Strategic Alignment

I am still digesting the results of Planview’s Fourth Product Portfolio Management Benchmark Study. I encourage you to read the report as well. Earlier this month I wrote about the need to align the company’s innovation portfolio with its business strategy. This challenge was highlighted in the benchmark study results.

Organizations that identified themselves as having higher levels of maturity in their product development processes also indicated that their innovation portfolio was more likely to be aligned with company strategy. The benefits of this show up in faster time to market, more proactive allocation of budget and resources, and the clear communication of priorities. This is not simple. Of the most mature organizations only 55% reported that their portfolios were “highly aligned.”

The survey asked the following open-ended question that generated a large number of comments on strategic alignment: “What is your most pressing concern with regard to managing your product portfolio?” Here are a number of quotes lifted directly from the benchmark report:

“We don’t have a transparent, consistent approach to making product portfolio decisions. Nor do we have a well-defined business strategy to put this kind of process in place.”

“We don’t have alignment established across our matrixed organization to quickly and sustainably react as priorities change. This makes it hard for resource allocations to evolve to meet the changing environment.”

“When priorities change, we are constantly shifting resources.”

“Our issue is getting strategic decisions made and sticking with them.”

“We lack a long-term product roadmap or vision. Top-level business priorities are unclear.”

These quotes are symptomatic of the need for improved innovation governance and accountability. They make innovation seem like a completely unmanaged business function. I see this as the responsibility of the Chief Innovation Officer. Even matrixed organizations need someone to ensure the innovation engine is producing results.

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What’s your view? Add your question or comment
For the past 30 years, Bill has helped executives in technology-driven industries transform their competencies to deliver results. He is a highly regarded consultant, speaker, and writer on the topics of innovation strategy, product development, portfolio management, technology commercialization, and the software systems that enable innovation. Keep up with Bill's latest research and thoughts on innovation and the rising role of the Chief Innovation Officer at www.TheChiefInnovationOfficer.com.