informal discussions in the research department. The idea had previously been rejected in the Ideation phase and had now returned. At the CPIT forum the idea was presented

by the representative of the research department, using a standard presentation document as presentation material together with several prototypes. Comments from the group were “this attribute is exiting”, “it could have a great impact” and “very interesting”. After the discussion the idea was deemed interesting due to its visual attributes, but the application of the attribute was not decided. It was decided that it would be sent to the MC forum, and stated that everyone should try to anchor this idea with members of the MC forum before the meeting.

In the MC forum the idea was briefly explained by the representative of product development and the prototypes were sent around the room. It was discussed that now, unlike before, it was possible to create this feature with the help of a large supplier. Several members noted that the adoption decision would affect the relationship with the large supplier that was enabling this idea. The consumer insight representative added that the perceived benefits of the idea would be tested in an upcoming consumer test, as the application of the attribute was still un-decided and possible benefits concerning user-experience were discussed. It was also stated that “if we say no to this idea, it will probably be shut down and not come up again”. After the discussion the forum decided that the idea was accepted, but it was stated and decided that “we should await the results of the consumer test, to see if there is potential”.

4.4.4. Idea D

Idea D was a new pouch attribute for the product, and was an idea that originated from the research department with input from the technology development department. Its benefit was explained as an ergonomic effect, although many different benefits were mentioned and it was not stated which one was in focus. The feasibility of the attribute was unknown as the idea had several alternative development directions and a long-term focus. The idea travelled through all the forums within the Ideation phase, and was accepted in the Monitoring Center.

The idea had come up from individual thoughts of an idea generator and informal discussions in the technology development department as well as informal discussions in the research department. In the technology development department the idea was presented and discussed in the department forum, and later a prototype was brought to CPIT. Moreover, the research department had made a formal submission for the idea and had also created several prototypes.

At the CPIT forum the idea was presented by the representative of research, using a standard presentation document as presentation material together with several prototypes. The prototype from technology development was added to the discussion, which added more potential benefits to the idea. In the discussion it was noted that the idea included many alternative development directions with different benefits, however the feasibility of the idea was not discussed. It was also stated by the marketing department that “there is a consumer need for this attribute, and if this idea can achieve that, then it is absolutely interesting”. After the discussion the idea was deemed interesting for its potential user-experience benefits and it was decided that the idea would be sent to the MC forum.

In the MC forum the idea was very briefly explained by the representative of the product development department, and new prototypes were sent around the room, with the statement “not much has been done regarding this idea so far”. The benefit in focus was now only on the ergonomic effect, based on the new prototype, and other benefits were not discussed. Additionally, the sales department stated that “it is critically desirous to develop the pouches, but we have no apprehension of the complexity”. After the discussion the forum decided that the idea was accepted.

4.4.5. Idea E

Idea E was an idea for a new product and originated from the marketing department. Its benefit consisted of potentially reaching a new market, however other potential benefits were also discussed. As the feasibility was unsure and the cost was too high, it had previously been rejected. This time the idea was accepted with a modification to be placed, with a lower priority, inside another project due to the fact that it was not a strategic fit.

The idea came up through informal discussions within the marketing department. It was then developed informally by the idea generator from marketing, and between other marketing and product development personnel. Much effort was made by the idea generator to anchor the idea with managers but the development cost was not considered to be feasible. The idea was put on hold until it was brought up in CPIT again by the idea generator, representing the marketing department.

At the CPIT forum the idea was presented by the idea generator, using an extensive marketing presentation as presentation material and the statement that the idea would “pull away from the existing market”. In the discussion the idea was deemed interesting, as there was potential to reach a new market. After the discussion it was decided that the idea would be sent to the MC forum.

In MC the idea was explained by the representative of the marketing department, who was not the idea generator. In the discussion, the feasibility to reach the new market was not seen as convincing and there was also a negative attitude towards investing resources in this new product as it was not a strategic fit. An example of a statement was “all resources should be on our established market, not on other things”. However, the idea had other benefits and was identified to fit in under another product but with a lower priority. After the discussion it was decided that the idea was accepted with some modifications, to address its lower priority.

4.4.6. Idea F

Idea F was a new way of packaging the product, and was an idea that originated from the packaging development department. Its benefits consisted at first of lowering the production cost of the product and would later also include improved company image as a benefit. The idea had previously been assigned for further development, and could therefore travel through all the forums within Ideation this time.

The idea came up through informal discussions within the packaging development department and a supplier. It was then developed informally among packaging development staff, but the feasibility to implement it was considered low in the beginning. Also, the marketing department did not want to use it, as it was not considered appealing enough. The idea was put on hold until it was brought up again in CPIT by the packaging development representative.

In the CPIT forum it was presented by the packaging development representative using a standard presentation document as presentation material. In the short discussion the idea was deemed interesting, as it could improve the company image. After the discussion it was decided that the idea would be sent to the MC forum.

In MC the idea was briefly explained by the representative of the supply chain department, although with an added prototype. An example of a statements in the discussion was that “all steps in this direction are good”. Likewise, in the discussion there were some concerns raised regarding the narrow scope of the idea, stating things like “think bigger” and “extend the scope”. After the discussion it was decided that the idea was accepted with a larger scope, as the benefits would be larger that way.

4.4.7. Idea G

Idea G was a new way of tagging the product, and was an idea that originated from the product development department. Its potential benefit was to improve the product image, however it was unknown if it was feasible to implement. The idea travelled to the CPIT forum, where it was decided that it was the wrong type of idea for the Ideation phase. It was then channeled to the appropriate department.

The idea came up through a discussion among co-workers of product development. It was described as simple by the idea generator, and did not need much development before it was ready to be submitted to the idea collector formally within the department. It was then presented in the department forum by the idea generator, where it was decided that it would be taken to the CPIT.

At the CPIT forum the idea was presented by the representative from the product development department, using a standard presentation document as presentation material. In the discussion it was observed that the right knowledge was not available in the forum to make the right decision, as statements like “don’t we already have something similar?”, “it might help in other areas?” and “it is too early to dismiss this idea” were expressed. After the discussion the idea was deemed interesting, as it could improve the product image. However, as it was stated as “not fit for the forum” the idea was channeled to another department fit for handling these matters.

4.4.8. Idea H

Idea H was a new pouch attribute for the product, and was an idea that originated from the product development department. Its benefit was a visual effect, with a potential ergonomic effect as well. The idea travelled to the CPIT forum, where it was presented together with another idea (B) and thereafter overlooked in the discussion.

The idea had come up from individual thoughts of the idea generator and informal discussions in the product development department. The idea was submitted to the department forum where additional features from another idea (B) were added to the idea presentation by the members of that forum. It was then sent to the CPIT forum.

At the CPIT forum the idea was presented by the representative of product development who was not the idea generator, using a standard presentation document as presentation material. An example statement was “good idea, but what does the pouch attribute of idea H have to do with it?”. The presentation was focused on the benefits of the newly added idea (B) and the benefits of the original idea (H) were hardly mentioned. During the discussion the benefits of the newly added idea (B) were widely discussed and the relation to the original idea (H) was questioned by the group. After the discussion it was decided that the two ideas should be separated, however the original idea (H) was never discussed further in the forum.

5. Analysis

In this chapter the data, which was presented in previous chapter, will be analyzed. As could be determined in the previous chapter, the complexity and spread of the data has varied depending of what the purpose of the data was. The data regarding the definition of idea adoption as well as that of the idea flow structure was quite straight forward and can more or less be seen as puzzle pieces that had to be pieced together. Regarding the data for preconditions for idea adoption, the complexity was slightly higher and the relation between the pieces of data was not as easy to determine.

The data will be handled in the same way as previous chapters, namely: the definition, the process and finally preconditions for idea adoption. Once the data, which was collected for chapter 4.1-4.3, is analyzed, the resulting framework of preconditions is applied on the eight ideas that have been followed. This is done to investigate if the preconditions have an actual impact on the ideas, and also to investigate if there are any conditions that have a larger impact than others.

5.1. How Idea Adoption is Perceived

The data that was collected regarding the definition of idea adoption was manageable in terms of size and it was therefore possible to synthesize a definition without coding the data. The data collected, in the form of answers from the interviewees, were fairly consistent and along the same line, which simplified the forming of the definition. There were no real contradictions in the data collected.

The final definition that was settled on is the following:

“Idea adoption is, when subject A presents an idea to subject B, in a way so that subject B can understand the potential of the presented idea, and thus decides to support it.”

The subject in this definition can be on several different levels of aggregation and can thus either be a single person, a group of people or a forum as such. This is consistent with the claim of Woodside and Biemans (2005), namely that the unit of adoption can be an organization, business unit, department or individual. To test the validity of the definition and to make sure that it was accurate as well as applicable for the case of Swedish Match, it was tested on several employees to see if they agreed with it, which they did. The definition above is also consistent with what Eveland (1979) says regarding a decision being a part of the adoption. In addition, it is also in line with an idea either being accepted or rejected, as explained by Rogers (2003) as well as Eveland (1979). This puts further confidence in the reliability of the stated definition.

5.2. How Ideas are Adopted

This chapter will present an analysis of the idea flow structure, idea evaluation as well as idea handling in the case of Swedish Match. The data that was collected for these sub-chapters contained more data points than that of the data collected for the idea adoption definition, which made the data analysis slightly more demanding and complex. In the sub-chapters below the Ideation phase at Swedish Match will be mapped out and the limited structure in evaluation and feedback will be analyzed.

5.2.1. Idea Flow Structure

Figure 5.1 provides an overview of how ideas flow within the organization at Swedish Match. The figure shows how complex the Ideation phase is in reality, as well as shows the several forums and decision-points that an idea has to pass through before being passed on from the Ideation phase. Swedish Match depicts the Ideation phase as a cloud, which may give rise to misconceptions regarding the length and agility of the phase. Managers may get the impression that the Ideation phase is shorter than it is in reality due to this illustration, which can lead to them believing that the phase is less functional and effective than it actually is. Simply depicting the Ideation phase as a cloud can affect

the idea generators as well. It may give the impression that ideas are not handled or get stuck in the phase due to the long lead times, which in turn may lead to frustration and can affect the creativity in a negative way. In turn this may eventually have an impact on the company's innovative capability.

Below, in Figure 5.1, is a conceptualization of how the ideas travel from the point where it is generated to where it is approved and leaves the Ideation phase. The figure describes the standard and most common flow of ideas. That being said, the ideas can take different routes, but the flow that have been mapped out are how ideas flow in general and is the way that ideas are supposed to flow according to the interviewees. Every forum and decision point in the idea flow can be seen as a filter, since an idea has to pass through these in order to move on from the Ideation phase. In addition to the formal forums that are depicted in the figure, there can be informal decisions and discussions that can work as additional filters in the Ideation phase. It can be a meeting in a hallway as well as a scheduled one on one meeting, but what is characteristic by these informal discussions that they are not reoccurring on a regular basis and is not a formal part of the Ideation phase.

An idea can be cancelled at any point on its path. It can for example be that the idea is voted down in a forum, or that the idea generator loses the motivation for working with the idea as well as a manager who realizes that there is no real benefit with the idea and that it is therefore not worth spending resources on. As has been mentioned previously, even though an idea is voted down, the idea generator can spend personal work time on the idea. Although it is said that if an idea is denied three times, no more work should be spent on the idea.

As can be seen in the figure, there is not much formal collaborations that span over the borders of different departments. The first time that an idea is introduced to feedback from all departments involved in the Ideation phase, is when it is presented at the CPIT forum. As has been expressed in the interviews, there is a desire and wish for the possibility to work cross-functionally at an early stage. This can get ideas exposed to a wider range of opinions at an early stage and thus it might be possible to improve an idea at an early stage, that otherwise would not happen until introduced at the CPIT forum. At the CPIT forum much resources have potentially already been put into the idea, possibly in the wrong direction, which potentially could have been prevented through early cross-collaboration. This can potentially also have an effect of the cultural gap between the departments and decrease the perception of *us and them*.

