

Integrating Strategic Planning with Portfolio Management

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masterclass

INNOVATION LEADER & SOPHEON



>75%
INCREASE IN
PORTFOLIO
VALUE

50%
INCREASE IN
PRODUCT
SUCCESS

250+
IMPLEMENTATIONS
WORLDWIDE

DOUBLE-DIGIT
YoY
GROWTH

BLUE CHIP
CUSTOMER
BASE

15-30%
TIME TO
MARKET
REDUCTIONS

>10%
COST
REDUCTION



15 YR
DOMAIN
EXPERTISE

GLOBAL
FOOTPRINT

ACCOLADE
EXPRESS
BEST PRACTICE
ACCELERATORS



ISO 27001
AND
SKYHIGH
CERTIFICATIONS

50+
GARTNER/
FORRESTER
REPORTS

Connecting
Strategy
to
Execution



21
BEST PRACTICE
TEMPLATES

STAGE-GATE
READY

TOP 10
MICROSOFT
SOLUTION
PROVIDER

CGT
"BEST IN
CATEGORY"
NPDI SOLUTION

BEST-IN-CLASS
SOFTWARE &
CONSULTING
SERVICES

FASTER,
BETTER
DECISIONS

DELIVERED:
ON-PREMISE
CLOUD
SAAS

What We'll Cover Today



How best to align new product investments with the corporate strategy...



The challenge
we see



What you experience
in your organisation



Lessons learned from
our experiences

Why Aligning Portfolio with Strategy Matters



67 Average lifespan in years of an S&P 500 company in the 1920s

15 Average lifespan in years of an S&P 500 company today

75 Percent of S&P 500 will be replaced by new firms by 2027 ⁽¹⁾

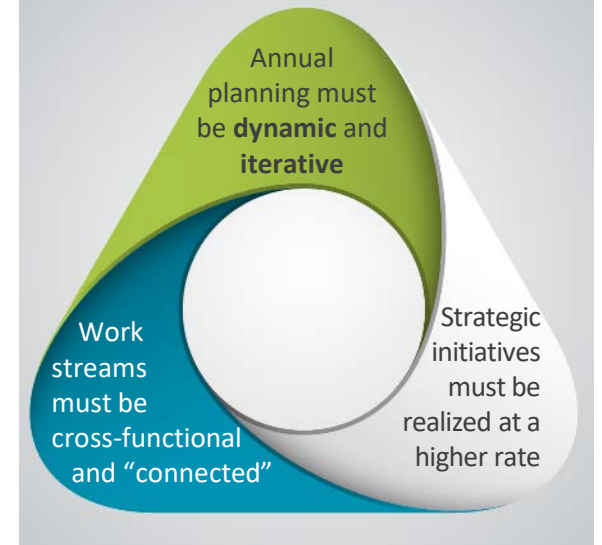
- Only 13% of companies successfully execute their strategy ⁽²⁾
- Strategies are defined but **not translated into action**
- Quickly **out-of-date due to constant market changes**



- Only 56% of strategic initiatives are considered successful ⁽³⁾
- 71% workforce not engaged, don't understand ⁽⁴⁾
- AOP is spreadsheet exercise, disconnected from strategy



