How Project & Portfolio Management (PPM) Helps Organizations to Successfully Innovate

James Ramsay



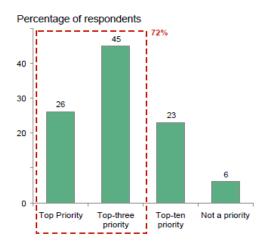
failure to innovate can have serious consequences



innovation is important...but success is mixed

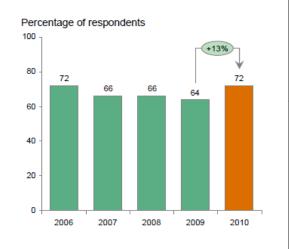
Innovation matters!

Where does innovation rank among your companies strategic priorities?



Source: Innovation 2010 BusinessWeek/BCG Survey Results

Innovation as a Top 3 strategic priority higher than previous years



8

<u>45%</u>

"dissatisfied" with return on innovation spending



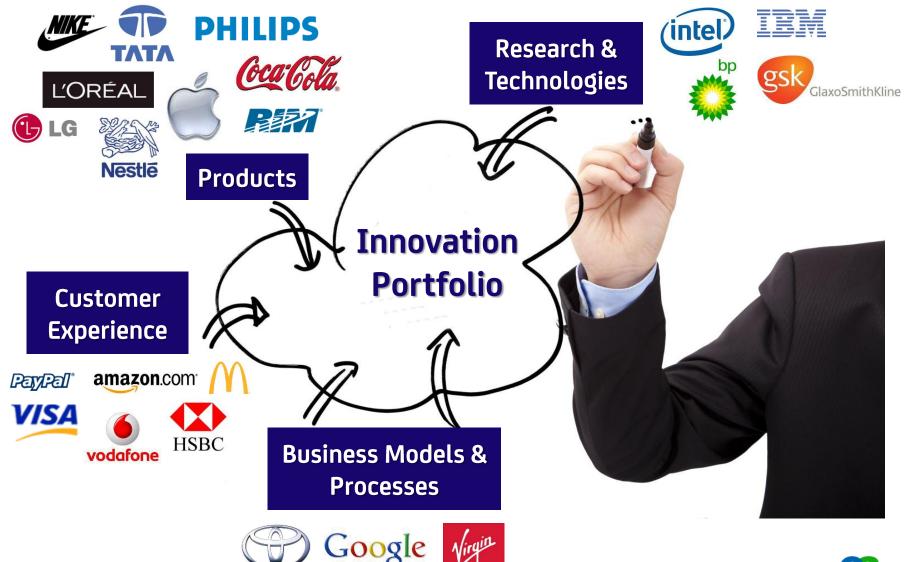
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THE BOSTON CONSULTING GROUP

myth #1: "innovation is just about new product development"



innovation relates to everything





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myth #2: "only happens in R&D"



innovation happens everywhere



- IT
- R&D
- Marketing
- Purchasing
- Engineering
- HR

•...

• Sales



myth #3: "better innovation means more launches done faster"

"We're great at launches... in fact we do too many. We're just not very good at deciding on what to invest in."

success means holistically managing the innovation lifecycle

"Neither idea generation nor execution is as important or as tricky as the **filtering process** that links the two."