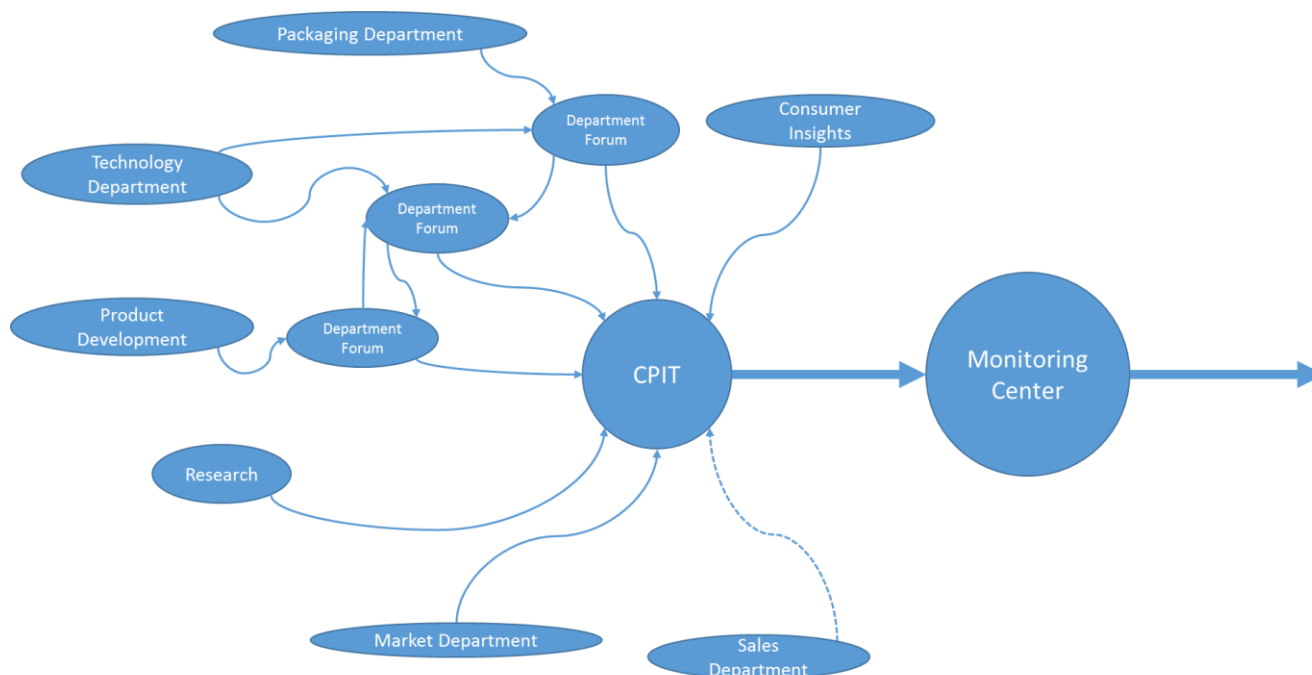


Figure 5.1. Idea Flow at Swedish Match (Source: authors)

The Ideation phase at Swedish Match has several characteristics that are common with the Stage-Gate process introduced by Cooper (1988), where the forums serve as formal decision points. From this point of view, the Ideation phase seems quite linear and strict, which it also is to some extent. Although it does allow for iterations which makes the flow more flexible than the original Stage-Gate model, which is in line with what Gassmann and Schweitzer (2014) advocates. At any forum, an idea can be iterated if it is deemed to need further development before making a final decision. As of today the process of generating ideas has no structure, there are no real guidelines towards how idea generation should be performed. A too loose structure, or rather an absence of structure, can have a negative impact on the creativity as expressed by Gaubinger and Rabl (2014). Even a flexible structure can provide structure in a sense, as it is something that the employees will have to relate to. Swedish Match is likely to benefit from a more formal structure, even if this structure is of a flexible character, as this will allow for a better understanding of the idea flow and transparency within the company.

5.2.2. Idea Evaluation

Regarding how ideas are evaluated and handled at Swedish Match it was observed that there was no formal structure for how ideas should be evaluated at the time of the study. Not having predetermined factors for evaluation puts much trust in the employees own ability to make a good evaluation of an idea, based on personal experience and knowledge. This can affect the ability to be consistent in the evaluation of ideas and can also make it hard to be objective. The idea evaluation will be covered in further detail in the chapter 7. *Discussion* where the preconditions for idea adoption are discussed further.

The absence of a formal way of evaluating ideas may not have an immediate and obvious effect, which can make it hard to assess its impact. One issue that was identified through the observations at the meetings, that seemed to originate from lack of formal evaluation, was that the discussion regarding the ideas suffered. There was no clear structure about what factors made an idea either good or bad, which made it difficult to be supporting or criticizing in a systematic way. This often led to the fact that the aspect of an idea that was mentioned first, was the one that became the starting point of the conversation and often got the most focus during the evaluation. Thus what aspects and parameters that were discussed in the evaluation of ideas could vary significantly, ranging from impact on the

organization to consumer fit to feasibility. That being said, some procedures could possibly have been established among the employees from years of work together and happen naturally without explicitly stating, which makes it difficult to observe for an outsider. And this is something that the employees might not even be aware of themselves because it is second nature to them, so that it is not discovered through interviews either. That being said, even though there would be informal procedures, formalizing them would increase the transparency of idea evaluation.

Because the evaluation factors are not pre-determined and explicitly stated it can have implications regarding how ideas are prioritized. Since nothing is measured and the ideas often are evaluated based on different aspects, it is difficult to compare and thus also prioritize what ideas to focus on. There are several ways in which prioritization can be performed, but as of now it was observed that very few ideas were prioritized. It has been expressed, in the performed interviews at Swedish Match that more prioritization needs to be done. If too many ideas are adopted it is possible that ideas are adopted even though there are not enough resources for it.

The current idea evaluation is something that the employees have noticed as a factor that can have impact on how ideas are adopted in terms of how objective a decision can be made. This and other factors will be covered and discussed more extensively in the chapter 7. *Discussion*.

5.2.3. Idea Handling

Idea handling at Swedish Match functions quite well in some aspects. One example being how ideas are handled after an approving decision has been made at the CPIT and MC forum. For example it is quite clear where the ideas should be sent as well as knowing who is responsible. Once an idea is approved, a person is assigned to be responsible for bringing it to the next meeting. And if the idea needs further development, it is decided who is in charge of this and in general terms what should be done. Although when an idea is voted down, it is as if the idea is simply let go of. Once that happens, it is up to the person who represents the department that the idea originated from to provide feedback. This can take time and sometimes it is simply forgotten. This can affect the motivation of the employees and may affect their creativity and curiosity, which in turn can have impact on the innovation performance of the company.

Lack of feedback can lead to the same mistakes possibly being repeated, because important knowledge is not fed back to the idea generators. This knowledge could otherwise have been used to improve future ideas. But due to lack of feedback no lessons are learned and may therefore lead to less ideas being adopted and can thus create frustration for both adopter and idea generators. This can be partially due to the nature of the evaluation of ideas, that it is not very structured and that it also becomes difficult to provide feedback regarding why the idea was not approved and what needs to be improved. Another aspect that was observed during the data collection was that the lack of transparency and feedback can lead to the ideas unintentionally being transformed. If a person, other than the idea generator, presents an idea it is a risk that this person makes a personal interpretation of the idea. Thus it might be presented in a slightly different way and can therefore be perceived different by those presented to. Without feedback and transparency this problem can be hard to discover and thereby not dealt with. This creates a kind of Chinese whisper syndrome, which means that the original message is distorted due to insufficient communication, and the effect increases the longer the chain of communication gets. This may result in an idea not getting a fair evaluation because it was not presented in the right way. That being said, an idea could also transform in to a better and improved idea, so this occurrence does not necessarily have to be only bad.

As mentioned in the empirical findings, the managers are in general aware of how ideas flow, at least how they are supposed to flow, through the Ideation phase. Although this knowledge is less commonly shared amongst those who are not involved in cross-functional work, such as the cross-functional

forums CPIT and MC, and are generally of a lower rank in the organizational ladder. It has been observed that this asymmetry of knowledge can make employees doubt the performance of the NPD process as well as demotivate the employees because it is difficult to follow a submitted idea. Lack of feedback regarding where in the process that an idea is, makes it hard to follow the idea and thus also to be a champion for the idea. Idea handling, in the same way as previous subchapters, will be discussed further in chapter 7. *Discussion*. Idea handling will be covered in the precondition *Transparency*.

5.3. Preconditions for Idea Adoption

When collecting data regarding what factors that were believed to have impact on idea adoption there were 13 factors discovered. The collected data was at first unstructured and the relations between the factors were not analyzed. This subchapter will, in general terms, explain how the analysis and coding of the data was performed and then the focus will be towards the result. The factors that were listed in the data collection chapter are shown in Table 5.1 below.

Table 5.1. Most frequently mentioned preconditions (Source: authors)

Preconditions
Anchoring
Champion
Different KPIs
Different mindset
Geographical distance
Idea characteristics
Knowledge and competence
Objectivity
Personal agenda
Presentation and communication skill
Resources
Structure
Transparency

To simplify the analysis of the collected data, the method grounded analysis was used. A more detailed description of how the analysis was carried out can be found in chapter 3. *Methodology*. At this point only the seven steps of the analysis will be presented, as it will serve as the starting point for this chapter. The seven steps of grounded analysis are as presented by Easterby-Smith et al. (2012):

1. Familiarization
2. Reflection
3. Conceptualization
4. Cataloguing concepts
5. Re-coding
6. Linking
7. Re-evaluation

Familiarization and Conceptualization are steps that were partially carried out in earlier stages of the study and was more of a repackaging of the data rather than an analysis. How it was done is presented along with the data in chapter 4. *Idea Adoption at Swedish Match*. Reflections were carried out parallel to the analysis of the data, in terms of finding supporting or challenging literature, and the results are

presented in chapter 6. *A Proposed Framework of Preconditions for Idea Adoption* and 7. *Discussion*. The focus from here on will be towards Cataloguing concepts and Linking. Re-coding and Re-evaluation was performed several times in previous iterations, but the focus in this chapter will be towards what lead to the final findings, and is what will be presented in this below.

The factors believed to be preconditions for idea adoption, based on empirical findings, are listed in Table 5.1. The conditions were re-labelled into terms that was considered to better fit the actual meaning of what was explained, as well as could be matched with concepts that have been used in previous research. Those factors that were re-labelled can be seen in Table 5.2. below, the conditions from Table 5.1. that are not listed got to keep their original term.

Table 5.2. Re-labelling of preconditions (Source: authors)

Different KPIs	»	Performance targets
Different mindset	»	Perception and attitude
Objectivity	»	Idea evaluation structure
Structure	»	Idea flow structure

The next step was to assess which factors that were overlapping or strongly related, so that the factors could be rearranged and grouped into more fitting groups. Table 5.3. shows how this transition was made and what factors that were combined. As can be seen in the table, there was one precondition that was split up and later grouped with other preconditions.

Table 5.3. Rearrangement and aggregation of preconditions (Source: authors)

Perception and attitude	»	Personal agenda	»	Self-interest
		Attitude		
	»	Perception	»	Perceived distance
		Geographical distance		

Thereafter the focus was towards grouping the updated twelve preconditions in to more manageable groups that provide a better overview of the factors. The terms that had a close relation were clustered together with a collective group name, which represented the area of focus that they were considered to belong to. For example, those factors that were considered to be related to the structure of the Ideation phase and potentially could have an effect on idea adoption, were grouped under the collective name *Structure*. The sub-headings were kept to avoid losing the level of detail, while still expressing how they are related. In Table 5.4 the resulting groups are presented as well as the group names. Those factors that were not grouped with any other factors got to keep their original label, as this was what best described that precondition.

Table 5.4. Grouping of preconditions into the final framework (Source: authors)

Group-label	Sub-label
Structure	Idea flow structure
	Transparency
	Idea evaluation structure
Communication	Perceived distance
	Knowledge
	Presentation
Incentives	Self-interest
	Performance targets
	Resources
Anchoring	Anchoring
Champion	Champion
Idea characteristics	Idea characteristics

The label *Structure* has been explain above, and below follows the explanation of the two other group-labels *Communication* and *Incentives*. *Communication* regards those factors that can affect how well an idea, that is communicated, is understood and is perceived by the receiving part. This can therefore have an effect on idea adoption since it requires that an idea's benefit is understood. *Incentives* contain those factors that can have an effect on how an idea is perceived, and thereby are factors that affect an individual's incentives to adopt a certain idea.