Digitalization and consumerization are driving **urgency to act**



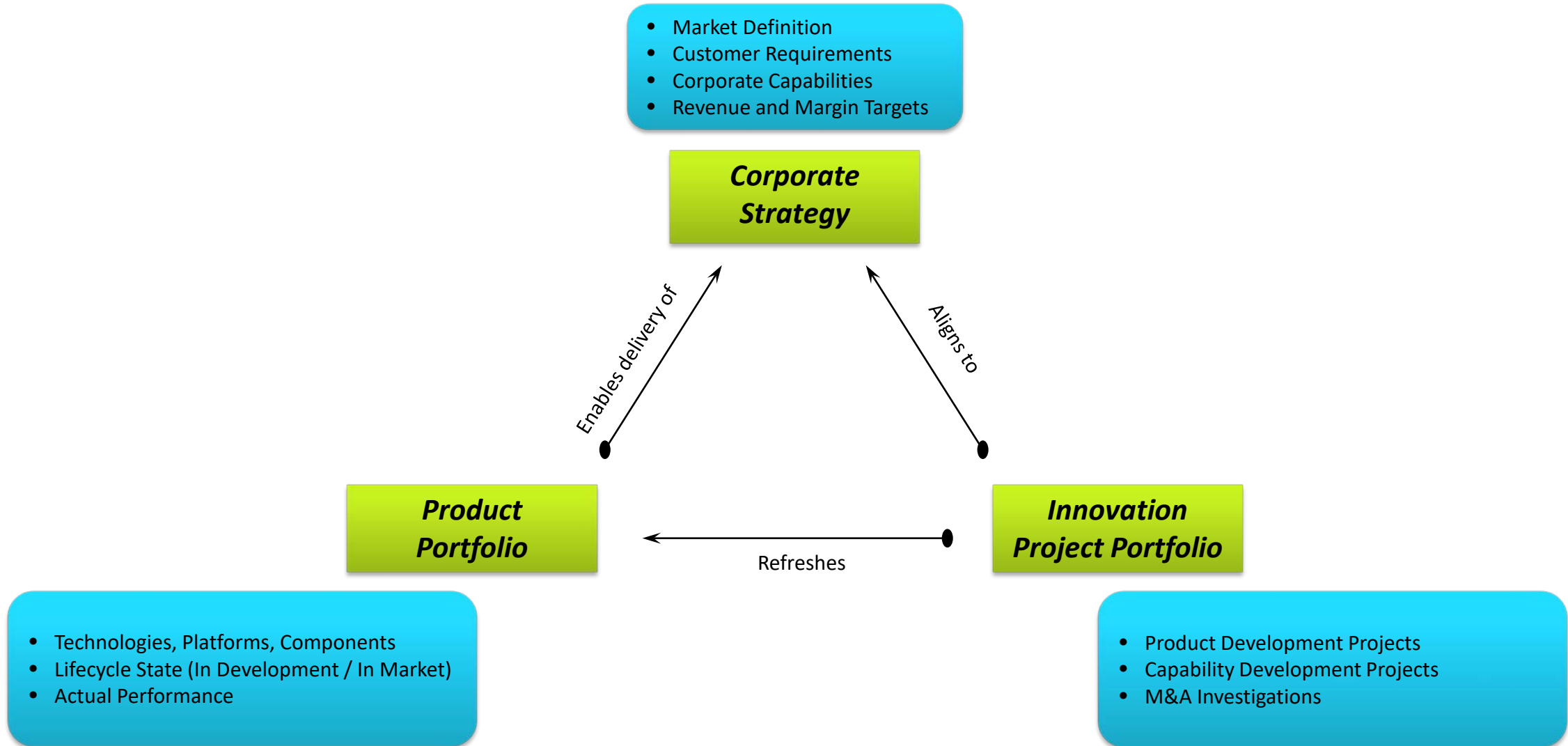
