INNOVATION PORTFOLIO MANAGEMENT

WEBINAR – NOVEMBER 17TH 2022

WELCOME TO THIS UPDATED WEBINAR!

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THE 3 INNOVATION CHALLENGES

THE IDEATION CHALLENGE

- Spotting and creating innovation opportunities
- Balancing the long- and short-term perspective
- Selecting the most promising innovations

THE VALIDATION CHALLENGE

- Assessing the true potential of new ideas
- Avoiding unjustified investments in bad ideas or hobby horses
- Beating the competition on time-to-market

THE SCALE UP CHALLENGE

- Turning on the right growth engines
- Creating the right conditions for growth
- Balancing management of core business and innovations

FOLLOW UP TO OUR PLAYBOOK SERIES

- » INNOVATION PLAYBOOK
- » INNOVATION STRATEGY PLAYBOOK

BEST-IN-CLASS INNOVATORS

- Have a well-defined innovation strategy & roadmap
- Manage their innovation portfolio professionally
- Embed innovation in their organization
- Continuously develop their innovation competence, culture and leadership

INNOVATION SPECIALISTS AND CREATIVE STRATEGISTS

https://www.linkedin.com/in/marc-douma-revelx/

https://www.linkedin.com/in/matthijsrosman/

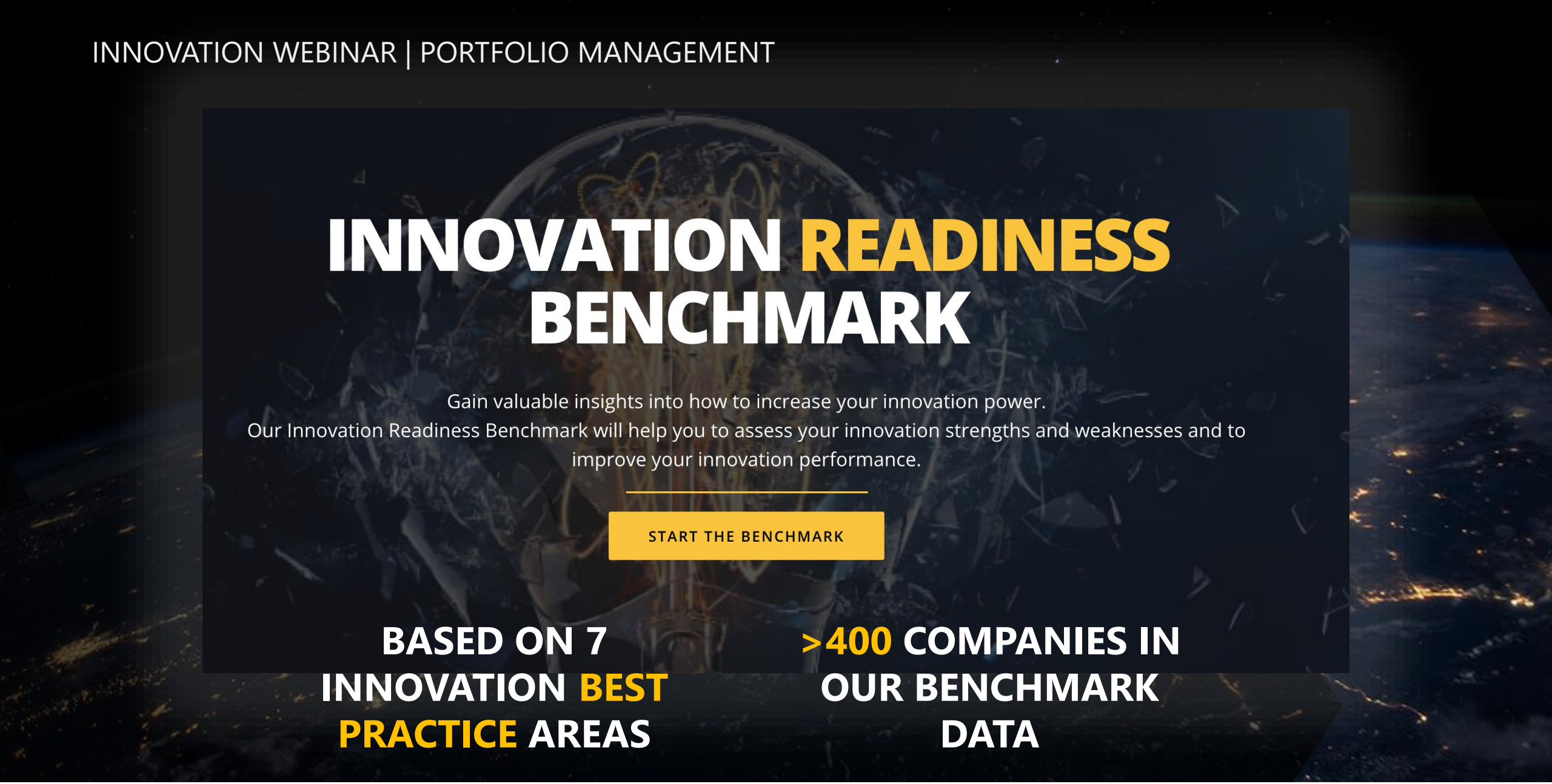
IN TODAY'S WEBINAR

1. **Designing your innovation portfolio**
2. **Managing your innovation funnel**
3. **Reporting on your innovation portfolio**
4. **Making stage gate decisions**