The data presented above have been structured in a way to provide simplicity and understandability of the grounded analysis, for the reader. The analysis was much less linear than it appears in this chapter, and contained several iterations to reach the final result.

The collection of factors that is presented in Table 5.4 is what forms the final framework of preconditions for idea adoption, based on the empirical data. In the following chapter the hypothesis, that these factors are preconditions for idea adoption, will be tested on the eight ideas that have been followed in this study. This is done to see if the factors that have been derived from empirical data can be confirmed in practice. In chapter 6. *A Proposed Framework of Preconditions for Idea Adoption* the framework will be presented as well as anchored in literature linked to the preconditions. In chapter 7. *Discussion* the preconditions will be discussed further along with generalizations that have been observed.

5.4. Ideas Observed in the Ideation Phase

The analysis in this chapter will be based on the data presented in chapter, 4.4. *Ideas Observed in the Ideation Phase*. The analysis will investigate which of the preconditions, found in the chapter above, had an effect on the idea adoption decisions in the actual idea cases studied.

The initial analysis consisted of discussing how each precondition affected each idea adoption decision for the eight ideas followed. This analysis will be presented below in the following sub-chapters.

After analyzing each idea separately, the effects from each factor on the idea adoption decision was put into a summarizing table. The table 5.5. below shows which factors enabled (+), hindered (-) and was not observed to affect (empty) the adoption of a specific idea. However, enabling or hindering the adoption does not indicate how the organization will be affected by the decision. As can be seen in the summarizing Table 5.5., the effects on the adoption decision differ for each idea observed in the empirical study, with some commonalities.

Table 5.5. Factors observed to enable/hinder/not affect the adoption of each idea (Source: authors)

Ideas	Structure			Communication			Incentive			Champion	Anchoring	Characteristics			
	Idea Flow Structure	Transparency	Idea Evaluation Structure	Perceived Distance	Knowledge	Presentation	Self-interest	Performance Targets	Resources			Newness	Benefits	Feasibility	Strategic Fit
A	+			—	—		+			+		+	+	+	+
B	+		—		—							+	+	—	
C	+		+		+	+				+	+	+	+	+	+
D	+	—	+		+	+	+					+	+		+
E	+	—			—	+			—	+	+	+	+		—
F	+			—	—	+	+			+		+	+	+	
G	—	—	—		—							+	+		+
H	+	—				—				+		+	+	+	+

5.4.1. Idea A

The fact that this idea had a clear benefit for the development side of the organization was observed to be the main reasons for it to be adopted. However, knowledge was lacking regarding how it would affect the marketing department which required some modifications to the idea.

The perceived distance became apparent in this idea discussion as the benefits mostly affected the development side of the organization. The disagreement from the marketing side may have come up because the idea was developed without their input and knowledge regarding what actually can be done. Here, an understanding of the issues related to the idea would have helped in understanding the disagreement.

The idea was driven by incentives from the product development department, as it simplified their development work. This is observed as a self-interest, and was championed by the representative of product development who continuously discussed the disagreements to reach a decision. Correspondingly, it seemed as though the benefits were large enough for the product development department to accept the modifications made to the idea.

5.4.2. Idea B

The fact that this idea had a clear benefit for the organization, but was not presently possible to implement was observed to be the main reasons for it to be ordered to develop further and be looped back to CPIT in the future.

This idea was not accepted because it was determined to not be feasible right now. If there hadn't been any technical knowledge about what can and cannot be done, this idea might have been passed through to the MC or further because it was thought of as an interesting idea. This in turn could have wasted resources since it is not feasible as of right now and was observed as an objective decision. In terms of adoption the objectivity had a negative impact, but for the company the impact was positive.

5.4.3. Idea C

The fact that this idea was influenced by championing and anchoring effects and was affected by some subjective interests, was observed to be the main reasons for it to be adopted.

The idea had been presented at several occasions and by now it had been anchored and certain employees acted as champions expressing positive influence towards the idea in the forums. Also, as the idea was presented with several prototypes there was knowledge and tests available as data for the detailed presentation which enabled the adoption.

During the discussions for this idea it was stated that if this idea was not pursued, this would affect the relationship with a big supplier. The members of the forum might have voted for this idea only to make the collaboration with the supplier work, even if the application of the idea was not clear. This, together with the fact that this idea would be killed if it did not get accepted this time was observed as making the decision subjective, in this case helping the adoption. However, the evaluation of the idea had objective parts as the idea would be evaluated in terms of consumer survey before continuing to be developed. The degree of objectivity was observed as enabling for the adoption, however its effect on the organization is unknown.

5.4.4. Idea D

The fact that this idea had many potential benefits and was based on market-need knowledge were observed to be the main reasons for it to be adopted.

The presentation skills enabled the adoption of this idea, as there were many prototypes available and many benefits were presented. Also, knowledge enabled the adoption of this idea as the marketing department had informed the CPIT forum that the consumer need is genuine for this kind of changes to the product. The statement from the marketing department that developed attributes like these is something to strive for could be seen as a subjective comment affecting the decision. This could also be seen as a self-interest as these new attributes would simplify the sales department's daily work.

The flow transparency was not observed as clear for this idea, since there was input from several different sources and there were presenters from different departments responsible in the different stages. The idea was observed as abstract and the idea and its benefits were interpreted differently among the members of the forums. These different interpretations of the idea were probably because of the several alternative development directions of the idea, and their different benefits, as it was a long-term idea. As it was unclear which of the alternative development directions was in focus regarding the idea, it might have been the concept of change that was evaluated and adopted and not the idea itself. This was observed as enabling for the adoption of the idea, but the effect for the organization is uncertain.

5.4.5. Idea E

The fact that this idea had a strong champion and anchoring effect was observed to be the main reason for it to be adopted. However, because the MC forum did not see the idea as a strategic fit and did not want to prioritize investing resources in this type of product it was placed as a second priority idea for another project.

The idea generator for this idea was a champion, who had been doing much anchoring for this idea. With strong presentation skills the idea was perceived as interesting in the CPIT forum. However in the MC forum, where the champion did not present the idea, the feasibility was not seen as convincing as the idea was deemed to not fit the current strategy. Perhaps the passionate message of the champion was missing, which could imply that the idea might not have survived as long as it did were it not for the champion.

The idea might not have been taken seriously by the MC forum because it included benefits that were not based on their technical knowledge regarding what actually could be done. Also, it was based on the assumption that the new customer segment wanted this product, which was unsure.

This idea might not have been optimal for what was expected in the MC forum, as the attitude was to not invest resources in it. Here, strategy transparency and feedback to the idea generator could have been clearer so that the time put on this idea could have been better utilized.

5.4.6. Idea F

The fact that this idea had a benefit for the organization, was new and considered feasible was observed to be the main reasons for it to be adopted.

The idea would enable lowered production costs for the packaging development department, which is observed as a self-interest that drove the department to push for the idea. Before the added company image benefit was in focus, which was the case in the earlier cycle the idea had made, the packaging development representative lifted the idea in the Ideation phase forums without success. However, this championing behavior paid off when the idea was accepted in the CPIT and MC forums this time. Also, the presentation was observed as a factor enabling the adoption, with an available prototype to demonstrate the idea.

Initially the perceived distance between the packaging development department and the marketing department delayed the adoption. This could have occurred because the marketing department was not part of development of the idea, and therefore found the idea unappealing as it was designed without their knowledge in consideration. However, this did not affect the adoption this time when the additional company image benefit was added and made it easier to communicate the idea, as it now affected the whole organization.

5.4.7. Idea G

The fact that this idea had benefits for the organization and was new for the organization and market was observed to be the main reasons for the idea to be deemed interesting. However, as it was not considered fit for the Ideation phase it was channeled to another department.

This idea was not seen as a product idea and was thus determined to not fit the Ideation phase for product ideas. Therefore the goal transparency was observed as unclear concerning what kind of ideas that fit into this process. Also, the flow structure was hindering the adoption as it was not presented in the right place and it seems that it is no clear flow structure for where non product-ideas should be submitted.

The idea might have been rejected because the right knowledge was not contained in the CPIT forum, concerning tagging. Deciding to not make the adoption decision without the right knowledge was observed as an objective decision, which affected the adoption of the idea negatively. However, how this affected the organization is uncertain.

5.4.8. Idea H

The fact that this idea was presented together with another idea that received more attention was observed to be the main reason for it to be superseded.

The presentation was observed to prevent the adoption of the idea, as the idea was not presented as a central feature when the two ideas (B & H) were discussed simultaneously. The benefits of idea H were hardly mentioned and the focus turned towards idea B instead.

It is possible that there was a misunderstanding once the idea was communicated from the idea generator to the person responsible for presenting at the CPIT forum, thus having affected the interpretation of the idea. The lack of transparency created a Chinese whisper syndrome, where the initial benefits were no longer the center of the discussion. The idea generator was observed to be very enthusiastic about the idea but as there was no transparency, he did not know what was being done to it. If he would have known about the misunderstanding, it is possible that he could have made sure that the Chinese whisper syndrome was corrected and that the idea would have had its space in the discussion.

5.4.9. Summary of factors

Table 5.6., which can be seen below, is created by combining table 4.5. and 5.5. and has the purpose of being a summarizing table for the ideas observed throughout the Ideation phase. Table 5.6. gives an overview of each idea and which preconditions that were observed to affect its adoption. This table will be used as a base for the discussion in chapter 7. *Discussion*.

Table 5.6. Combined table for idea overview and factor effect on idea adoption (Source: authors)

Ideas	Type	Potential main benefits	Origin	Number of times rejected previously	Decision in CPIT	Decision in MC	Structure			Communication			Incentive			Champion	Anchoring	Characteristics			
							Idea Flow Structure	Transparency	Idea Evaluation Structure	Perceived Distance	Knowledge	Presentation	Self-interest	Performance Targets	Resources			Newness	Benefits	Feasibility	Strategic Fit
A	Brand attribute	Flexibility in product development	Product Development Department	0	Adopted	Adopted with modification	+			—	—		+			+		+	+	+	+
B	Pouch attribute	Improved company image	Product Development Department	1	Looped back for development	N/A	+		—		—							+	+	—	
C	Pouch attribute	Visual effect	Research Department	More than one	Adopted	Adopted	+		+		+	+				+	+	+	+	+	+
D	Pouch attribute	Ergonomic effect	Research Department	0	Adopted	Adopted	+	—	+		+	+	+					+	+		+
E	New product	Reach new market	Marketing Department	1	Adopted	Adopted with modification	+	—			—	+			—	+	+	+	+		—
F	Packaging attribute	Improved company image	Packaging Development Department	1	Adopted	Adopted with modification	+			—	—	+	+			+		+	+	+	
G	Tagging attribute	Improved product image	Product Development Department	0	Channelled to other department	N/A	—	—	—		—							+	+		+
H	Pouch attribute	Visual effect	Product Development Department	0	Superseded	N/A	+	—				—				+		+	+	+	+

6. A Proposed Framework of Preconditions for Idea Adoption

Below, the framework of preconditions for idea adoption is presented, which makes up a major part of the results from the empirical study. The framework is supposed to work as a model that can be used to investigate and improve the idea adoption of an organization. This chapter will be covering the factors that build up the framework and how it can be applied. The framework has been developed from the empirical findings in this study, and has been backed up by previous literature that covers the preconditions. Below in Table 6.1. the resulting framework is presented, listing the preconditions as well as the precondition groups.

Table 6.1. The framework of preconditions for idea adoption (Source: authors)

Group-label	Sub-label
Structure	Idea flow structure
	Transparency
	Idea evaluation structure
Communication	Perceived distance
	Knowledge
	Presentation
Incentives	Self-interest
	Performance targets
	Resources
Anchoring	Anchoring
Champion	Champion
Idea characteristics	Idea characteristics

In the following subchapters there will be a definition and brief explanation of each precondition, which is anchored in previous literature, to provide an understanding of the framework and how the preconditions can affect the organization. Idea characteristics, on the other hand, is a precondition that is based on what the company of application consider are desirable characteristics for the ideas. There will thus not be any literature added to that precondition, it will rather work as a checklist to determine whether the characteristics are met.