¹ Yale School of Mg

² Daniel F. Prosser

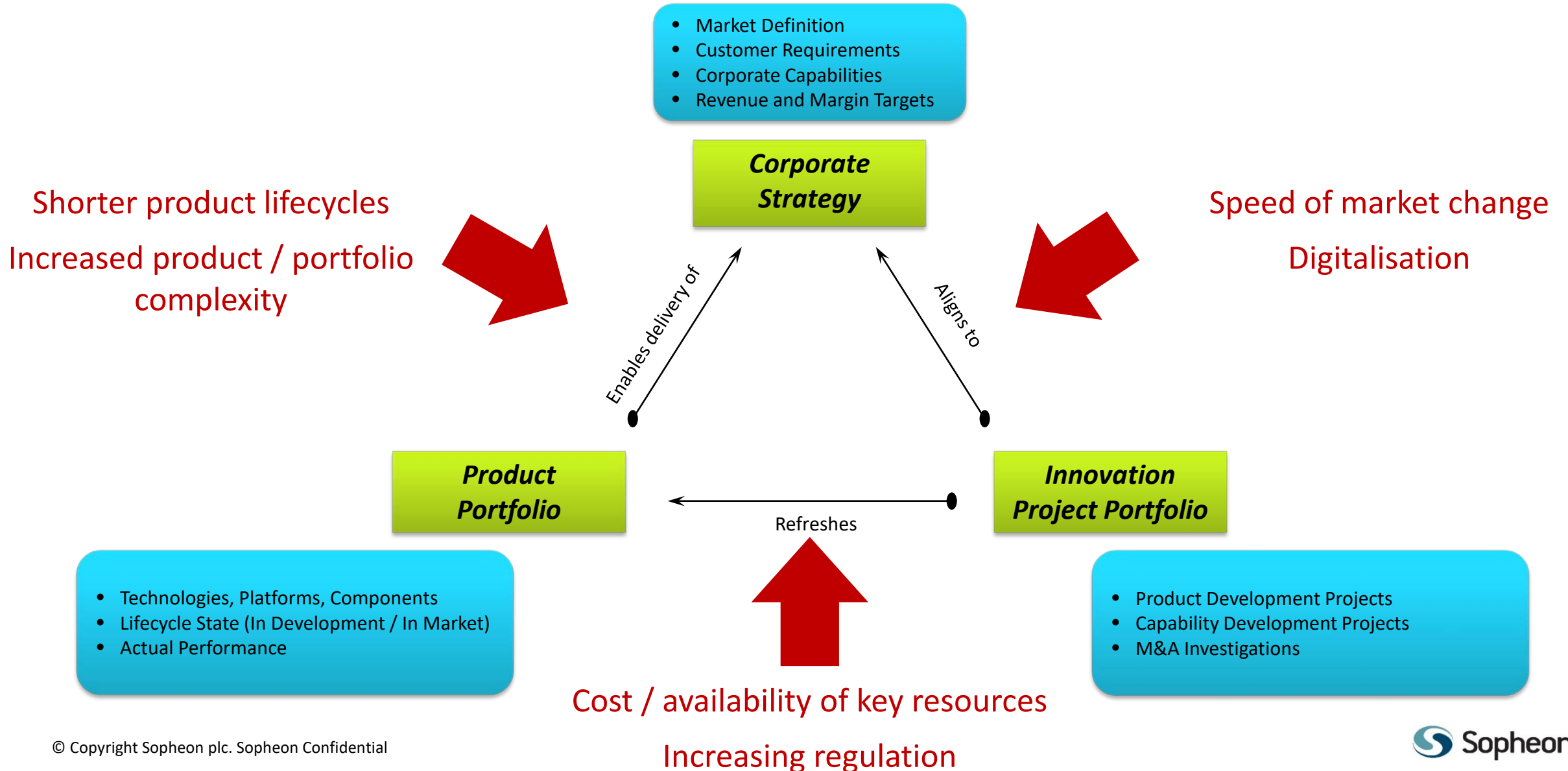
³ Economist

⁴ Gallup