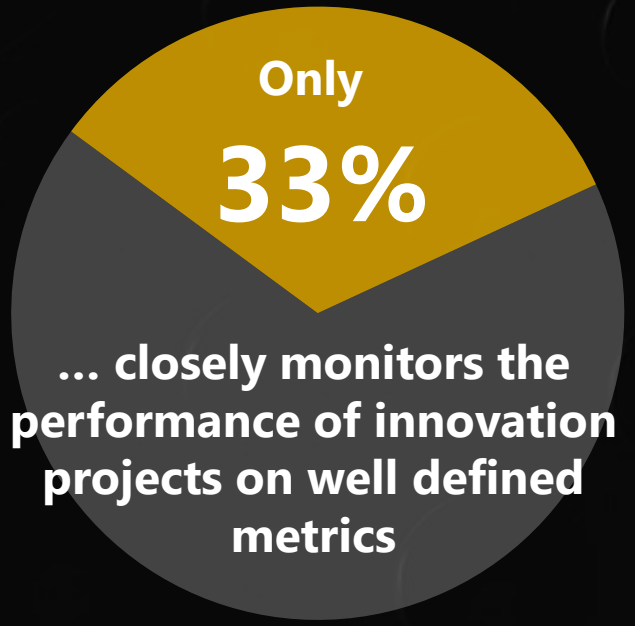
INNOVATION PORTFOLIO MANAGEMENT

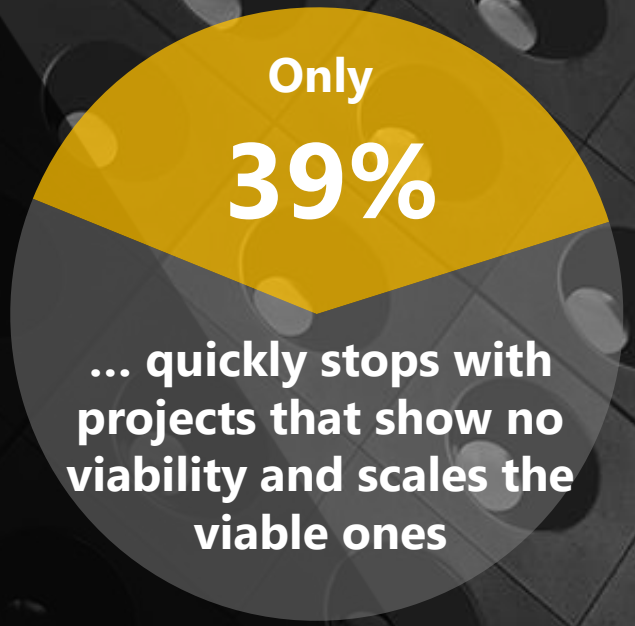
Portfolio management is the art of developing and successfully managing a roadmap of innovation projects that will enable you to deliver your innovation strategy

- **PROJECT STATUS AND PROGRESS REPORTING**
- **STAGE GATE DECISION MAKING**
- **RESOURCE ALLOCATION TO INNOVATION PROJECTS**


INNOVATION READINESS BENCHMARK
Gain valuable insights into how to increase your innovation power.
Our Innovation Readiness Benchmark will help you to assess your innovation strengths and weaknesses and to improve your innovation performance.
START THE BENCHMARK
BASED ON 7 INNOVATION BEST PRACTICE AREAS
>400 COMPANIES IN OUR BENCHMARK DATA

WORK TO BE DONE ...

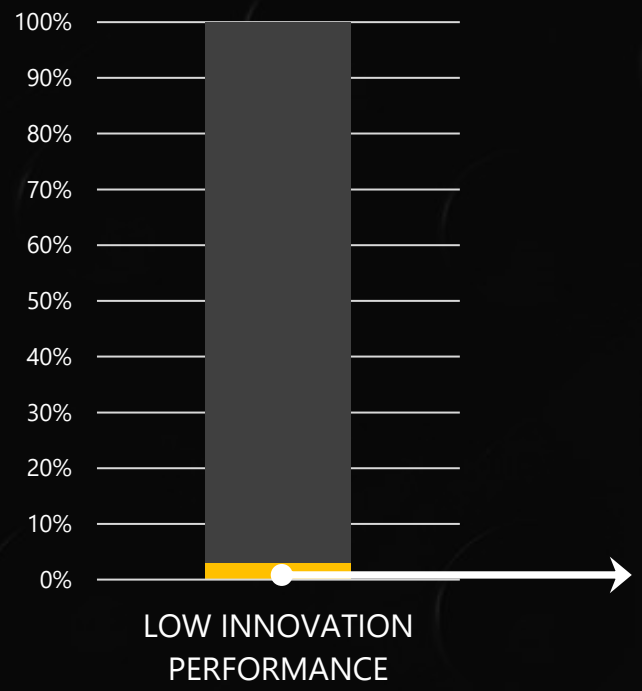




SOURCE: REVELX IRB 2018 - 2022

WHY BOTHER … WITH INNOVATION PORTFOLIO MANAGEMENT?

WHY BOTHER ...

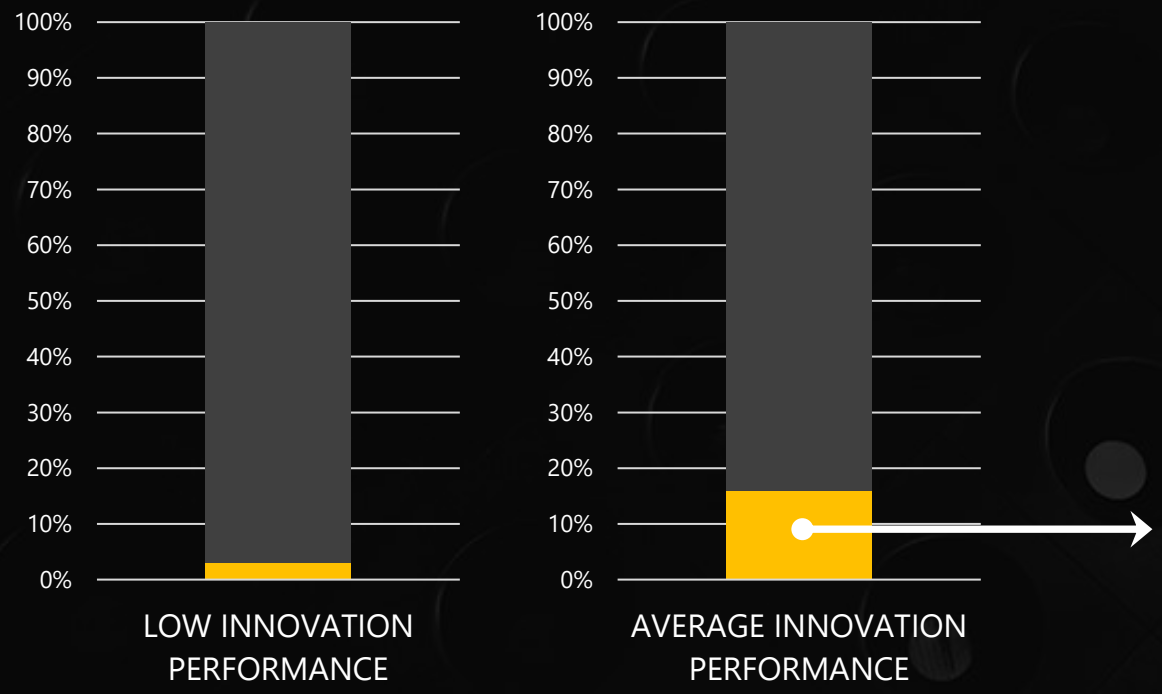


SOURCE: REVELX IRB 2018 - 2022

3%

OF THE LOW PERFORMERS IS GOOD AT INNOVATION PORTFOLIO MANAGEMENT

WHY BOTHER ...