The framework has the proposed purpose to serves as a tool for investigating a company's idea adoption, and to identify areas of improvement in the organization. The preconditions thus serve as a guidance for areas to investigate. The structure of the framework reflects the level of aggregation for the different preconditions, where the factor with highest level of aggregation is presented first.

6.1. Structure

In the pre-condition *structure*, the focus will be towards those factors that have been identified to potentially affect the idea adoption and that are, in a way or another, related to the structure of the Front End of Innovation. What is common amongst the Front End of Innovation models that have been presented in 2. *Previous Research*, is that they are depicted to look simple and stream lined. The reality may look different from the model that the company is claiming to use, which has proven to be the case for Swedish Match. A simple depiction may give the impression that the NPD process is simple and that the lead time therefore should be short, which might not correspond to reality. There are several benefits that can be obtained if the structure is good, which will be covered below. There are three pre-conditions discovered from the data collection that have been linked to structure, these cover three main areas, consisting of structure in terms of how ideas flow, transparency in how the business is run as well as evaluation structure.

6.1.1. Idea Flow Structure

The idea flow structure is what, in this study, refers to how ideas flow within the company. Literature that has been found to be related to the structure of a company is that of organization design. Even though the main focus for this precondition is not on the same level of aggregation, it provides a context for a company's structure and what it may lead to achieving.

The purpose with organization design has been described as to provide a good fit for structures, processes, systems, work, people, strategy and more informal factors (Oliver Wyman, 1998). The design of an organization can and should bring benefits if it is well designed. A good organization design should accomplish three things according to Oliver Wyman (1998). Those include (1) creating benefits through the sharing of resources, expertise as well as support functions, (2) shape behavior by enabling and motivating people to do the necessary work and finally (3) provide patterns for information processing. The above shows the importance of a well-functioning organization design, but what an optimal organization design is can vary from firm to firm. Despite this variation, there are certain signs that can give hints of a not so well functioning and ineffective organization design. Those signs are according to Oliver Wyman (1998):

- Lack of coordination
- Excessive conflict
- Unclear roles
- Misused resources
- Poor work flow
- Reduced responsiveness
- Proliferation of extra organizational units

The data that has been collected in this study considers the FEI of a company, and it is thus the structure of this phase that is the focus within this precondition. There are different opinions regarding the optimal level of flexibility at Swedish Match. This is consistent with the claim that the fit of Front End of Innovation structure depends on the characteristics of the company (Khurana & Rosenthal, 1977). Thus it is difficult to determine a best practice for the Front End of Innovation. Although Gaubinger and Rabl (2014) claim that a well-defined structure is of importance to provide transparency to enable a better understanding for how processes work and thereby ease the communication and justification of decisions.

6.1.2. Transparency

It has been identified that transparency plays an important role at Swedish Match. The transparency refers to aspects such as how feedback is communicated, as well as how well structure, strategy and goals are communicated to employees. Berggren and Bernshteyn (2007) claim that transparency of goals makes it is easier for employees to understand what kind of contributions that are desired by the company, and it also makes it possible to track the impact that individual contributions have in the organization. It can also help managers, as communication of strategy and goals enables performance to be tracked easier. The bottlenecks are thus possible to be identified to a greater extent (Berggren & Bernshteyn, 2007). A clear understanding and alignment of individual goals are of great importance to execute the strategy (Mankins & Steele, 2005). This supports what has been found through observations and interviews at Swedish Match.

As implied in the analysis regarding the flow structure in chapter 5.2.1. *Idea Flow Structure* it seems to be of importance to keep the structure transparent. This is supported by Berggren and Bernshteyn (2007) who also claim that transparent goals are critical in order to understand how employees' performance is related to that of other employees'. If strategies are not communicated, it can lead to

unrealistic plans being made, which in turn can demotivate and lower the performance of the employees, since they know from experience that plans will not be fulfilled anyway (Mankins & Steele, 2005). A clearly formulated strategy that is broken down in understandable and individual actionable goals will make the work of employees feel important and that they have a purpose (Berggren & Bernshteyn, 2007).

According to Vogelgesang and Lester (2009) there are three major factors that affect the impact that transparency has, namely the understanding of motives, the reduction of vulnerability as well as follower insight into the transparent leader.

6.1.3. Idea Evaluation Structure

As has been stated above, it is of importance to make the decision making process transparent throughout the organization. Another aspect that has been found to possibly impact on idea adoption is how the evaluation of ideas is done. There have been much research regarding on how screening of ideas should be done and much discussion regarding what criteria should be measured. As the result for these studies vary it seems there is no clear model for how ideas should be evaluated, but rather that it should be fit to the specific firm. This is the impression at Swedish Match as well, which makes it hard to determine what an optimal procedure for idea evaluation is. The interviewees and observations has mainly covered the issue of subjectivity, which is the main focus and contribution of this precondition.

6.2. Communication

Communication affects adoption decisions to a great extent as idea adoption is seen as a social process. The precondition group regards those factors that can affect how well an idea, that is communicated, is understood and is perceived by the receiving party.

According to Keyton (2006) groups produce better decisions through communication. The quality of communication among the group members is central to their ability to work together to make high-quality decisions (Mayer, 1998). Even when group members are highly skilled or highly knowledgeable, communication is necessary for the group to perform well (Keyton, 2006). This theory agrees with the concept being used for the framework, as communication allows for ideas to be adopted.

One aspect of group decision-making that Keyton (2006) emphasizes is that many different types of influences affect a group's decision, thus making it more complicated, as each individual member brings a unique set of influences to the group. Group members' moods, motivations, competencies, communication skills and interpersonal relationships are examples of these. In the framework for idea adoption, the factor group called communication covers three main areas, consisting of perceived distance, knowledge and presentation skills. These were the factors identified in the study to be believed to have an impact on idea adoption.

6.2.1. Perceived Distance

In the framework for idea adoption, perceived distance regards a situation when idea adoption is hindered. Many see physical distance as a significant obstacle to good communication (Froggatt, 2001), however usually the perceived distance is far more damaging to work relationships than actual distance (Raghuram, 1998). For example, idea adoption was observed to be hindered due to diverse backgrounds and different ways of thinking within different departments, which led to disagreements on what is the best path for an idea in some cases.

New ideas can come from anywhere, within or outside the department or organization. When it comes to absorbing external knowledge for innovation, the most frequently mentioned bias influencing

individual decision-making is the Not-Invented-Here-Syndrome (NIH). It can be explained as an attitude-based bias towards knowledge derived from a source or contextual background that is considered outside or external from the perspective of the individual (Kostova & Roth, 2002). NIH implies that individuals have a general negative attitude towards such knowledge or ideas of external origin (Burcharth, Knudsen & Søndergaard, 2014). For an innovating organization, this bias can become economically negative when knowledge is rejected or underutilized despite being of considerable potential value to the organization (Lichtenthaler & Ernst, 2006). In Swedish Match, it was stated that NIH could occur if there was not enough cross-collaboration between the departments informally.

6.2.2. Knowledge

For the framework for idea adoption, impact from knowledge regards a situation when idea adoption is enabled or hindered because of two major reasons. One reason regards the idea generator, when this person has based the idea on sufficient or insufficient knowledge. The other is when there is sufficient or insufficient knowledge available in the organization to develop an idea or to make well informed decisions about it.

An organization that is systematically able to identify, capture, interpret, share, reframe, and recodify new knowledge, to link it with its own existing knowledge base and to put it to appropriate use, can better handle the NPD process (Barnsley et al., 1998). Also, for an employee to be competent in his or her own task, specialized technical, commercial, or industry-specific knowledge is required (Clark & Walker Johnson, 2010). This literature supports the two reasons for when knowledge affects idea adoption.

The structure a decision maker uses to construct an understanding of a problem or opportunity is called perspective, which is biased by knowledge, background, experiences and assumptions among other things (Adam, 2008). Difficulties in understanding, or cognitive constraints, can occur when the decision is more difficult to understand for the individual making the decision (Keyton, 2006). This could occur if there is a lack of knowledge, and has been observed in the study at Swedish Match.

6.2.3. Presentation

Impact from presentation regards a situation when idea adoption is enabled or hindered due to the quality of the presentation of an idea. The level of quality is decided on in relation to the other presentations performed in a forum.

Campbell et al. (2001) state that presentation skills are important in professional life. The ability to communicate to groups of people can make a critical difference in individuals' ability to share information, ideas, experience, and enthusiasms with others (Alessandra & Hunsaker, 2005). Keyton (2006) reasons that individuals need to be capable of generating and presenting reasons for a position they support, to be able to convince others. This is closely related to the findings regarding the definition of idea adoption. If an idea could not sufficiently be explained through a presentation, it is likely that the potential of the idea is not understood by the receiver.

6.3. Incentives

Incentives should affect adoption decisions as idea adoption is performed by individuals, groups or forums as such. For the framework it regards those factors that can have an effect on how an idea is perceived by the adopter, and are thereby factors that affect an individual's incentives to adopt a certain idea.

When discussing the process of adopting innovations in an organization, incentive refers to an individual's beliefs about the benefits or consequences of adopting an innovation (Talukder, 2014). Therefore if the adoption of an innovation is believed to result in favorable outcomes for the employee, then the employee will be more likely to adopt (Talukder, 2014). For idea adoption, it is observed that the same individual beliefs that Talukder mention can be applied. This is since an idea, as argued in sub-chapter 2.1.1., has the potential to become an innovation and can thereby hold the same benefits or consequences. Significantly, Atkin et al. (2014) claim that a misalignment of incentives within the firm is an important barrier to the adoption of innovations. Therefore a misalignment of incentives should be a barrier for idea adoption as well, as idea adoption is a social process where individuals' beliefs affect the adoption decision.

In the framework for idea adoption, the factor group called incentives covers three main areas, consisting of self-interest, performance targets and resources.

6.3.1. Self-interest

This factor regards a situation when an individual enables or hinders idea adoption because of his or her self-interest. This happens when an employee believes that the idea will bring benefits or consequences to him or her personally or to his or her department, and therefore the individual acts accordingly. The theory states that self-interest is something that originates from an individual's attitudes, but the framework for idea adoption also includes the attitudes at a department level, as are observed to affect the individual.

An individual's attitude influences how that individual processes and evaluates information (Petty & Wegener, 1998). Attitudes guide thinking, decisions, and behavior and are likely to lead to biased decision-making (Ajzen, 2001). People are to some extent egocentric, which can affect the individual's or group's decision if one or several members have a personal or hidden agenda (Keyton, 2006). Therefore, if the innovation meets an identified need by the adopter inside an organization, (s)he is more likely to adopt it (Wejnert 2002). Using the reasoning above, Wejnert's (2002) theory should be applicable for idea adoption as well.

One type of attitude, called the utilitarian attitude, supports the obtaining of positive outcomes and prevents negative outcomes from the perspective of an individual (Bohner & Dickel, 2011). This means that individuals often seek and select information that confirms and supports their personal beliefs and attitudes (Munro & Ditto, 1997).

6.3.2. Performance Targets

Performance targets was stated as one of the factors affecting idea adoption at Swedish Match. For the framework it regards a situation when an individual enables or hinders adoption, based on the idea's believed effect on the performance targets that the individual is affected by. If the employee believes that an idea will enable or prevent him or her to reach certain performance targets, set in his or her department, (s)he will act accordingly in the adoption decision.

One aspect of group decision making that Keyton (2006) covers is that all decisions are made within a system of constraints (Keyton, 2006). Individuals within groups are constrained by external forces, which is one of these constraints emphasized by Keyton (2006), such as deadlines or budgets and the preferences of the executives who will evaluate the group's decision (Keyton, 2006). Different departments within an organization have different performance indicators (Pollock, 2007). This means that departments may value different effects of an idea as positive or negative, which could at times encourage/discourage them from supporting some decisions. In the interviews it was stated that departments have focus differences, as mentioned in table 4.3, meaning that one department will

focus on cutting cost and development/production time, while another will focus on increased consumer value that might not necessarily decrease cost.

