P&PM Dispatch: Essential Portfolio Views

by Darius Hinton

In this week’s P&PM dispatch, the team discusses essential tools and metrics used in innovation portfolio management and how you can use them to ‘see’ and measure your portfolio right away for a get-started-and-get-better approach.

Pipeline and Portfolio Management is about visibility: delivering critical information in an actionable, usable form. Here are some of the essential tools and metrics used in innovation portfolio management and how they can be used to ‘see’ and measure your portfolio right away so you can get better at managing it.

Compare Strategic Goals to Strategic Innovation Breakdown:

This view is used to get a picture of how your organization is investing time and resources in innovation initiatives. The picture should resemble your organization’s strategy. For example, if your company’s strategic goal is to gain a 10% increase in revenue with 30% coming from new-to-the-world products, the innovation breakdown should show corresponding investment and forecasted return of new-to-the-world projects coming through the pipeline.

The goal of the strategic breakdown view is to show alignment of your organization’s portfolio with strategy. Your strategy is the direction you want to take your organization, so the strategic breakdown view will show your progress on the tactics used to get there.

Mapping Views of the Innovation Portfolio:

Mapping is a great way to visibly depict relative positioning of innovation initiatives in a portfolio. Some of the more useful views include mapping probable commercial success against product launch date, risk vs. reward, and initiatives sorted by productivity. These maps give portfolio owners and decision makers a wide view of the portfolio’s current status, potential, and any issues or risks.

These mapping views show the relative health of your portfolio. Understanding how risky, productive, and potentially successful your innovation investments are will help you make decisions to achieve a refined and balanced strategy. Keeping the portfolio manageable and consistent also allows for rebalancing of resources accordingly.
To get *started* with portfolio management, you don’t need to change or create processes to collect new data. You can start with what you have and begin to pinpoint your portfolio’s current health using these views. These essential portfolio views have the same, ultimate objective: visibility. Once you can “see” how aligned your portfolio is to strategy, you can then begin making better decisions and either create or repair processes in place. These views are essential because they are the key to “Get started and Get better” at portfolio management.

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About the Author

Darius Hinton
darius.hinton@kalypso.com
Darius enjoys fitness, sports, reading, volunteering at Interfaith Food Shuttle and traveling abroad.