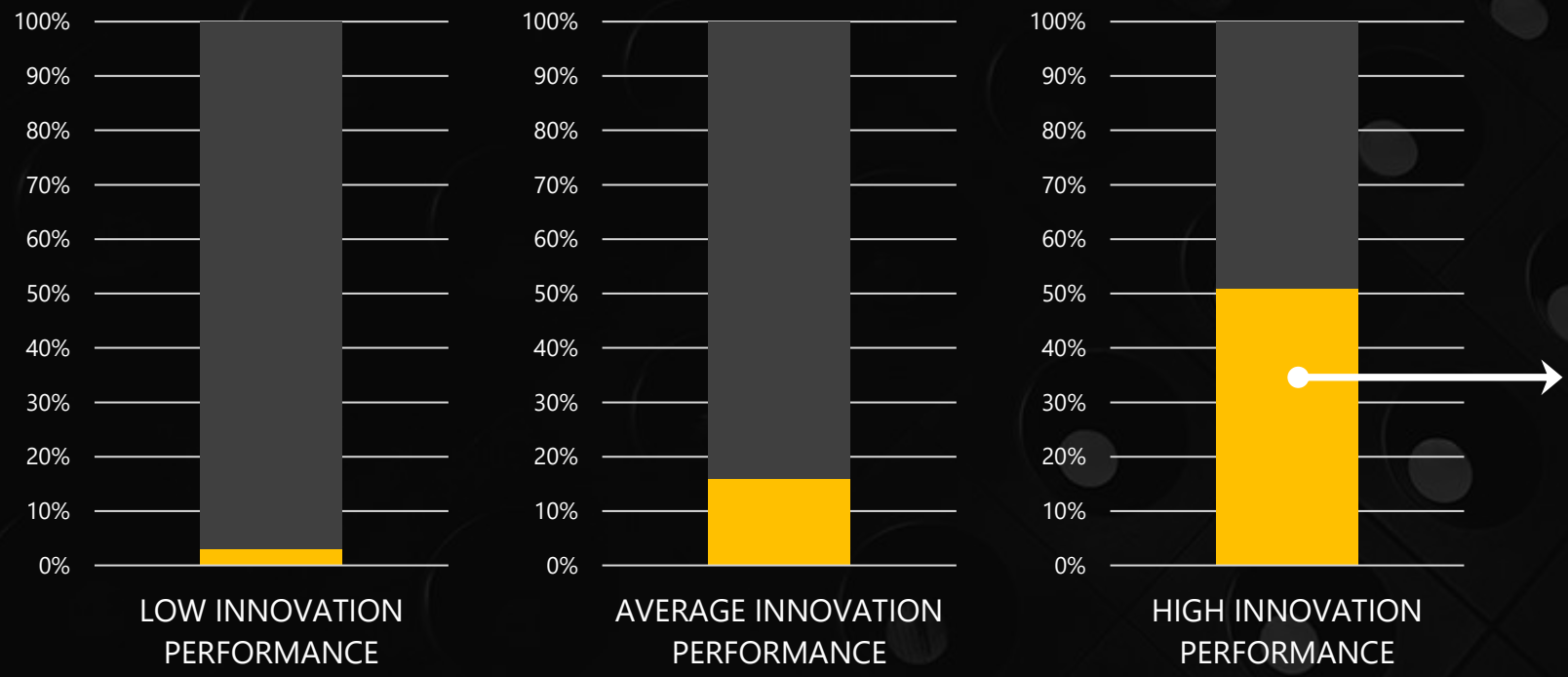


SOURCE: REVELX IRB 2018 - 2022

16%

OF THE AVERAGE PERFORMERS IS GOOD AT INNOVATION PORTFOLIO MANAGEMENT

WHY BOTHER ...



51%

OF THE HIGH PERFORMERS IS GOOD AT INNOVATION PORTFOLIO MANAGEMENT

SOURCE: REVELX IRB 2018 - 2022

PORTFOLIO MANAGEMENT BENEFITS

- Align your strategy and innovation pipeline
- Balance horizon 1, 2, and 3
- Focus scarce resource to maximize value creation
- Create clarity for your innovation teams on what is expected per stage
- Shorten the time to market by setting targets for stage gates
- Reduce the number of hobby horses and ‘dead’ horses

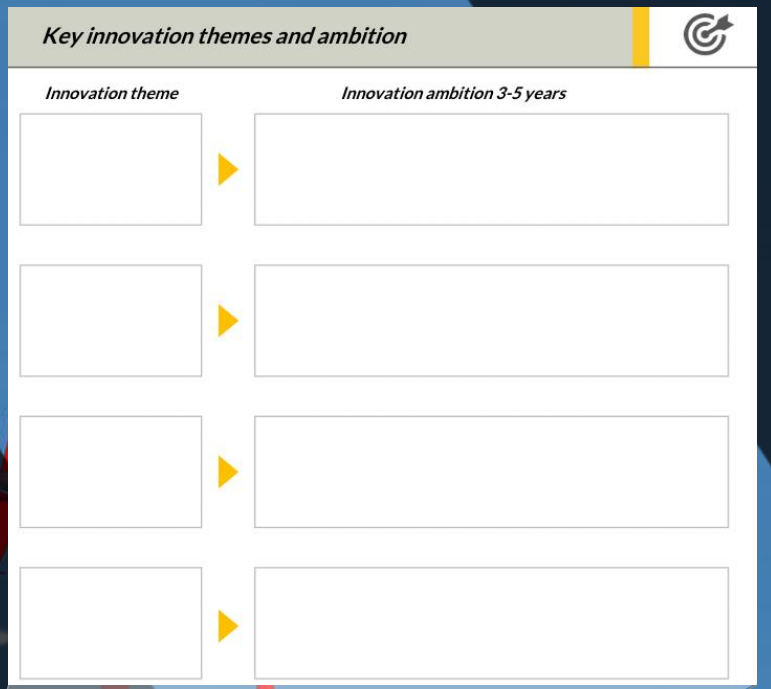
DESIGNING YOUR INNOVATION PORTFOLIO

PORTFOLIO DIMENSIONS

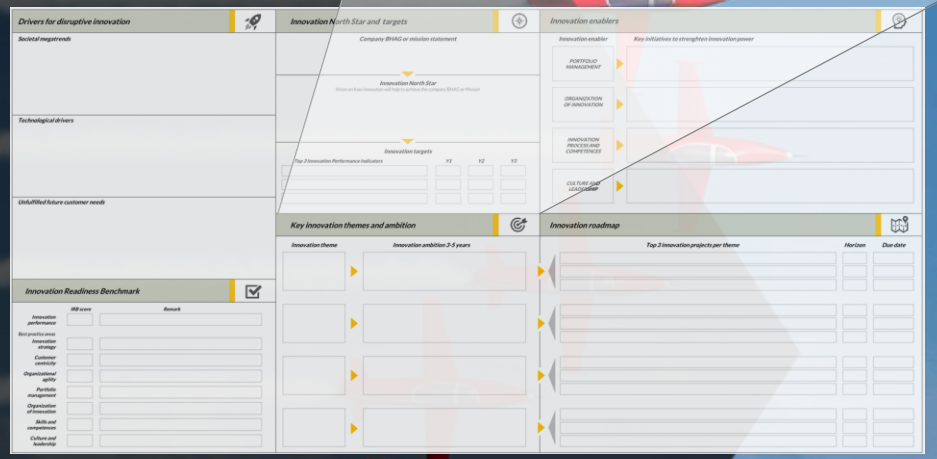
- PROJECT SIZE AND THEIR IMPACT ON THE BUSINESS
- BALANCE OVER THE THREE HORIZONS OF INNOVATION