Performance targets are also referred to as assigned goals, quotas, performance aspiration levels or performance indicators that support managerial actions (Latham, 2004) or differentiate success from failure (Lopes, 1987). They can also be used for motivating specific behaviors and evaluating and rewarding performance (Franco-Santos and Bourne, 2009). Norris and Poulton (2008) emphasize that performance targets affect decision making, in terms of informing decisions and actions by tracking and aligning progress against these.

6.3.3. Resources

For the framework for idea adoption, resources regard a situation when idea adoption is hindered because the organization does not have enough resources or does not want to spend resources on the idea. A basic principle is that resources help increase the efficiency of firms (Barney, 1991) but resources can also allow the creation of competitive advantages through innovation (Ahuja & Katila, 2004). According to Soliman (2005) innovation will not prosper if resources are in short supply, as innovation requires a certain amount of unassigned resources beyond those needed for routine functioning (Soliman, 2005).

However, Soliman (2005) also states that even when there are extra resources available, resources can still act as a barrier to innovation. According to Cooper and Edgett (2008) most companies do a poor job of ranking and prioritizing development projects. Assigning resources for innovation is a great challenge for many organizations (Chandra et al., 2012), and can in some cases result in internal conflicts that can be very disruptive to the NPD process (Soliman, 2005). This has been observed and agrees with the situation at Swedish Match as the organization wants to be innovative, and not prioritize ideas formally.

6.4. Anchoring

When talking about anchoring at Swedish Match, interviewees refer to the action where an idea generator establishes support for an idea prior to a decision point. This can either be by affecting a stakeholder's opinion regarding an idea or to influence a decision by providing certain information to the stakeholder. Anchoring, as referred to in literature, describes how a certain individual's decision can be influenced by information that is received before the decision is made. Furnham and Boo (2011) call it Anchoring Bias and describes it as the lack of adjustment to the final decision so that it is assimilated towards the starting point of the decision maker. Literature that refer to anchoring thus only cover half of the definition of anchoring described at Swedish Match.

The impact of what literature refer to as anchoring seems to be significant. Tversky and Kahneman (1974) claim that, if the decision maker is presented with information before a decision is made, it is likely that the final decision will be based on the initial information, which then will serve as a starting point for the decision. That is if the decision maker is not presented with additional information before the decision that may affect the outcome. There have been numerous experiments to determine the effect that anchoring may have on decision making (Tversky & Kahneman, 1974) (Mussweiler & Strack, 2001) (Chapman & Johnson, 1999). The test regards an uninformative piece of information, information that has nothing to do with the question, being presented before the question is asked and that this nonetheless has an effect on the decision. The above implies that a decision maker can be affected depending on what kind of information is presented to that person prior to the actual decision.

The other aspect referred to as anchoring at Swedish Match, has been connected to what is referred to as buy-in by Kotter and Whitehead (2010). The procedure is described as when a sense of shared

ownership is created with stakeholders, who are involved in the decision process, by creating a buy-in from them ahead of when the formal decision is made (Kotter & Whitehead, 2010). If a stakeholder buys-in on an idea, it is likely that they will feel as if they have a stake in the idea as well and will therefore support and push for the idea to be approved. By letting the stakeholders have opinions about the idea, they can feel more involved as well as provide important feedback for the idea that the idea generator might not have thought of (Kotter & Whitehead, 2010). The precondition which is named anchoring in this study will thus include what literature refer to as anchoring as well as buy-in.

6.5. Champion

For the framework for idea adoption, a champion can enable adoption by promoting an idea positively, and by not backing down when the idea is sent back for further development but instead trying again. A champion does not have to be an idea generator, it can also be an employee praising the idea or even several employees positively affecting the adoption.

Champions are defined as individuals who informally emerge to make a significant contribution to the NPD process by actively and enthusiastically supporting the innovations progress through the critical stages of innovation (Schön, 1963), namely idea generation, idea promotion and implementation (Howell & Boies, 2004). The champion has a vital role in the process of innovation according several innovation researchers (Madique (1980), Buswick (1990) and Kessler (1996)) and a bold statement by Schön (1963, p. 84) is that "the new idea either finds a champion or dies". This shows the importance of a champion for ideas according to theory, which is anchored together with the empirical findings where it was stated that "without passion, others cannot become passionate".

In Markham and Griffin's (1998) study the champion impact on firm-level performance was found to be indirect rather than direct. Also, their research did not demonstrate that higher levels of champion support lead to generally more successful NPD. Similarly, Howell and Shea (2006) identified that innovation champions had an indirect positive impact on group performance. In the idea adoption framework, the impact of preconditions is either enabling/hindering/not observable, and therefore the indirect/direct effect of champion will be viewed upon as enabling.

6.6. Idea characteristics

The precondition *Idea characteristics* has been split up into four sub-categories. This precondition rather works like a checklist due to the character of the parameters, which are more of a yes or no-character. What these parameters mean for idea adoption is heavily dependent on what characteristics the specific company desires. Below, the kind of questions that the four parameters may determine are described briefly.

Newness – Is the idea perceived as new for the company or the market? Does the idea have the potential to become an innovation?

Benefit – What kind of benefits does an idea need to bring in order to be considered desirable? Does it bring benefits to the customer? To the consumer? Or does it bring benefits internally to the organization?

Feasibility – Is the idea possible to actualize in financial terms or is it too expensive? Does the company have the technology that is needed to actualize this idea? Is the technology needed to implement this idea even invented yet?

Strategic fit – Is the idea aligned with the overall company strategy? Is it in line with the innovation strategy?

7. Discussion

Below, the implications of the findings and the analysis will be discussed further. The focus will first be toward the concept of idea adoption, followed by the structure of the Front End of Innovation as well as a deeper discussion regarding the suggested preconditions for idea adoption. Finally there will be a discussion regarding potential generalizations of idea categories.

7.1. What is Successful Idea Adoption?

In this study, the focus has been towards investigating which preconditions there are for idea adoption, based on the case of Swedish Match. The result has been a framework with preconditions that have been derived from empirical data. The framework thus covers those factors that have been proposed to potentially have an impact on idea adoption. Thus theoretically, if a company was to optimize all factors in favor of idea adoption, it could result in them being able to get as many ideas approved as possible throughout the Ideation phase. A question to be asked at this point is: What do we consider successful idea adoption?

Adopting as many ideas as possible is not necessarily a good thing. That could lead to an amount of ideas being approved that is not proportional to the amount of resources that are available, leading to insufficient resources. This is common for many companies as there are often many projects in progress despite limited resources, and that there are too many low-value projects ongoing (Cooper & Edgett, 2008). This can happen if prioritization is not done, for example in the MC forum, and thus lead to a deficit of resources. By not prioritizing at the MC forum, the prioritization decision is potentially passed on to those carrying out the work, because they have to prioritize their own resources in terms of people, time and money supplies. The result would then be that there are employees, possibly not involved much in strategic planning of the company's future, who make the prioritization of what ideas that should be pursued.

What is considered successful idea adoption may vary from company to company, which is in line with the reasoning of Khurana and Rosenthal (1977) regarding that FEI should be fitted depending on the company. If the goal is to get the NPD process going and to increase the creative culture, one approach could potentially be to adopt many ideas in order to increase motivation of the employees and give the impression of an innovative atmosphere. As mentioned above, this can have impact on the available resources and how projects are prioritized.

A different company might want to be as efficient as possible and fully utilize the available resources in an optimized way. For this purpose it could be of interest to only adopt ideas that are promising and that only the best ideas are prioritized to develop. As it is difficult to foresee what projects that will be successful, this kind of adoption can be difficult to apply in real life. Although if the preconditions that are provided in the framework are optimized for this purpose, it should be possible to reach this goal.

Because the framework of preconditions for idea adoption take *idea characteristics* into account, unwanted ideas should be prevented to be adopted. That is, if it is pre-determined what idea characteristics are desired. Other preconditions such as *idea evaluation structure* can help prevent unwanted ideas from passing the screening process, and thus will not allow them to get adopted, if it is structured in an effective way. This will be closely connected to how the screening of the ideas are done and what parameters that are chosen as screening parameters.

7.2. How to Structure the Front End of Innovation

As explained previously, we chose to look at the Ideation phase at Swedish Match, which can be seen as their Front End of Innovation. As presented earlier, the Ideation phase is depicted deceptively

simple and may affect the expectations for Ideation phase. When the actual flow of ideas is mapped out, it is possible to understand the phase's complexity and potential lead time, which may enable more realistic expectations.

When the empirical data was collected at Swedish Match, it was clear that the opinions differed regarding what degree of flexibility is optimal for the ideation phase. Some advocated an organized and formal structure, while others advocated more flexibility. From performing the interviews, it is thus not clear whether a more strict or flexible structure is desired, which is consistent with the literature on the area of Front End of Innovation. It is proposed that there is no best practice regarding what kind of Front End of Innovation is the most successful and that the fit of FEI-framework depends on the company (Khurana & Rosenthal, 1977).

Due to the divided opinions in the case of Swedish Match, it is unclear how the Front End of Innovation should be developed. The literature on the subject FEI mainly focuses on presenting pre-developed frameworks that can be used as they are, but there is little written about how a Front End is developed to fit a specific company. As has been argued above, there is no clear answer regarding what is right and wrong, rather that it has to be fit to the situation. Although, based on the findings in this study, it is likely that Swedish Match would benefit from a more formal structure that remains flexible.

In a relatively big company, such as Swedish Match, trying out different structures can be costly in terms of time and money and the results and performance of the new structure may not be simple to interpret and thus hard to compare with a previous structure. To restructure the whole ideation phase is likely to take much time for development as well as implementation, without knowing for certain if it will be a success or not.

Something that might help is a workshop or brainstorming session arranged by the members of the Ideation forums with employees involved in the Ideation phase, to elaborate upon the structure of the Front End of Innovation. Where the conclusions and findings from this report can be used as a base for the discussion. The purpose of this would be to investigate more specifically what parts and aspects of the ideation phase that are considered too structured or too flexible today, and to find a solution that is not too cumbersome to implement. It is possible that the parts that are considered too structured are not the same as those which are too flexible, making it possible to solve these issues without a conflict of interests. The structure of the Front End of Innovation will be discussed further in the precondition named *Idea Flow Structure*, in chapter 7.3.1. *Structure*.

7.3. Reflections on Preconditions for Idea Adoption

Each of the factors in the framework of preconditions for idea adoption will be discussed in more detail below. An initial general discussion will be focusing on the impact that each precondition has had on idea adoption, in the case of the eight ideas that have been followed throughout this study. The discussion of the framework will be put into context of literature to explain and investigate the implications that the preconditions might have in an organization, and is translated into how it can affect idea adoption.

7.3.1. Idea Flow Structure

Idea flow structure has partially been covered above in the chapter 7.2 *How to Structure the Front End of Innovation*, but will be further elaborated on below with support from literature. As established earlier, the Ideation phase at Swedish Match can be seen as their Front End of Innovation.

There are different opinions whether the Front End of Innovation should be well structured or not. According to Gassmann and Schweitzer (2014) it is of importance to keep the Front End of Innovation structured so that there are clear decision points and control mechanisms as well as being able to

justify and communicate decisions. However not too structured in order to avoid limiting the flexibility and creativity of the projects. Gassmann and Schweitzer (2014) also emphasize the importance of allowing for iterations to happen for those projects that require it. If the structure is too loose it may affect the Front End of Innovation process in a negative way, but at the same time, if it is too strict it may have a negative impact on creativity. Nobelius and Trygg (2002) advocate a use of several Front End models as they claim that there is no use to develop a single static Front End, to be able to deal with flexibility.

Mootee (2011) advocates a formal and structured Front End of Innovation process. He claims that formality and structure allows an organizations to increase their value and speed, as well as increase its ability to succeed with projects. Yet others such as Gaubinger and Rabl (2014) as well as Quinn (1985) discuss how the presence of chaos can allow for creativity to be fully expressed. Another factor to take into account is whether or not the structure should be iterative or sequential. As there are positive and negative aspects with both, there are many researchers who try to combine these two. Swedish Match is likely to benefit from a more formal structure, assuming that it remains as flexible as it is today. This will allow for a better understanding of the idea flow and a clearer transparency within the company regarding expectations, feedback and standards.