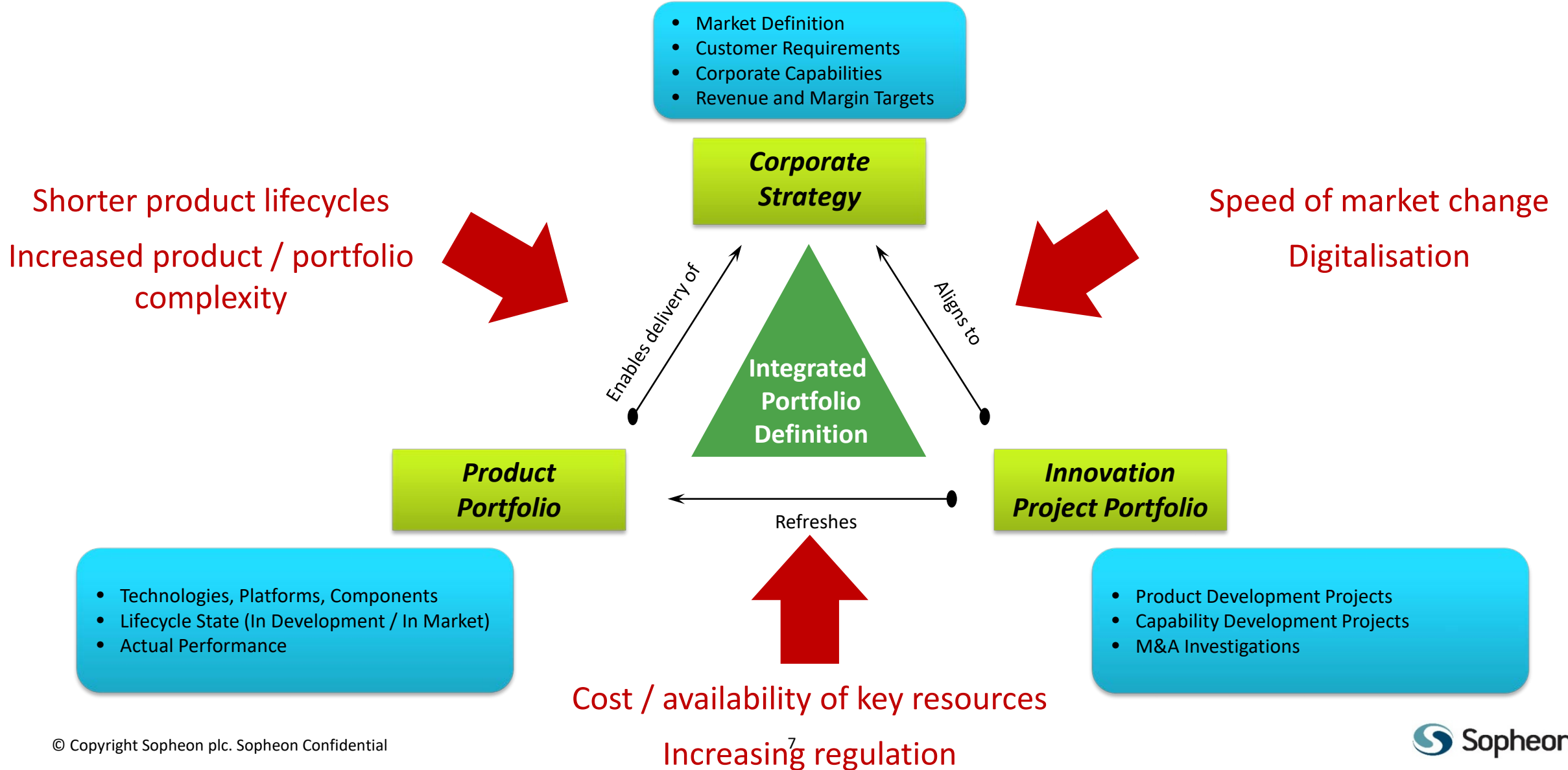
The Internal Landscape...



Complicated by External Factors...