INNOVATION THEMES

- **COVERING ALL HORIZONS OF INNOVATION**
- **COVERING ALL STAGES OF THE INNOVATION PROCESS**



RevelX Innovation Strategy Canvas



MAKING THE CUT

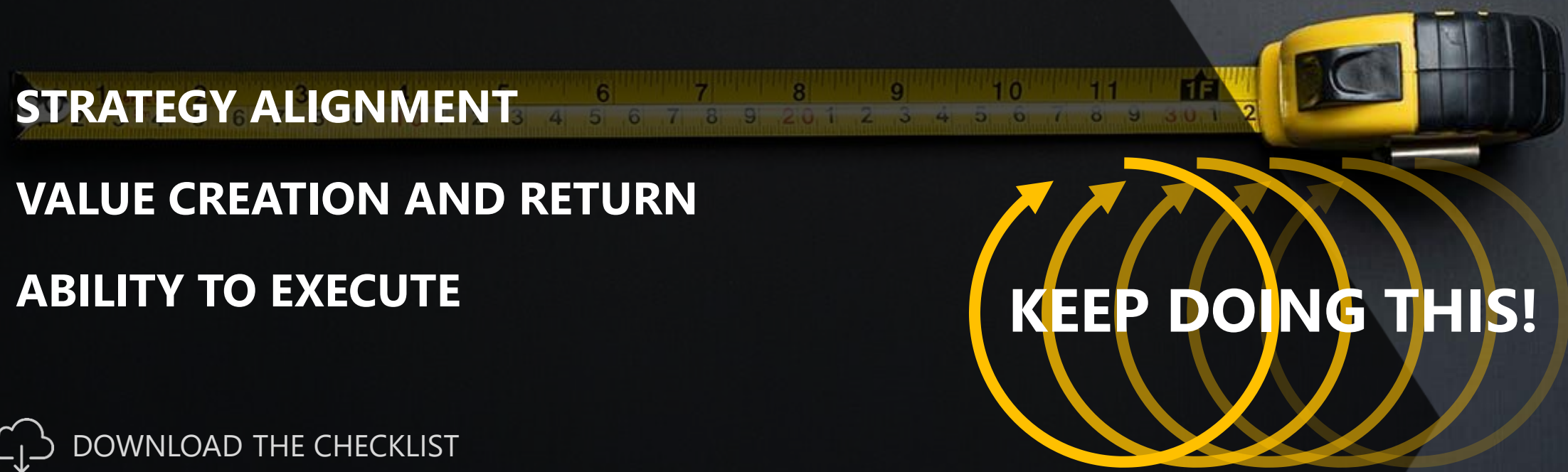
- QUALIFIES AS AN INNOVATION INITIATIVE
- LINKS TO AN INNOVATION THEME
- PROJECT IS DEEMED VIABLE

EVALUATING THE PORTFOLIO

- **STRATEGY ALIGNMENT**
- **VALUE CREATION AND RETURN**
- **ABILITY TO EXECUTE**

DOWNLOAD THE CHECKLIST

EVALUATING THE PORTFOLIO



- **STRATEGY ALIGNMENT**
- **VALUE CREATION AND RETURN**
- **ABILITY TO EXECUTE**

DOWNLOAD THE CHECKLIST

4 PITFALLS TO AVOID

- ACCEPTING WRONG PROJECTS
- TOO MANY PROJECTS
- LOPSIDED PORTFOLIO
- HOBBY AND ‘DEAD’ HORSES

STAGE GATE DESIGN & CRITERIA

INNOVATION FUNNEL

IDEATION		VALIDATION		SCALE-UP	
EXPLORATION	DISCOVERY	EXTERNAL VALIDATION	INTERNAL VALIDATION	LAUNCH	ACCELERATE
Exploration within strategic innovation themes	Discovery of innovation opportunities	Validation of innovation opportunity with customers	Validation of the business model viability	Launch of the innovation in the market	Turn on the growth engines to scale the innovation

INNOVATION STAGES vs STAGE GATES

STAGES

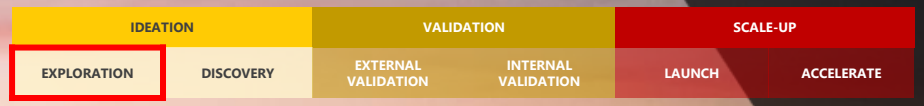
» SET OF PROCESS STEPS INNOVATIONS GO THROUGH

» LEADING TO DELIVERABLES

STAGE GATES

» DECISION MOMENTS FOR PROJECTS

» LEADING TO ADVANCEMENT IN THE FUNNEL



EXPLORATION

WHAT IS IT?

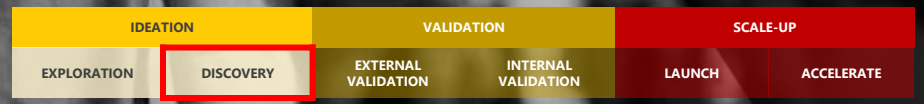
- Exploring your innovation themes
- Taking a deep dive

DELIVERABLES

- Long list of innovation ideas
- Pitch or rationale for pursuing an idea

CRITERIA

- Supporting the theme
- Does it fit with us?
- Do we have the resources?



DISCOVERY

WHAT IS IT?

- Elaborate on innovation ideas
- Discover ‘problems worth solving’

DELIVERABLES

- Personas to target
- Problem statements
- Opportunity assessment

CRITERIA

- External orientation
- Number of customers consulted

EXTERNAL VALIDATION

WHAT IS IT?

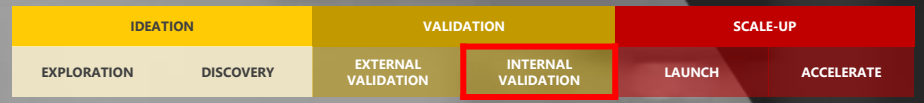
- Validating our ideas with customers
- Testing the most critical assumptions

DELIVERABLES

- MVSs
- Proof of desirability and viability
- Pivots identified

CRITERIA

- Problem-Solution fit
- Solution-Market fit



INTERNAL VALIDATION

WHAT IS IT?

» Assessment of viability of the business model

DELIVERABLES

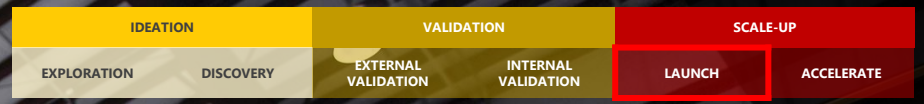
» Business model canvas

» Proof of feasibility

» Market launch planning

CRITERIA

» Business model fit



LAUNCH

WHAT IS IT?