As can easily be understood from the reasoning above, there is much ambiguity regarding how the process should be structured. Gaubinger and Rabl (2014) therefore emphasizes the importance of fitting the Front End of Innovation according to the specific company context. A well-defined process is of importance to provide transparency to enable a better understanding for how processes work and thereby ease the communication and justification of decisions (Gaubinger & Rabl, 2014). The impacts of transparency will be covered more in detail in the next sub-chapter.

Regarding the effect that *Idea Flow Structure* has on idea adoption, it is difficult to draw any conclusions. In the analysis of the ideas that have been followed, the *Idea Flow Structure* is something that have been considered to enable idea adoption, as can be seen in Table 5.5. The reasoning behind it being that without a structure there would be no path for ideas within the organization and thus it would be very few adopted ideas. Even though there are no formal mappings of the flow, most of the time the structure is clear enough for an idea to be passed on to the next stage. Ultimately it is difficult to determine how good the structure actually is, because in those cases where the structure has been insufficient the ideas likely die at an early stage. Thus not being possible to be covered in this study. Therefore there might have been additional ideas that would have been possible to study if the structure would have been better.

7.3.2. Transparency

Having a well-designed structure may have little impact if employees are not aware of it and therefore do not follow it, thus making it an important factor. Without a clear image of what the future holds, the lower level employees may not clearly know what is expected from them and can therefore not make executable plans (Mankins & Steele, 2005). In addition, it is also important that leaders are transparent with their actions and decisions (Vogelgesang & Lester, 2009). A lack of transparency was observed to be the case among several employees at Swedish Match, as these have submitted ideas that did not live up to the expectations of the Ideation phase forums. Feedback regarding this did not reach back to idea generators in some cases and was thus potentially a source of frustration for them.

There are numerous potential benefits that transparency can bring. It allows employees to better understand their role in the firm and what is expected from them, which in turn allows them to focus more on what they are supposed to and get them more engaged (Vogelgesang & Lester, 2009). It will also let the employees put more trust in the leaders because they feel more involved and they know what decisions are made by the leaders and why. Transparency allows for employees to understand

the importance of creativity and innovativeness to the firm (Vogelgesang & Lester, 2009). If that is understood, it is much easier for the employees to experiment with ideas, without the fear of failure.

Building on the previous paragraph, transparency is an important factor for a creative atmosphere and can allow for more daring ideas to surface, than otherwise would be possible when a fear of failure exists. In addition to that, transparency will make it easier for employees to understand what kind of ideas that are of greater interest to the firm and can thereby ease the possibility to work according to the innovation strategy. Feedback is one factor that is important in transparency and can have profound effect on an innovative firm (Vogelgesang & Lester, 2009). In summary, Swedish Match should put efforts on transparency to keep employees engaged and involved in the Ideation phase, as well as provide feedback to those employees submitting ideas to allow them to bring new ideas fit for the future direction of the organization.

If the engagement, trust and creativity is improved it allows for positive impact on the performance of the firm. The impact of these three factors is difficult to measure, although it is fair to believe that they can be significant. Engaged, trusting employees that are allowed to be creative are more invested in their work and often report a high level of job satisfaction, which also speaks in favor of increase of performance. (Vogelgesang & Lester, 2009)

Transparency at Swedish Match has been observed as a factor that either has no effect on the adoption or hinders it at Swedish Match. Mostly in the aspect of limited feedback and possibility to follow as well as championing ideas. As has been found in literature and empirical findings, transparency has a clear advantage for the idea adoption process. It has been difficult to observe direct effects from transparency, but is rather something that has been observed in retrospect. It has also shown to have an impact of the motivation and creativity of the idea generators, which may affect the NPD process in a negative way.

7.3.3. Idea Evaluation Structure

If the method for evaluating an idea allows for too much subjectivity, it is a risk that an idea is chosen solely due to someone having a personal interest in the idea, rather than thinking about the success of the firm (Baker & Albaum, 1986). It could for example be a champion forcing through his or her idea, and possibly even that it is someone with authority who misuse their power. Objectivity will decrease the risk that an idea continue through the NPD process based on a gut feeling or personal interest (Baker & Albaum, 1986).

At the same time, in some cases, the only data available at a screening stage may be in terms of subjectivity through the managements' opinion (Linda Rochford, 1991), although this kind of subjectivity does not seem to refer to that of self-interest. So even though the decision is based on someone's opinion, it is objective in terms of what is in the interest of the company. Thus objectivity can serve to provide a fair evaluation of ideas.

Without formal pre-determined factors for what a good idea is, it can be hard to compare ideas as well as to keep an even level when evaluating ideas. In the case of Swedish Match, it was observed that subjectivity sometimes helped the idea to be adopted. The question though is whether or not the idea would have been adopted if the evaluation would have been more structured. It is possible that some of the ideas were adopted because certain individuals spoke in favor of that idea, and even though this helped the idea getting adopted, it might not be optimal for the company because there is little evidence whether or not the idea will be a success. That being said, objectivity may hinder some ideas from being adopted, but if the right evaluation factors have been chosen this is likely to be for the greater good for the company. Although there are situations when it is difficult to evaluate an idea by using a fixed set of parameters, since ideas may differ significantly, and thus may call for

some flexibility in the evaluation procedure. As stated by Linda Rochford (1991), sometimes subjectivity can be helpful if based on experience in certain situations where objectivity is not possible for some reason.

In the case of the eight ideas followed at Swedish Match, subjectivity has enabled idea adoption of some ideas. This has been due to the fact that employees, with an influence, have promoted and anchored ideas with the other participants of the forums. This has made the participants of the forums perceive the ideas from a certain angle which affected their decision. The decision was thus influenced by subjective opinions from participants at the forum, possibly making the decision more positive than it would have been with a more objective evaluation. Whether or not this was good is difficult to assess this early in the NPD process. The success or failure will be determined in later phases of the process.

7.3.4. Perceived distance

Perceived distance was observed in the study as a factor that to some extent affected the adoption of the studied ideas, and always hindered the adoption when there was an observable impact. This could mean that a perceived distance between two departments only can hinder the idea adoption when it is present, but not act as an enabler when it is absent.

The Not-Invented-Here syndrome can have a negative economic effect, when new knowledge in the shape of an idea is rejected, despite being of considerable potential value to the organization (Lichtenthaler & Ernst, 2006). The NIH was observed to occur when one department's idea strongly affected another department's daily work. In the two observed cases, this affected department was the marketing department, and perhaps this was because this department is one of the few departments that is not located in Gothenburg. It has been stated in several interviews, as well as been observed that the perspectives between some departments differ and the communication between them has room for improvements.

A concept called *perspective taking* refers to adopting multiple perspectives and to work collaboratively with other employees (Parker & Axtell, 2001). It also involves seeing and understanding organizational and environmental events from multiple rather than single perspectives (Parker & Axtell, 2001), which could improve the situations where the adoption has been hindered by the perceived distance between two department. Parker and Axtell (2001) reported that perspective taking was positively related to employees' contextual behavior, that is, cooperative behaviors towards others.

Parker and Axtell also propose that, to be able to take perspective one needs an integrated understanding and a flexible role orientation (Parker & Axtell, 2001). Integrated understanding refers to the appreciation of the complexity of knowledge regarding the work environment from which a new perspective is taken. Whereas flexible role orientation concerns how broadly individuals interpret their role in terms of ownership and accountability. This would allow different departments to change their attitude towards other departments and adjust their ownership and accountability from an individual or departmental focus to a forum or organizational focus.

Perceived distance is a factor that should be avoided to make the best decisions for the organization. Earlier the perspective of the idea generator has not always been understood when new ideas were presented. Likewise, ideas that have not taken other departments' perspectives into consideration will create misunderstandings and have met obstacles when being adopted. Understanding of the perspective of other departments will improve the communication of the forums and minimize frustrations and disagreements. Therefore it is suggested that efforts to minimize the perceived distance should be attempted by Swedish Match.

7.3.5. Knowledge

When observing the adoption decisions for the studied ideas, it was observed that *knowledge* was a factor that was present in the adoption decision for all ideas that were discussed. In all ideas studied where the adoption decisions were enabled by the factor knowledge, these were adopted without modification. Reversely, in all ideas where the adoption decisions were hindered by the factor knowledge these were modified or not adopted.

The findings in the analysis is in line with the statement by Clark and Walker Johnson (2010), that knowledge is required to be competent at one's task. In this case this means being able to explain the potential of an idea, which was observed to enable the adoption. Several ideas that were observed did not meet the expectations of the forums as they were not based on the necessary knowledge.

The potential of some ideas was not understood as the right knowledge was not available in the forums or the organization. This concerns Keyton's (2006) cognitive constrains and was something that was seen in several of the cases when an idea was modified or not adopted. One idea was channeled as there was not enough knowledge and information in the forum to make a good decision. Also, several ideas had been rejected previously which could indicate that these ideas had possibly been misunderstood.

As Barnsley et al. (1998) stated, an organization that can handle new knowledge well and connect it to its knowledge base will handle the NPD process better. For knowledge to circulate it depends on interpersonal networks and will spread only if social features are taken into account and knowledge barriers are overcome (Greenhalgh et al., 2004). Therefore Swedish Match's different departments' employees may need to meet more often in different settings and exchange knowledge, so that new ideas can be handled better and areas unknown to the organization can be entered.

According to Clark and Walker Johnson (2010) cross-competency development should provide employees with a practical awareness and understanding of the knowledge required for successful performance in another department or practice group (Clark & Walker Johnson, 2010). This type of organizational training means investing time, effort and resources in the employees and might help Swedish Match to turn what has previously hindered adoption decisions, because of insufficient knowledge, into the enabling of future adoption decisions because of sufficient knowledge.

Knowledge is a factor in idea adoption that is has been mentioned in interviewees, as well as has been observed, to be important. Although the adoption might be hindered by limited knowledge, the organization should benefit from acting on its knowledge base and gather more knowledge before proceeding with an idea in new areas. However, this might delay the adoption for radical ideas as those are often outside of the organizations frame of reference (Gioia, 1986), with high market- and or technical uncertainties (Leifer et al., 2001).

7.3.6. Presentation

Presentation often worked as an enabler for idea adoption, and was rarely observed to hinder it. Also, all the ideas studied that were considered to have a high quality of the presentation, were adopted.

Several studies have been made concerning how presentation skills affect decision making, and which skills are more important when presenting. Clark (2008) identified five factors that affected the decision of business angels to invest in a start-up company. In this case an investment can be seen as an adoption as the business angels decide to support the entrepreneur, even though an adoption cannot always be seen as an investment as one can adopt without investing stake in an idea. The identified factors were clarity and understandability of the presentation, level and type of information

provided, persuasiveness of the presentation and presenter, personal characteristics of the presenter and the presentation structure (Clark, 2008).

The majority of the factors stated by Clark (2008) are in line with what has been observed in the study. The fact that understanding the potential is part of the definition of idea adoption, can be supported by the first factor. In the study it was observed that prototypes and extensive knowledge enabled the adoption further, which is in line with the second factor. The third and fourth factors are personal factors and can be related to the championing behavior. However the fifth factor, presentation structure, has not been observed to have any effect as the presentations observed have been of a shorter nature.

All the ideas presented in the study that had prototypes were adopted. This arguably means that ideas that have been developed to a certain level, with available prototypes, have better chances to succeed than ideas that are less developed. This relates back to the *Analysis* sub-chapter 5.2.1. where it is mentioned that different departments had different understanding of how much an idea needed to be prepared before entering the CPIT forum. This difference in understanding can hinder the adoption of those ideas that are less developed than others, and relates to the discussion about transparency.

The importance of the factor *Presentation* has been observed in the empirical study as well as suggested in theory. A well performed presentation should enable the understandability of the idea, which will allow the organization to make beneficial decisions. A poorly performed presentation could hinder the adoption, as stated in several interviews, and might kill an idea with high potential that is not communicated understandably.

7.3.7. Self-Interest

Having a self-interest has been observed to enable idea adoption. All the ideas that had the precondition *self-interest* present, was adopted. However, it proved to be very challenging to observe these factors as they are individual for the members of the forums and typically not revealed to the observer.

