

Innovation Portfolio Management (IPM)

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*Considerations for Small and
Medium-Size Enterprises*



Objectives of Innovation Portfolio Management (IPM)

Systematically manage innovation portfolio(s) across various segments by



Dynamically Rebalancing
Investments to Maximize Value



Aligning with Strategic Goals



Adapting to Market and
Technological Changes

Effectively handle the complexities and uncertainties of innovation



Managing Various Portfolios

Similarities

- ✓ Objective Alignment
- ✓ Risk Management
- ✓ Resource Allocation
- ✓ Maximizing Synergies

Differences

- ❖ Exploration & Experimentation
- ❖ Open Timelines
- ❖ Rapid Iteration & Adaptation
- ❖ Uncertainty & Higher Risk



Common Constraint – Portfolio Solution

PEOPLE

- ◆ Assigned specific operational role or function
- ◆ Potential for higher stress levels and burnout
- ◆ Limited skill diversity
- ◆ Challenges in the ability to scale and make innovations operational



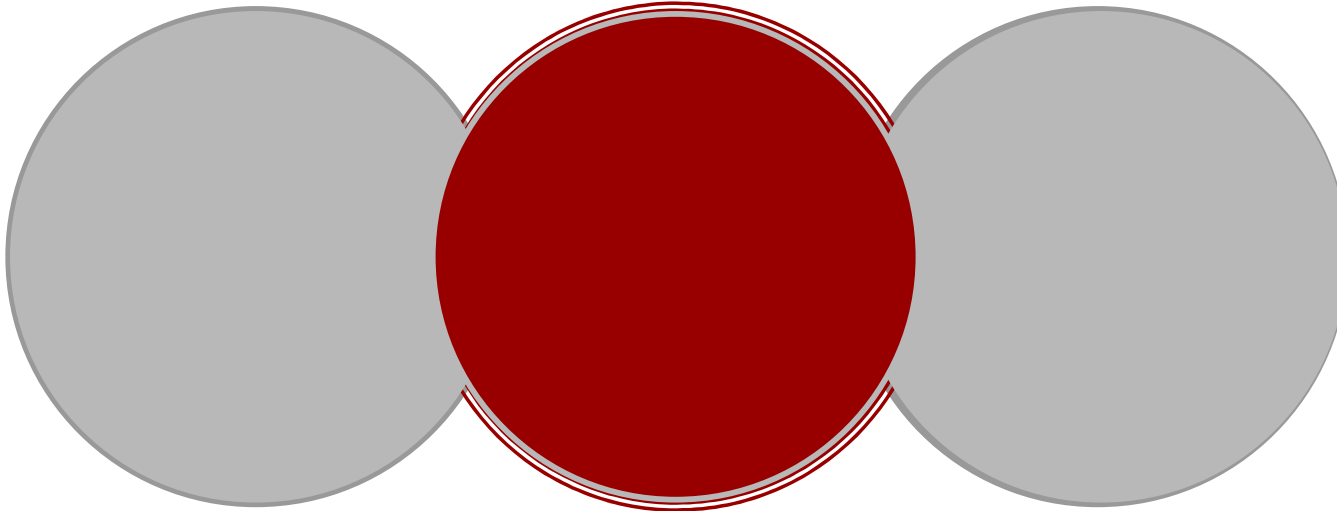
TIME

- ◆ Everyone fully tasked operationally or client billable
- ◆ Difficult prioritization between operations and innovation
- ◆ New idea implementation hardship

Aligning scarce resources with high-impact innovation activities.
Strategic restructuring to balance risk and reward, optimizing value creation.



SME Innovation Portfolio Adoption





IPM Prioritization, Risk Management, & Improvement Through Uncertainty

Prioritization

Guide SMEs such that innovation initiatives within the portfolio are prioritized and consistently align with long-term business objectives

Risk Management

Strengthen risk management by diversifying innovation investments with a portfolio approach to support the navigation of inherent uncertainties

Improvement

Help in establishing measures to evaluate innovation portfolio performance, facilitating learning and growth, and enabling the organization to respond dynamically to feedback, uncertainty, and forces of change

Supports Sustainable Growth & Competitive Advantage



Clauses and Concepts of an IPM Standard

- ◆ **Principles** - ensure effective IPM, including strategic alignment, flexibility, and balance between different types of innovations.
 - ◆ **Structures and Processes** - overseeing and managing the innovation portfolio, including roles, responsibilities, and decision-making authorities.
 - ◆ **Alignment** - aligning the innovation portfolio with organizational strategy and designing the portfolio to achieve strategic objectives.
 - ◆ **Assessment** - Methods for assessing portfolio performance and alignment with strategic goals.
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Clauses and Concepts of an IPM Standard cont.

- ◆ **Resources** - allocating resources within the portfolio, including financial, human, and technological resources, to optimize the portfolio's value and impact.
 - ◆ **Culture** - fostering an organizational culture and structure that supports and enhances innovation portfolio management.
 - ◆ **Active Management** - reviewing and adapting the innovation portfolio management processes in response to risks and internal and external changes, ensuring the portfolio remains relevant and effective over time.
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Thanks!

Any questions?

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