Today, I am continuing to answer questions that we did not get to during the recent Innovation Leader webinar titled Seven Chronic Problems for Innovation Leaders to Address.

One of the unanswered questions was regarding the seeming impossibility of maintaining, or even characterizing, an innovation portfolio at the corporate level in a globally-distributed, multi-billion dollar corporation. In these environments, getting control of the portfolio at a business unit level would appear to be a major victory.

I acknowledge the difficulty. Many of my clients have revenues in excess of $20B per year. They have individual business units that would make the Fortune 500 list. When you operate at this scale, the focus should be on managing the innovation portfolio at the level in which resource allocation decisions are made. That is most likely going to be at the business unit, not corporate, level. I am differentiating here between managing a portfolio of innovation initiatives and “strategic” portfolio management that might determine the expected rates of growth from innovation across a portfolio of business units.

While I believe that we should be “managing” our innovation portfolios at the business unit level – I also believe that we should be reporting and tracking investment in innovation at the corporate level. The current generation of enterprise class software tools allow us the flexibility to manage locally and aggregate information to characterize the portfolio at the corporate level on a global basis. That allows the Chief Innovation Officer to influence the shape of the corporate portfolio and ensure that each business unit is playing its proper role in the execution of the company’s strategy.

As with many questions in innovation, the answer to this question is “both – and.”

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What’s your view? Add your question or comment
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