- Launching an innovation into the market
- Creating traction with early adopters

DELIVERABLES

- Cohort analysis
- Early assessment of acquisition costs
- Scale up planning

CRITERIA

- Proof of traction in the market
- Conversion rate
- Cohort analysis performance

ACCELERATE

WHAT IS IT?

- Turning on the growth engines
- Scaling the innovation to full potential

DELIVERABLES

- Business score card
- Hand-over plan
- Growth strategy canvas

CRITERIA

- Revenue parameters (ARR/MRR)
- Return on marketing spend
- Customer lifetime value

OVERALL PERFORMANCE METRICS

EFFECTIVENESS OF THE INNOVATION PROCESS

- Time to market
- Stage gate passing rates
- Value development
- Commitment of stakeholders

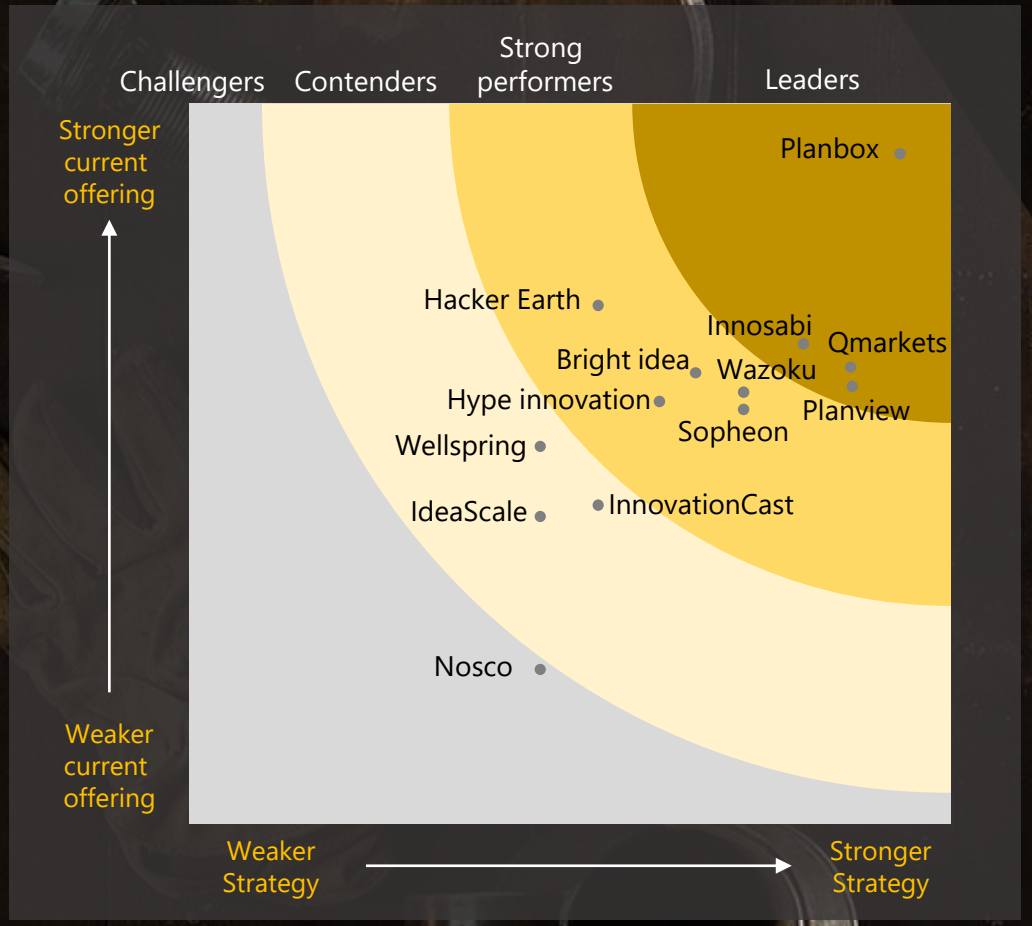
PERFORMANCE OF INNOVATION PROJECTS

- Are project running according to planning?
- How many projects are well resourced?
- How many project run on budget ?

REPORTING ON YOUR PORTFOLIO

PORTFOLIO MANAGEMENT TOOLING

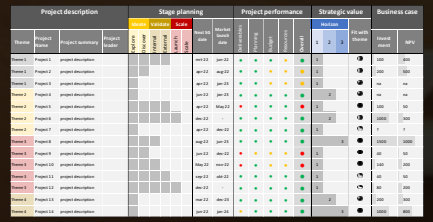
- THERE ARE MANY OPTIONS OUT THERE
- PICK THE RIGHT SOLUTION FOR YOU
- SOMETIMES, EXCEL WILL DO