According to Talukder (2014) employees' value decisions that lead to personal achievements, which in turn could lead to individual benefits career advancement. Guth and McMillian (1986) found that managers were prepared to intervene in organization decision processes to protect their self-interest, in their study of organizational decision-making processes. This was even observed when such decisions had an impact beyond the managers own departments. This type of behavior has not been observed in this study, however this may be because prior to adoption there might not be much at stake for the individuals in the forum. Also, this type of observation would require a longer time frame and another type of study.

Self-interest can affect the adoption decision in a good way as it can bring fourth championing behavior, making the employee work with passion and dedication. The egocentric behavior, as mentioned by Keyton (2006) was observed in a few cases, where the idea has had the possibility to simplify a department's daily work or save resources for the organization. Acting on self-interests could also have a negative effect on the organization, if the self-interests contradict the interests of the organization. However, these negative effects can be hard to prove and has not been observed in this study.

7.3.8. Performance targets

Performance targets have not been observed to hinder or have any effect on the studied ideas' adoption decisions. Perhaps this is because most ideas are adopted today, as identified in several interviews and also observed in the forums. There were not many observed constraints for the

adoption decision, and because there are no constraints at the moment there is little prioritizing made in the discussions regarding which ideas that are more important than others. Also, because adoption decisions in this early stage might not always clearly indicate how they will affect the different departments' situation the performance targets might therefore have a smaller impact later on in the adoption decision.

Several organizational theorists have looked at the effects of performance targets on behavior and performance. Kahneman and Tversky's (1979) prospect theory aims to describe how decision makers decide on which action to take depending on how they perceive their performance to be. The theory suggests that when decision-makers believe that their performance is above target, they will behave in a risk-averse way as they do not want risk their gains. On the other hand, when decision-makers believe that their performance is below target, they will be more willing to take risks as they could benefit from that behavior (Kahneman & Tversky, 1979). This risk-taking behavior was not observed to affect the adoption decisions in the study. This might have been for several reasons, one was that it was not studied how well the different departments were meeting their performance targets. Therefore it was hard to observe if risk-taking behavior was higher for these departments. Also, adoption does not require much stake from the adopter, usually only support. This could indicate why risk-taking was unnoticeable in these forums. However, there was an observed idea that was observed to be partly adopted because it could affect a supplier relationship if it was shut down. This low risk-taking behavior could indicate that because the organization is doing well right now, it was more risk-averse in terms of risking to jeopardize relationships.

Latham (2004) has identified a set of downsides and risks of using performance targets. For one, when targets are set for any single dimension of performance, other dimensions will be sacrificed and trade-offs will occur. Also, unethical behaviors can occur if employees are forced to achieve difficult targets in environments where target failure is severely judged (Latham, 2004). As the individual performance targets of the departments have not been studied to a profound extent, it is undetermined if the targets were set too high or too low to have an effect on idea adoption.

Even if performance targets have not affected the idea adoption in this study, it has the potential to affect the adoption decision. If performance targets would have had an effect on the idea adoption at Swedish Match then perhaps more prioritizing would have been made and the organizational innovation work more focused on a smaller amount of ideas. This would then hinder the adoption, but would be regarded as positive for the organization.

7.3.9. Resources

Resources were observed to have a limited impact on the adoption decision in the study, and when it did have an impact it hindered the decision. As has been discussed previously, there were no evaluation parameters used in the forums and limited prioritizing was done to make the adoption decision. This means that the factor *resources* had a low chance to impact in the decision in the case of Swedish Match's idea adoption.

According to Soliman (2005) innovation will not prosper if resources are in short supply. In the case of Swedish Match, resources might be sufficient enough to not hinder innovation and therefore not force the organization to prioritize, which can be a reason why resources have not affected many decisions. It could also be because adoption decisions in this early stage are not yet closely tied to development and implementation matters and therefore resources available might have a smaller impact in the Ideation phase than in later phases on of the NPD process.

There are often too many projects in progress for the limited resources available, and portfolios contain too many low-value projects (Cooper & Edgett, 2008). Also, most executives fail to separate

today's and tomorrow's needs, and as a result when resources are limited, acting in today's business interests takes priority over innovating for the longer term (Chandra et al., 2012). The low level of prioritizing was clearly observed in the decision forums for idea adoption, and several interviewees stated that the ideas discussed had a low level of innovativeness. One reason for this can be that simpler ideas, related to the needs of today are easier to create and discuss. The unknown needs of tomorrow are perhaps left unattended or might not seem fit for the Ideation process when they enter it for the first time. The fact that many organizations struggle with having limited resources for too many ongoing projects, is something that Swedish Match should be aware of. If most ideas are passed on from the Ideation phase then there is a risk that it will be hard to perform well in creating innovations in a focused and effective manner.

Resource allocation is usually carried out with a strong influence from the existing frame of references, as these have been a useful guide in the past (Bessant et al., 2010). Thereby, a hidden bias exists (Bessant et al., 2010), which the idea generators who are offering more radical ideas need to overcome. This was observed for a new product idea that was not seen as a fit for the current strategy on its own. Therefore, even when there are enough resources available, ideas too far outside of the frame of references for the organization will have a hard time.

Even if *resources* did not affect the adoption decision for many of the studied ideas this time, the factor has the potential hinder adoptions. Using more prioritizing in the forums would allow for a better focus, which could affect the organization positively even if it hinders the adoption of some ideas. Resources also have the potential to hinder the adoption of more radical ideas, as they might not be within the original frame of references. This is something that the organization should keep in mind when deciding what kind of ideas they want to strive for.

7.3.10. Anchoring

Anchoring can be used for both good and bad in an organization. One example could be an idea that has great potential, but is denied because there are no stakeholders with a stake in the adoption the idea, and that it is not correctly evaluated because the starting point of the decision is off. In that case anchoring and creating buy-in can be used in a positive way, since it will allow for the decision makers to understand the potential for the idea. On the other hand anchoring and buy-in may throw off the decision makers' judgement, letting them approve on an idea that they otherwise would not. It can thus be used if there for example is someone who wants to get an idea adopted, that would be beneficial for that person, that otherwise would not be adopted. In that case, it may have a negative impact on the overall company performance, even though it enabled idea adoption.

The effect seems to depend partially on the position of the person who tries to anchor something. The higher the rank, the more effective the anchoring gets. That being said, what is being anchored has to potentially make sense, because if it is too farfetched or regarding a question within a familiar area, anchoring can be less effective. According to Brouwer et al. (2006), the anchoring effect will be stronger in those situations where high ambiguity and low familiarity is present and the information comes from a trustworthy source as well as seems plausible.

The ideas that have been anchored at Swedish Match have been accepted in those forums where the champion was present. Although in the cases where the idea champion was not present, the effect of anchoring was observed to not be as effective. Thus in order for anchoring to work, it may be beneficial that the person who has anchored the idea is present when the decision is made. Anchoring has not been observed to hinder the adoption per se. However, the lack of anchoring can create a Chinese whisper syndrome when the idea travels between responsible presenters and the original message can be distorted. Therefore it can indirectly hinder adoption.

7.3.11. Champion

Championing was observed to enable adoption in the study, but was never observed to hinder it. Correspondingly, all ideas where championing was observed as an enabler were adopted.

Although several field and case studies support Schön's (1963) argument that innovation success is closely linked to the presence of a champion, much evidence lacks specification in what roles champions play in different organizations (Howell et al., 1990). In the study it was observed that champions enabled the adoption, but the factor was not determined to be required for idea adoption to be successful as Schön (1963) states. However, nothing can be said regarding what will happen to the ideas in the next phase, as they might not survive there without a champion.

Schön (1963) states that champions are defined as individuals who informally emerge in an NPD process and make a significant contribution to the NPD process. Similarly, it was observed that the idea generators at Swedish Match also had the role of champions, and had begun to work with their ideas informally. There were also positive statements by other employees whom could be seen as informally emerged champions as they enabled the adoption further. However, Dutton et al.'s (2001) study suggest that individuals promoting ideas make conscious choices about the formality of the channels they use, meaning that they don't necessarily need to be informal (Dutton et al., 2001).

Howell (2005) notes that employees can also be formally appointed to lead an innovation, as a champion, by giving them some form of legitimate authority. She argues that this is a blocking strategy for championing, as champions should volunteer for assignments that they crave (Howell, 2005). There were some observations of this kind of appointed ownership, in the cases where ideas were channeled to other departments or given to another department to develop further. In these cases the innovation passion might be low as these were not necessarily assignments that these departments themselves craved, and the results could be affected by this.

According to Schön (1963), a champion is required to identify a cause as his or her own and risk his or her position and prestige to ensure the success of the cause (Schön, 1963). In the study it has been observed that employees may take a cause as their own, however whether this behavior has risked their position and prestige was hard to observe. It could be argued that some ideas that had been rejected once or more were not deemed interesting by a large majority of the forums and therefore the reputation of that idea, and in extension the champion, might have decreased. However this was observed as very unlikely as the organizational attitude and culture encourages innovation and passion.

Influence tactics used by champions that were identified in a study made by Dean (1987) were rational justification, repeated informal expression of enthusiasm and confidence about the innovation, and sharing of information with potential supporters (Dean, 1987). This behavior was also observed in the empirical study. In the forums influence tactics were observed to exist in the well-prepared presentations, by actively supporting ideas and by using anchoring as explained in the earlier sub-chapter.

Undoubtedly, championing effects enable idea adoption. However, this behavior could have negative effects on the organization if an idea with low potential or even harmful for the organization survives for a long time, while wasting its resources in the meantime. This can be hard to prove nonetheless and is not a part of this study.

7.3.12. Idea characteristics

The four factors that make up idea characteristics will be covered more extensively in a general discussion below. The four parameters for idea characteristics are handled more like a checklist than

the other preconditions. This is because they are more of a yes/no character and are quite straight forward.

Concerning idea characteristics it was observed that most of the factors were mainly hygiene factors and that they did not strongly affect the idea adoption decision for the studied ideas. All ideas seem to be new to some extent with benefits clear enough to enter the CPIT forum. Although those with a strong and clear benefit seemed to be more easily adopted. Ideas with limited or no strategic fit were either modified or not adopted, but the factor was not determined to have a conclusive effect on the adoption decision. Having unknown feasibility was not observed to hinder adoption, however ideas that were not considered feasible were not adopted.

7.4. Generalization of Idea Categories

Because there has been a limited number of ideas that have been possible to study, it is difficult to make any strong conclusions regarding if there are certain categories that are closely connected to certain preconditions. Although from the analysis performed on the ideas there are certain categories that seem to be more dependent on, or affected by, certain preconditions.

7.4.1. Level of Adoption

When analyzing the ideas that have been adopted without modifications, certain features tend to have enabled the adoption of these ideas. These were lower objectivity in evaluation, a high level of knowledge and good presentation skills. This could mean that if an individual has prepared the idea a lot with tests and prototypes and presents it well, the odds of adoption are increased. It also helps if the idea affects other aspects of the organization in a good way, as this can enable adoption additionally.

Ideas that have been modified before adoption have in general had four factors affecting the idea adoption. Out of these, two have enabled and two have hindered the adoption. The factors hindering were observed to be insufficient knowledge and a perceived distance in opinions. The factors enabling adoption were observed to be championing effects and a self-interests. This could imply that ideas that are mainly carried by one individual or department might have difficulties in gathering the necessary knowledge for adoption and might overlook the perspective of other departments.

Ideas that were not adopted had three factors hindering the adoption more often, namely limited transparency, higher objectivity in evaluation and insufficient knowledge. This could mean that employees who were not sure of the innovation strategy came up with ideas that were not in line with the innovation strategy. Also these ideas were sometimes outside of the knowledge base of the organization and were therefore harder to adopt.

7.4.2. Number of Times Rejected

The adoption of ideas that were presented for the first time were mainly hindered by the factor *transparency*. These ideas were usually not adopted, and were modified if they were adopted. One reason for this might be that they were not developed enough and were created with unsatisfactory knowledge concerning other departments' perspectives and technical knowledge.