The Key: Integrated Portfolio Definition



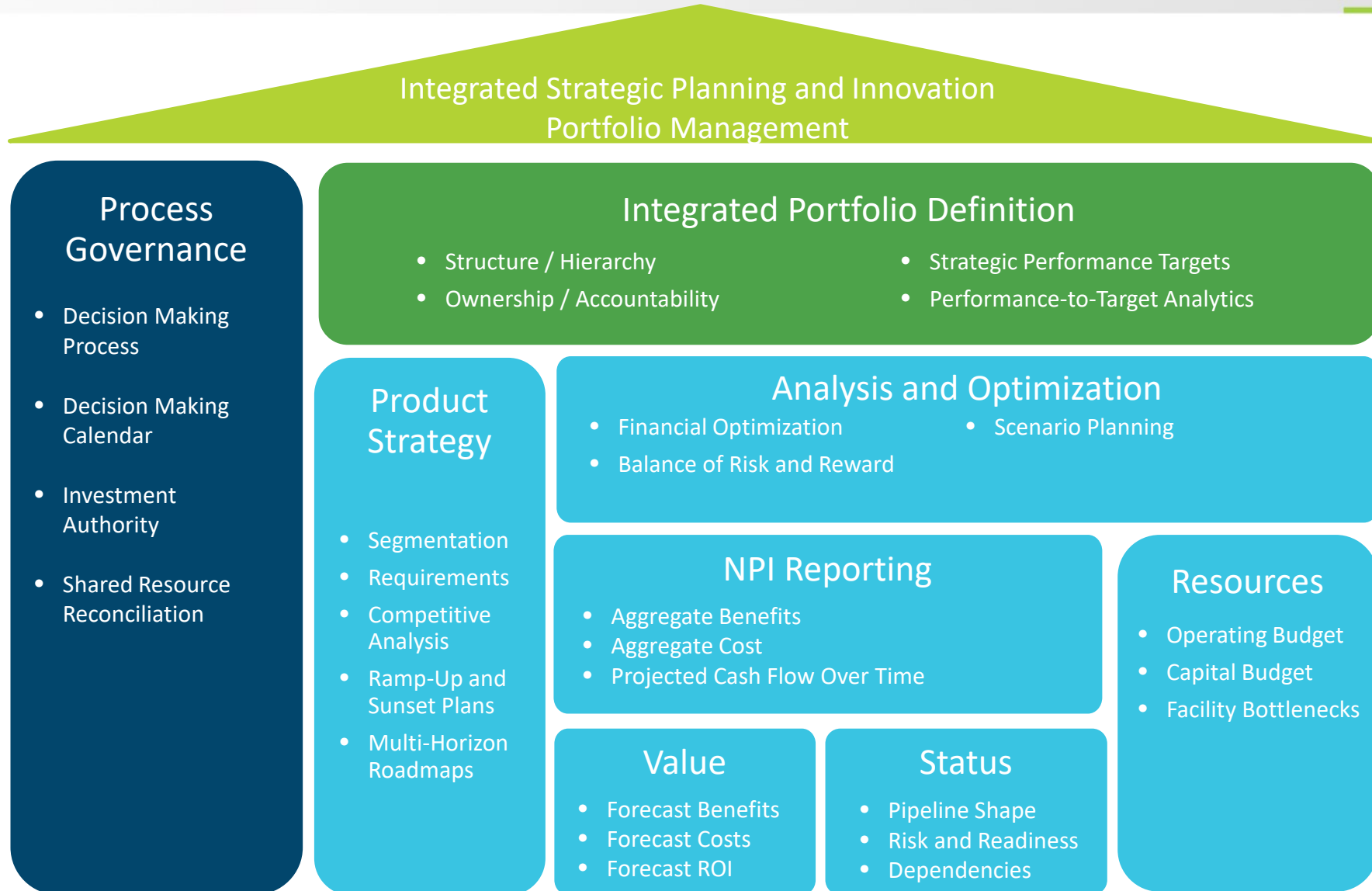
Poll Question



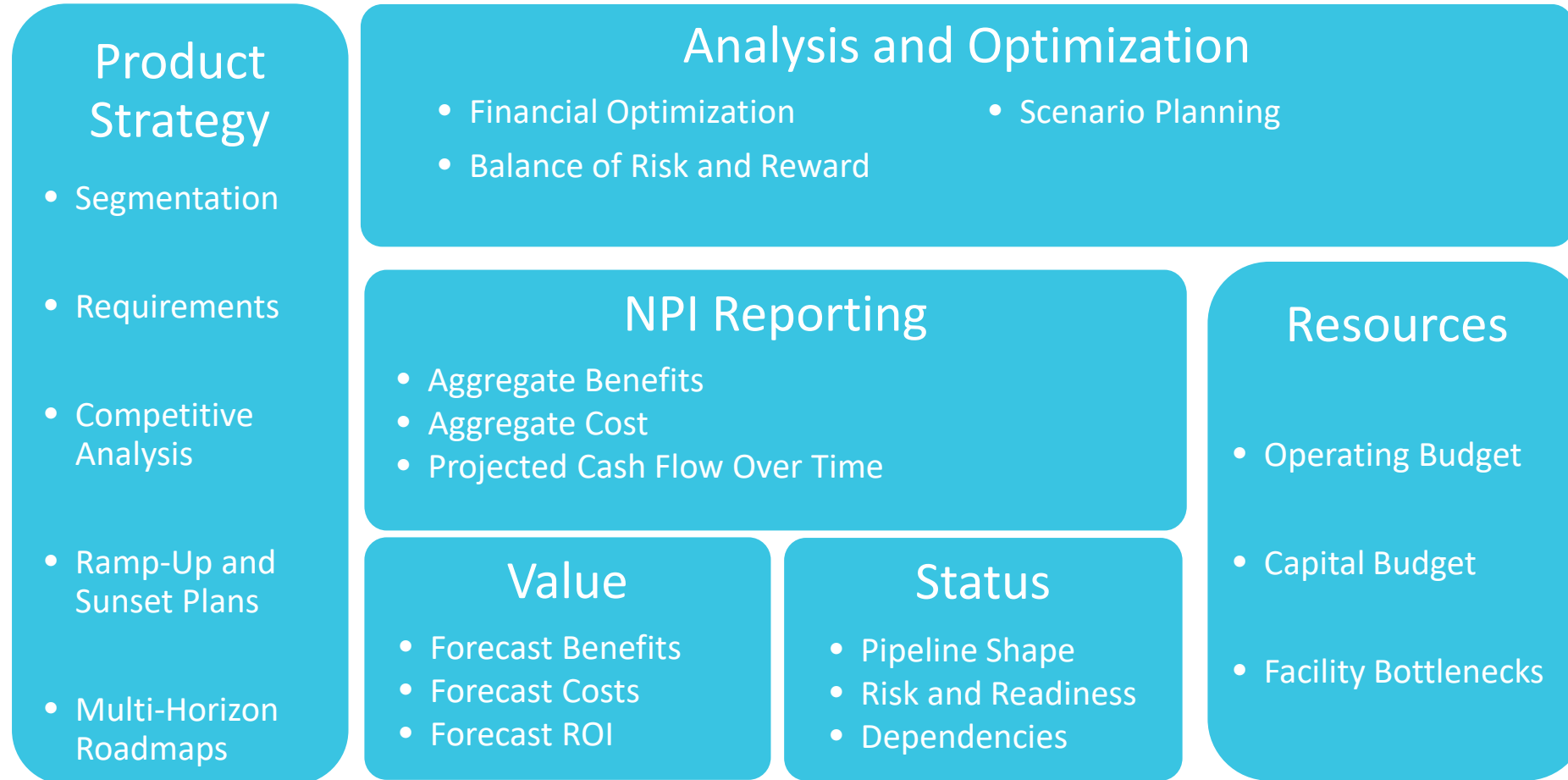
What is your greatest challenge in aligning corporate strategy, product portfolio and project portfolio?

- Consistently evaluating solution alignment to strategy
- Getting accurate data on the current portfolios
- Consistent definition of strategy/portfolios company-wide
- Clarity over who makes which decisions
- Understanding the impact of decision options in advance

A Framework for Integration



Product and NPI Data Model



Process Governance



Process Governance

- Decision Making Process
- Decision Making Calendar
- Investment Authority
- Shared Resource Reconciliation