PORTFOLIO REPORTING

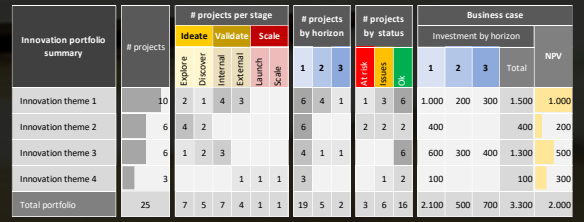
REPORTING ON INDIVIDUAL PROJECTS

- STAGE PLANNING
- GENERAL PROJECT PERFORMANCE
- THE STRATEGIC VALUE OF THE PROJECT
- KEY BUSINESS CASE DATA



REPORTING ON THE OVERALL PORTFOLIO

- INVESTMENTS PER THEME
- SPREAD OF PROJECTS PER STAGE
- COVERAGE OF INNOVATION HORIZONS
- NUMBER OF PROJECTS AT RISK

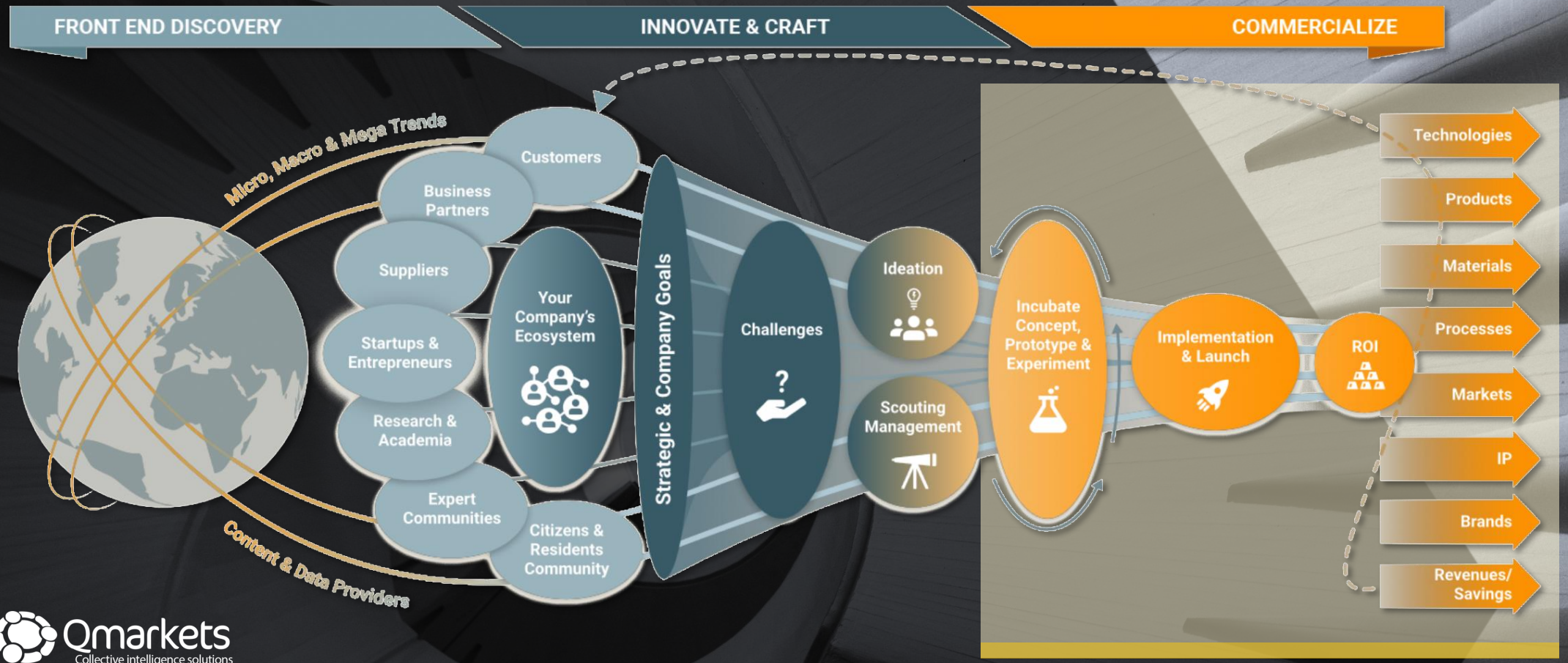


Innovation portfolio summary	# projects	# projects per stage						# projects by horizon			# projects by status			Business case				
		Ideate			Validate		Scale							Investment by horizon				NPV
		Explore	Discover	Internal	External	Launch	Scale	1	2	3	At risk	Issues	Ok	1	2	3	Total	
Innovation theme 1	10	2	1	4	3			6	4	1	1	3	6	1.000	200	300	1.500	1.000
Innovation theme 2	6	4	2					6			2	2	2	400			400	200
Innovation theme 3	6	1	2	3				4	1	1			6	600	300	400	1.300	500
Innovation theme 4	3				1	1	1	3				1	2	100			100	300
Total portfolio	25	7	5	7	4	1	1	19	5	2	3	6	16	2.100	500	700	3.300	2.000

PARTNERSHIP IN INNOVATION

REVELX
REALIZING GROWTH

Q IMPACT



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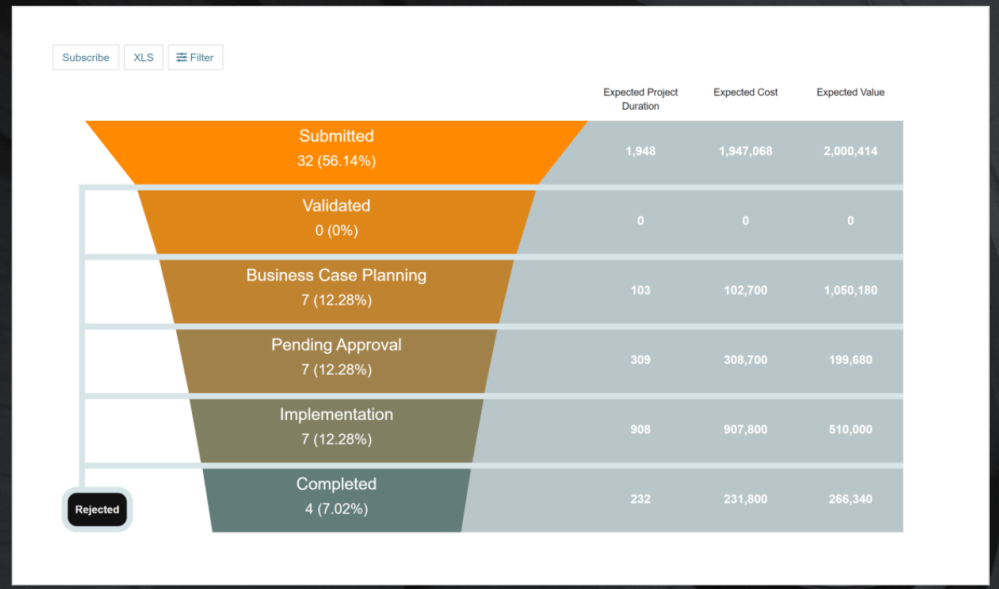
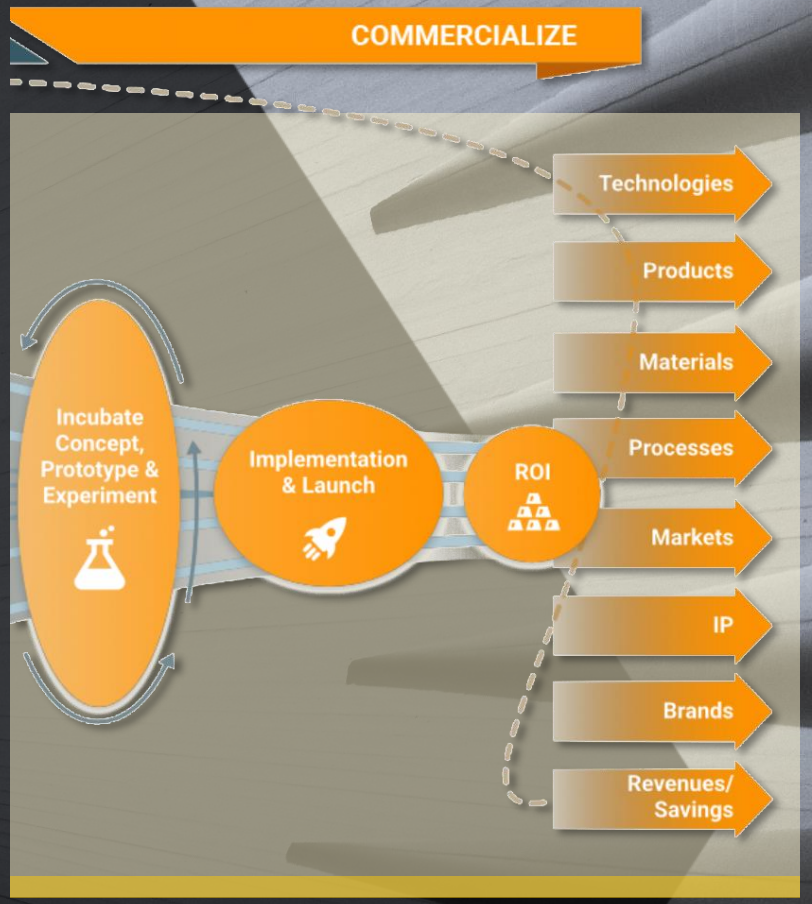
PIPELINE MANAGEMENT