The adoption of ideas that had cycled once or more was often enabled by championing, anchoring and presentation skills. This was probably as the champion was passionate about the idea; and therefore improved the presentation, anchored the idea and submitted it to CPIT again. The adoption of these ideas was usually hindered by insufficient knowledge in the adoption decision, and were as a result often adopted with modifications. Ideas that require iterations and championing might be more complex or contain a mindset that is new and hard for the organization to accept. Therefore a

champion might be needed to reach ideas that are more radical, as it can require that the overall mindset of the organization is gradually changed.

On the other hand, ideas that were adopted the first time presented had in one way or another a presence of self-interest. This seemed to be a precondition with large impact on new ideas that had not been rejected before. These ideas were complemented with either championing or good presentation skills.

7.4.3. Origin

The ideas studied in the empirical study originated from four different departments. Out of these, four were from the product development department and two were from the research department. Ideas that were presented by the product development department were in general not adopted, or modified when adopted. The observed general trend for these ideas were that the adoption was hindered because of the factor *knowledge*. The ideas from the product development department were the only ideas that were hindered by objectivity, although these seemed to be fair evaluations. Overall, there were few enablers affecting the adoption decisions for the ideas from this department. One reason for this could be that they were generally presented for the first time and therefore were not developed and anchored enough. None of these ideas were presented with a prototype.

Ideas that were presented by the research department were adopted without modifications. The adoption decision for these ideas benefited from high technical knowledge concerning what was possible to do, with tests and prototypes as backup, good presentations and a low degree of objectivity. Overall, there were not many factors hindering the adoption decisions for these ideas. One reason may be that these ideas had been developed further than other ideas and that there were prototypes that could be presented.

The ideas from the other departments were adopted with modifications, and had been rejected previously. The adoption of these ideas was enabled due to good presentations and championing. However, the adoptions were hindered by lacking knowledge concerning what was possible to do and how they affected other departments.

In the cases where an idea came from one specific department and seemed to mainly bring benefits to that department, the perceived distance was increased, which could potentially hinder the adoption of the idea. This may also be connected to lack of knowledge and understanding for what is useful for another department. Thus one department might not realize the potential benefit for another department because it is not applicable for their own.

In general, it seems as those departments that have spent more time on developing an idea, before presenting it to the cross-functional forums, benefits from this as their ideas are adopted without modifications to a greater extent. This is possibly because a further developed idea enables the presentation of prototypes or contextualized examples, which may make it clearer what the benefits from an idea is. On the other hand, if an extensively developed idea is rejected, more resources would have been wasted than for an idea that had not been developed as much.

7.4.4. Attribute and Benefits

Four of the ideas observed were of the type *pouch attributes*, and the other were four different types. What can be observed from all the *pouch attribute* ideas is that all adoption decisions are unaffected by perceived distance and resources. This is in line with the attitude identified earlier, that developing the pouch is something to strive for, no matter the complexity.

The adoption of other idea types was hindered in terms of insufficient knowledge, but were enabled by championing. This could imply that ideas that were not pouch attributes needed more effort from the idea generator and champions in order to become adopted, in terms of influence and preparation.

It seems as if the ideas that have a focus on contributing to company benefit have a harder time getting adopted than those ideas that have a focus towards contributing to consumer benefits. Those ideas targeting a company benefit either were not adopted or adopted with a modification. The ideas with a consumer benefit were either adopted as they were presented or looped back for further development. The loop was due to an idea not being developed enough for a fair evaluation to be made.

In the cases where the ideas were of an abstract nature or that the presented benefit was not as clear or possibly focused on more than one beneficial factor, it seemed as the need for transparency, anchoring and championing were factors that were of importance. Those kind of ideas, that also did not have the idea generator or champion present at the decision forum, tended to suffer from transparency issues such as Chinese whisper syndrome.

8. Conclusions

The conclusions that have been derived in this study are presented below. The conclusions are presented in line with the research questions of this study and the result is thus strongly linked to the case of Swedish Match. The research questions are shown below and correspond to one subchapter each, in the same order as presented:

1. *What is idea adoption at Swedish Match?*
2. *How is Ideation organized at Swedish Match?*
3. *What are preconditions for idea adoption at Swedish Match?*

First, the focus is towards idea adoption, in the context of Swedish Match. Followed by the subchapter presenting the structure of the Front End of Innovation and its implications at Swedish Match. Finally, the framework that has emerged from this study is presented together with its main takeaways.

8.1. Idea Adoption is a Social and Complex Process

Idea adoption is a concept that was established by the authors of this report in order to describe an activity, which has not explicitly been defined in previous research within the area of Front End of Innovation. This concept is needed as it defines an activity that plays an important role in the NPD process, and the first step of handling the activity is to recognize its existence. Through the empirical findings it was possible to establish a definition for the activity, which also was anchored in previous research. The resulting definition of the activity is:

“Idea adoption is, when subject A presents an idea to subject B, in a way so that subject B can understand the potential of the presented idea, and thus decides to support it.”

This can be seen as a social process, as it describes an interaction between a transmitter and a receiver, which makes it complex as the perceptions of the process may differ between subjects. This calls for a high degree of transparency and structure in order to avoid misconceptions at Swedish Match.

As discussed previously, what is considered successful idea adoption may vary from company to company, depending on what the company aims to achieve. In one company it may regard adopting as many ideas as possible, when in another company the aim might be to optimize the utilization of resources. Thus there is not a single definition that fits for all companies, but rather it needs to be defined by the company in question.

The way that employees at Swedish Match describe that ideas should be evaluated differs from how it is done in practice. There seems to be a striving towards a more objective and concrete evaluation, where concrete measurable factors are desired, although the actual decision is based on more of a gut feeling and personal experience. In general, Swedish Match needs to be more objective in their evaluation of ideas in order to make sure that right ideas are adopted and to enable prioritization of the ideas.

8.2. The Deception of a Simply Depicted Ideation Phase

In this study it is concluded that the Front End of Innovation gives a deceiving impression of being simple when depicted. As can be seen in the FEI models presented in this report, the depiction show a neat and simple structure, thus giving the impression of being simple and that the lead time need not be long. In the case of Swedish Match, the phase that can be seen as their front end is what the company depicts as a cloud, which gives an unrealistic impression of how the structure actually looks. The figure below, Figure 8.1., shows the difference between the current visualization of the Ideation phase in relation to the mapping derived in this study.

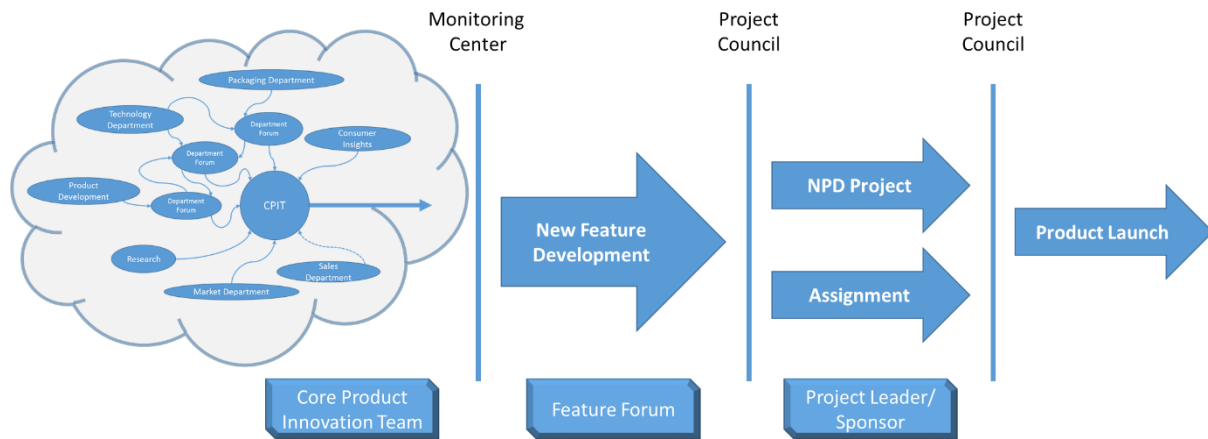


Figure 8.1. The NPD process at Swedish Match with a detailed map of the Ideation phase (Source: authors)

The purpose with the figure provided above is to show the complexity of the Ideation phase. This has several implications for Swedish Match. For managers, a simply depicted Ideation phase may give the expectations of short lead times. When this is not the case in reality, managers might think that the Ideation phase is ineffective or that it is not working properly. Thus it is important to bring forth the complexity of the Ideation phase to avoid misconceptions. For idea generators this deception can create frustration because it feels as if nothing happens to their submitted idea, which in turn may have a negative impact on creativity. By communicating the more complex structure, the idea generators will get a better understanding of why the lengthy lead times exist and removes a potential source of frustration. It gives a better understanding of how the ideas flow within the organization and the several steps that an idea has to pass through in order to move into becoming a feature project.

8.3. The Implications of the Proposed Framework

The main contribution from this study is a proposed framework of preconditions for idea adoption. There are 12 preconditions that have been identified and tested at Swedish Match. There are two preconditions that were identified to not have a large impact on idea adoption, *performance targets* and *resources*. This may very well be due to the small available sample size. Except for these two factors, the other preconditions in the framework were identified to have an impact on idea adoption. The preconditions are categorized into six group categories to create a clearer structure and simplify the understanding of it. The framework is shown below in Table 8.1.

Table 8.1. The framework of preconditions for idea adoption (Source: authors)

Group-label	Sub-label
Structure	Idea flow structure
	Transparency
	Idea evaluation structure
Communication	Perceived distance
	Knowledge
	Presentation
Incentives	Self-interest
	Performance targets
	Resources
Anchoring	Anchoring
Champion	Champion
Idea characteristics	Idea characteristics

When analyzing the flow of the eight ideas, which were followed at Swedish Match, the analysis implied that ten out of the twelve preconditions had an effect on idea adoption, with a varying magnitude. Even though the sample size was small, the result from the analysis pointed towards some preconditions having more impact on certain categories of ideas: Ideas within a field where the company had limited knowledge needed more effort from idea generators and champions in order to get adopted. Those ideas that had a focus towards consumer- or customer benefits tended to be adopted to a further extent than those with a company benefit. For those ideas where the benefit was unclear or unspecific, or where the idea itself was abstract, the preconditions *transparency*, *anchoring* and *championing* had a larger impact. In general, those ideas that did not have an idea generator or champion present at the decision forum, tended to suffer from getting distorted due to insufficient communication. Thus not getting a fair evaluation.

The proposed framework works as a tool for explaining what factors influence the adoption of new ideas at Swedish Match. It could be used by other companies to identify and observe the impact of the different preconditions and what preconditions that are potential areas for improvement.

9. Further Research

In this chapter areas for further research is to be presented. The proposed areas are chosen to provide further understanding of the area covered by idea adoption as well as to increase the validity of the proposed framework, which has been one of the major contributions of this report. There are two main purposes with the proposed areas of further research, namely to increase the internal and external validity.

The research regarding adoption of ideas in the Front End of Innovation, in several steps and at different levels of aggregation, is limited in existing research. Ideas are an important component for innovations and is thus an area that is relevant to companies in order to be competitive. This area is thus proposed to be investigated further. To do this it is suggested that further research should build on the concept of idea adoption, which has been introduced in this report. It covers the area of research described above and is a concept that we suggest cover the gap in research on the topic.

Regarding the framework, there are two paths of further research that are proposed, with separate purposes. The data that was collected, through interviews, at Swedish Match regarding the proposed framework was quite extensive. Although the data available for the testing of the internal validity was limited due to the time frame of this study. When the study was carried out, there were eight ideas available to be studied, which can be considered few and calls for more ideas to be analyzed. That is why it is proposed that a more extensive study is carried out, over a longer period of time, in order to test how well the framework works for a greater amount of ideas. This is done to determine how well the framework represents the reality.

The other path of further research for the framework is to test the external validity, or generalization, of the proposed framework. The framework is proposed to be applied in several additional cases that cover more companies, other than Swedish Match. This should serve as to assess how well the framework is applicable for other companies within the same industry. A next step would potentially be to assess the external validity for other industries as well.

In conclusion, there are three main areas of further research that have been proposed, with the purpose to provide more knowledge and validity to the topics researched in this study.

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