Show Them the Money
Demonstrating the Business Value of Innovation Portfolio Management

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Anyone that has ever tried to “sell” a new capability internally knows how tough it is, but improving transparency in innovation and product development investments is vital to making better decisions and setting priorities. Implementing innovation portfolio management capabilities can help. Here is a tip to make the internal sale much easier. Put down the text books, forget long process design sessions, and focus on demonstrating immediate value to the organization.

Based on Kalypso’s experience working across industries all over the world, it takes too long to demonstrate the value of innovation portfolio management when it is implemented using traditional process mapping and improvement methods.

More importantly, if you just use theory to sell the value, rather than real information, getting that “ah-ha” moment from your executives will take months rather than weeks. Who cares about how to exactly define Monte Carlo techniques or the number of times review meetings should occur if we can’t clearly and quickly communicate what projects in the pipeline are most important to our success?

Kalypso’s Portfolio & Pipeline Management (PPM) model – named Nova – and our unique approach allows any organization to skip the theoretical discussions and get quickly down to business.

Step 1: Establish Initial Visibility

The PPM Nova model immediately provides improved pipeline visibility for a quick evaluation of investments. All leading-practice project valuation criteria are already built into PPM Nova and supporting tools are readily available to start collecting project portfolio data immediately.

Once the information is collected and collated, informative portfolio views and reports based on real, meaningful data can be used to engage executives to make decisions and get them asking for more. Executives will always gravitate to the three or four criteria they need to make trade-offs on investments. Your solution can then be tailored based on this feedback, quickly aligning the PPM Nova model to your specific organizational objectives.
Step 2: Validate Sustaining Processes

Processes should be the second step, not the first. Companies that start from scratch with a stack of white papers and books, end up with a traditional process-first approach that runs the risk of overdesigning the details and wasting valuable time.

After initial visibility is in place, PPM Nova’s business process models, governance structure and decision making calendar can be utilized to build the sustaining processes that are the foundation for good portfolio management. Because the executives have seen the early rewards of these disciplines, there will be a pull for sustaining capabilities and you will not have to push the process onto the organization.

Step 3: Set a Path for Advanced Planning and Optimization

Once the basic visibility and sustaining components are established, effort can shift to layering in PPM Nova’s advanced strategic analysis and portfolio optimization techniques. This is the final component to optimize portfolio value and align innovation resources to strategy.

Be an Influence, and be a Leader

Provide your executives with the practical information and tools they need to see the value in pipeline transparency and effective innovation budget allocation. PPM Nova can reduce your innovation portfolio management journey by months or even years, helping you achieve real results fast, gain credibility quickly, and become a major influence to your organization. And who doesn’t like the spotlight? At Kalypso, we strive to be leaders behind the leaders, and our PPM Nova model is a great way to invest in your success and reserve the glory of the results for you.