Evaluate all projects in the portfolio and communicate effectively to all stakeholders





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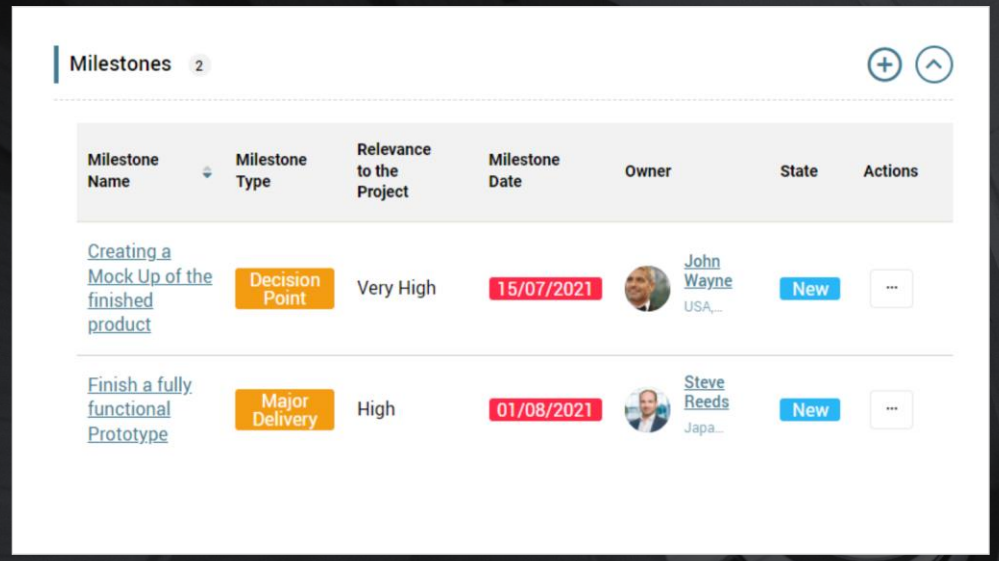
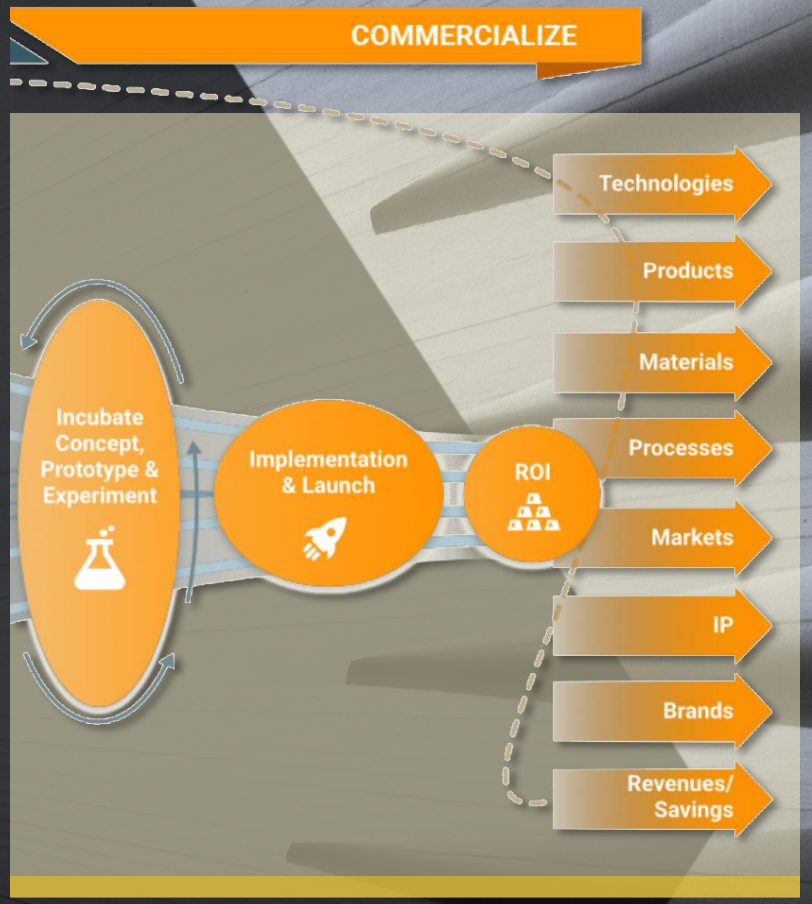
MILESTONE PLANNING & TRACKING

Collaborate on projects, allocate tasks, and manage timelines and milestones





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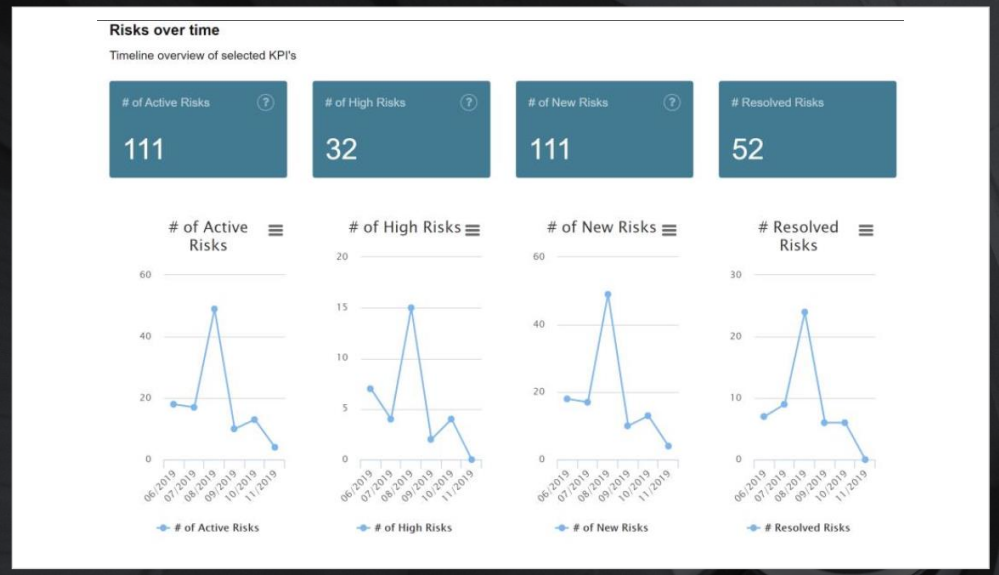
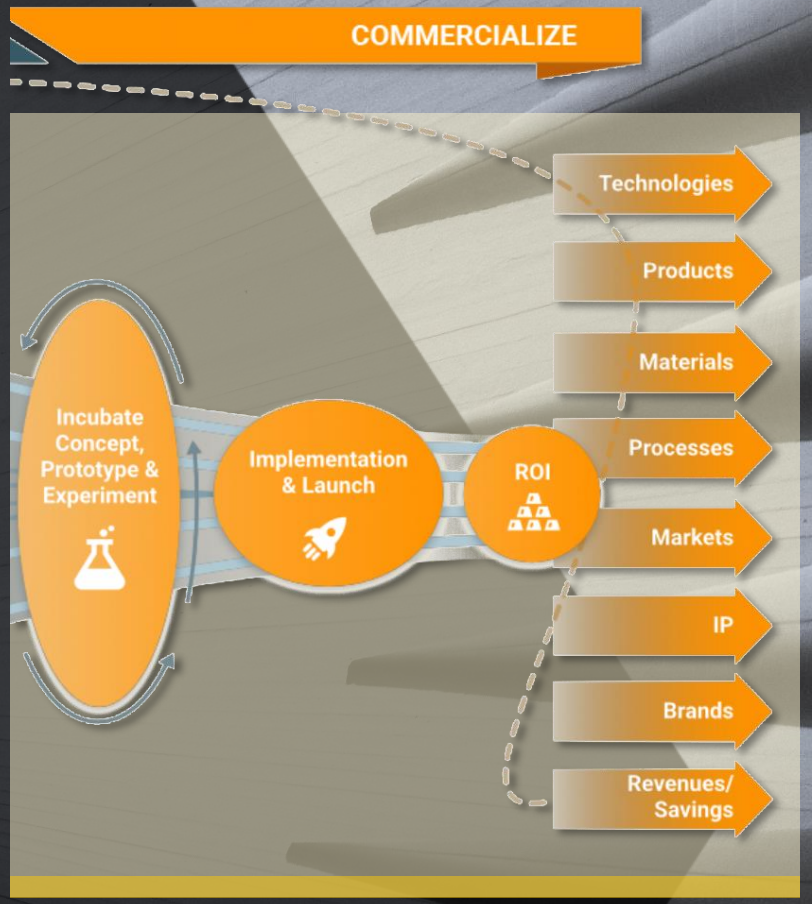
RISK MANAGEMENT