General Electric

but being successful at innovation is not easy

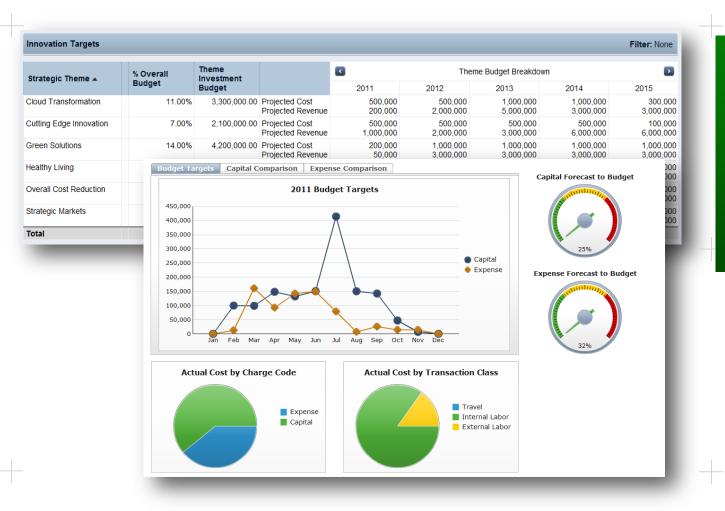
PPM can help address the challenges

challenge 1: aligning innovation with business strategy

- What are the goals?
- Where is the business value?
- Is this in-line with corporate strategy?
- What are the metrics to measure?
- Who is responsible?



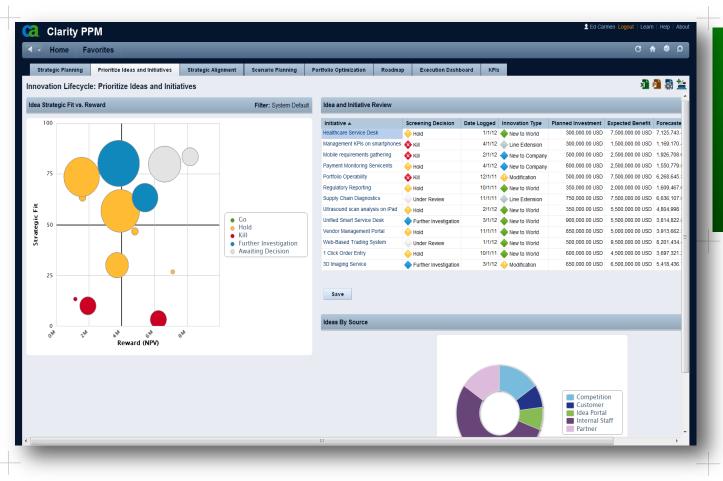




• Define strategy & goals

• Instantly review performance against targets



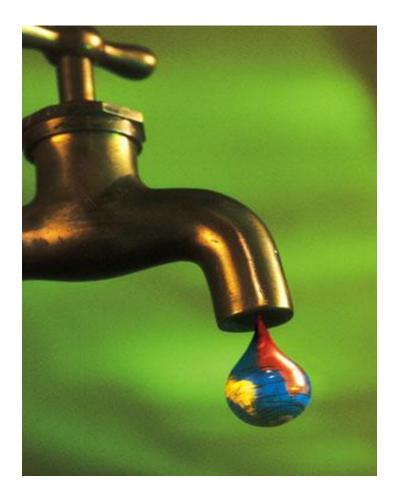


Analyze the strategic alignment of the innovation portfolio

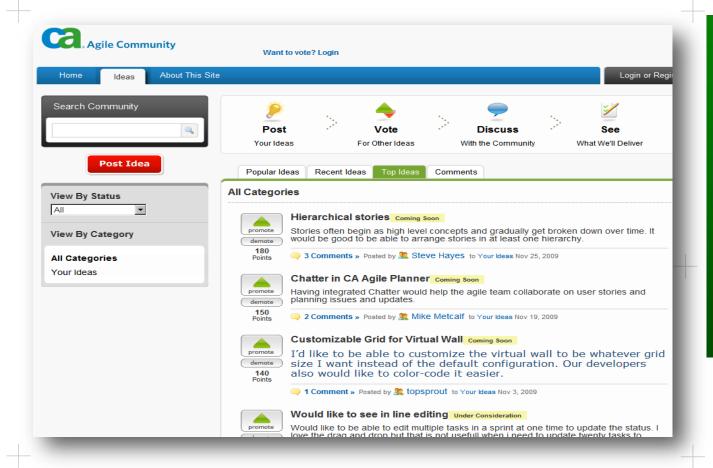


challenge 2: maintaining a good supply of ideas

- •What does the idea pipeline look like?
- •Are we really listening to our customers & market?
- •Where are the blockbusters?







