Most organizations are well on the road to recovery from the depths of the financial crisis a few years back. Budgets are loosening up and executives are once again willing to invest to achieve growth from innovation. This willingness to spend has not, however, been matched by a willingness to hire. The painful exercise of downsizing has left executives wary of adding fixed capacity to their organizations.

Unfortunately, the increase in spending brings increased expectations of return regardless of the employee headcount available to execute innovation initiatives. This has left product development pipelines chronically, and often extremely, overloaded. The problem is so pervasive that it has become the normal mode of operation. But it is counterproductive and impedes the flow of work through the system.

Reasonable people can disagree on the right level of pipeline loading. Research shows that an 80% load produces the most output per person, but 110% might be right for some groups that are accustomed to stretching. Loads of 200% and 300% on certain functions create real bottlenecks and represent an inability to prioritize programs and make tough portfolio decisions.

Simply demanding more productivity while ignoring real capacity constraints means that you are not going to get everything you want. You can be clear about what is most important and balance the pipeline, or you can leave it up to the organization to decide what will get done and what will not. The real tragedy happens when people make different decisions about what is important and nothing gets done.

Make tough decisions, measure and manage pipeline load, and see the increase in value throughout.

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More In This Series

Seven Chronic Problems

Chronic Problem #1: Lack of a Strategy
Chronic Problem #2: Lack of Alignment
Chronic Problem #3: Overloaded Pipeline
Chronic Problem #4: Rampant Incrementalism
Chronic Problem #5: Unclear Accountability
Chronic Problem #6: Short-term Orientation
Chronic Problem #7: Lack of Skills

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What’s your view? Add your question or comment
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