Identify key risks and manage them per project and applicable owners





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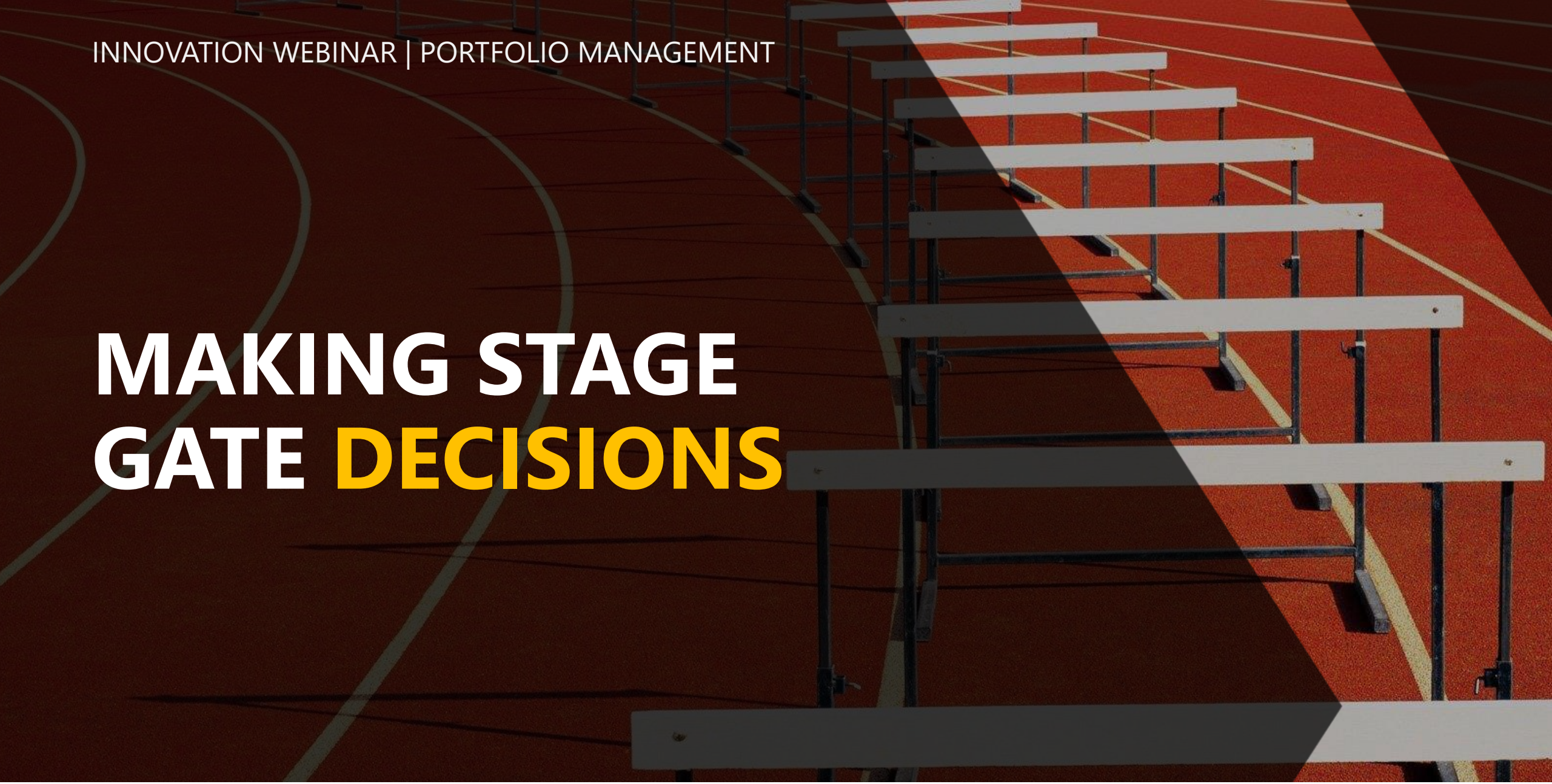


MAKING STAGE GATE DECISIONS

DATA DRIVEN DECISION MAKING

- ADOPT A DATA DRIVEN MINDSET
- USE THE EVIDENCE FROM EXPERIMENTS
- MIND YOUR BIASES

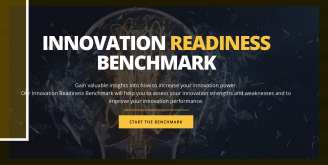
HELPFUL RESOURCES

1

GET DARE: OUR BOOK ON CORPORATE INNOVATION

https://www.revelx.co/dare/

2



TAKE PART IN THE INNOVATION READINESS BENCHMARK

https://www.revelx.co/innovation-readiness-benchmark/

3

DOWNLOAD OUR CORPORATE INNOVATION PLAYBOOK

https://www.revelx.co/corporate-innovation-playbook/

4

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