 Capture more ideas from anywhere

 Link idea generation to business strategy

• Use the "power of the crowd" to identify best ideas

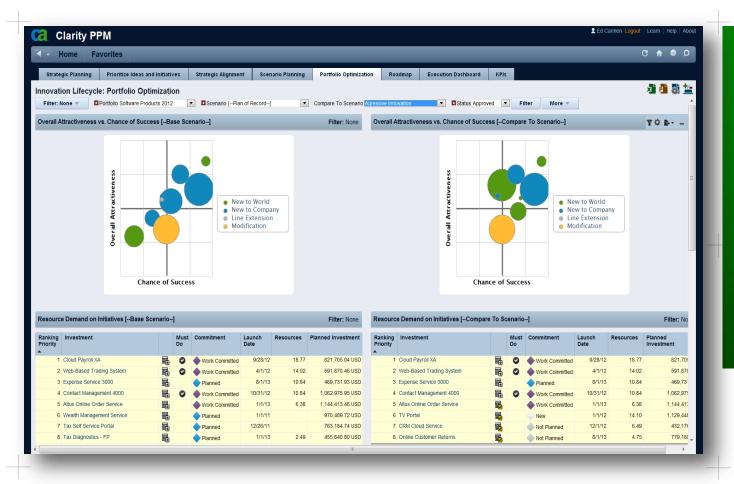


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challenge 3: deciding on the best innovation initiatives to invest in

"Innovation ... comes from saying no to 1,000 things to make sure we don't get on the wrong track or try to do too much... but it's only by saying no that you can concentrate on the things that are really important."

Steve Jobs



Objectively compare and rank initiatives

 Perform "what-if" analysis to determine optimum portfolio mix



challenge 4: ensuring your innovations meet the needs and expectations of your "customers"

- What requirements need to be met?
- How do we prevent intrinsic value of original idea from being lost?





	Requirement H	lierarchy 🛟 😫	Show Filter Sho	w All Cur	rent Filt	er: FileDoc Requir	ements						
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	REQ-000013	The product s	hall support basel	ine compar	sons		None	Very High	None	High	FileDoc		
F	REQ-000007	The product s	hall support docu	ment approv	/als		None	Very High	None	High	FileDoc		
	REQ-000014	The product s	hall support paral	el approval	6		None	Very High	None	High	FileDoc		
	REQ-000015	The product s	hall support serial	approvals			None	Very High	None	High	FileDoc		
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- Capture requirements for best initiatives
- Collaboratively develop business case
- Estimate scope (resources & cost)
- Effectively assess the impact of changes in scope



challenge 5: defining the roadmap

- What will we deliver, and by when?
- Where are the dependencies?
- Do we have capacity to deliver in time?
- How do we ensure the roadmap is up to date?





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• Align the promise to the delivery

- More effectively and efficiently produce roadmaps
- Dynamically update roadmaps in-line with portfolio decisions



challenge 6: maximizing value delivered from often scarce resources

- Where are the resource constraints?
- Are our best resources working on the highest value opportunities?
- What would be the impact on ROI of delaying an initiative?





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• Dynamically assess the resource situation

- Utilize what-if analysis to optimize resource pipeline planning
- Prioritize right resources to work on right initiatives



challenge 7: successfully delivering the right innovations at the right time

- How to manage complex mix of programs, projects & resources?
- How to get realtime visibility
 when
 information is
 held in many
 places ?





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 Enable your teams to utilize different development methodologies

- Better propagate best practices
- Capture lessons learned





- Monitor progress against plan
- Understand the status of projects delivering innovation
- Have more flexibility to adapt to changing business conditions



summary: project and portfolio management helps organizations to more successfully innovate





thank you

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