P&PM Dispatch: Innovation Management - What to Start with and Why

Prioritizing between Portfolio, Project, and Resource Management

by Zachary Segundo and Preston Schaub

In this week’s P&PM dispatch, the team discusses building innovation management capabilities. Most companies use a bottoms-up approach, but a top-down focus on portfolio management is the way to go. Here’s why.

When companies start the journey to build innovation management capabilities, often their inclination is to focus on project management and resource management first to lay the groundwork for a portfolio management process. Intuitively this is a reasonable approach; project and resource data are the building blocks for portfolio management. But in reality, this bottoms-up approach is time consuming and difficult to implement. As a result, companies often fail to get innovation management improvements off the ground because adoption depends on the ability to quickly produce tangible results.

Companies should focus first on building strategic top-down capabilities like portfolio management, then layer on more tactical capabilities like project and resource management. To get started quickly, portfolio management can be fed by a limited set of key project criteria (as few as four or five) that can be gathered in as little as a few weeks.

With portfolio management in place - even at a basic level - portfolio reviews will achieve value faster by identifying pain points, aligning to business strategy, and rationalizing the pipeline to stop low value-added work. The first successful portfolio review will be a quick win in support of innovation management and can drive the leadership team to invest more into the process.

Once portfolio management is started and has executive support, more attention can be focused on building project and resource management capabilities that can feed the portfolio with additional data as process maturity improves. This “visibility and value first” approach, followed by project and resource management capabilities, helps develop leading, fully-integrated portfolio and pipeline management capabilities.

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