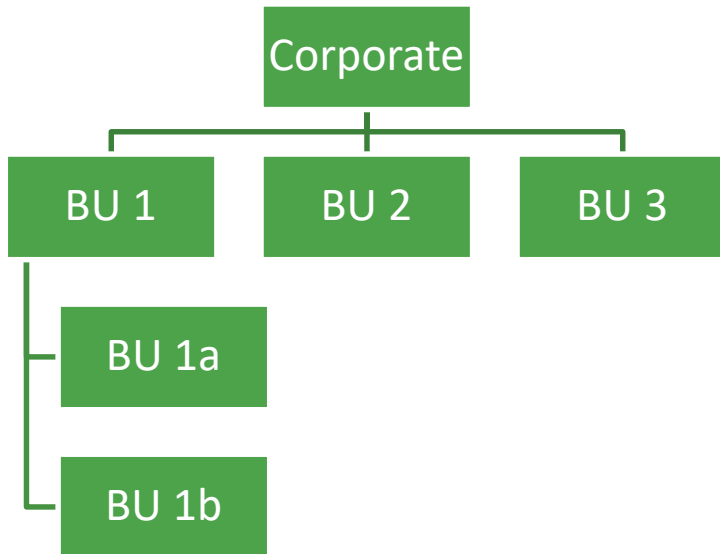
Integrated Portfolio Definition

- Structure / Hierarchy
- Ownership / Accountability
- Strategic Performance Targets
- Performance-to-Target Analytics

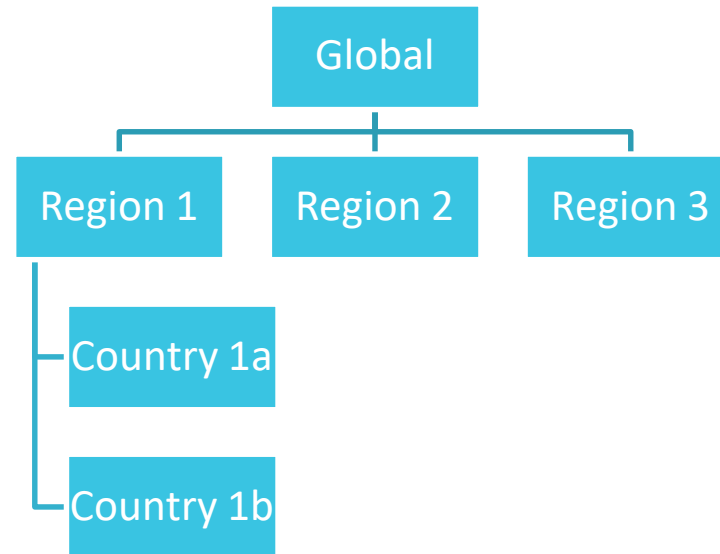
Examples of Classic Portfolio Hierarchies



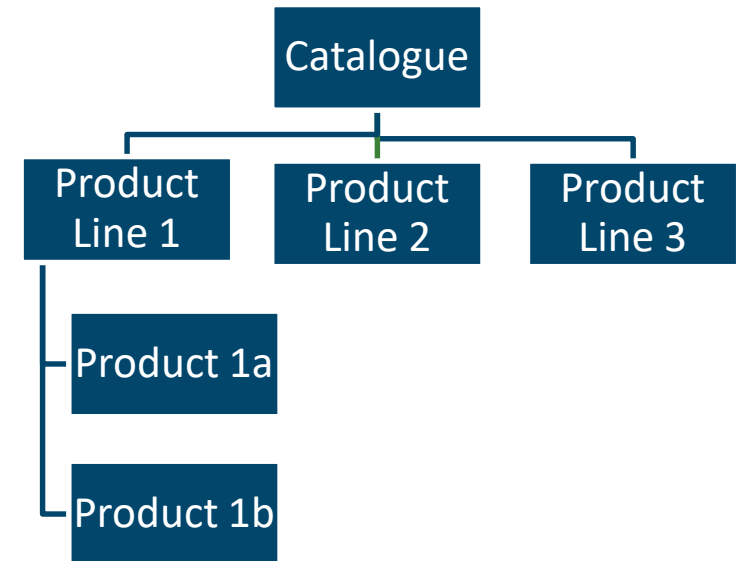
Organizational



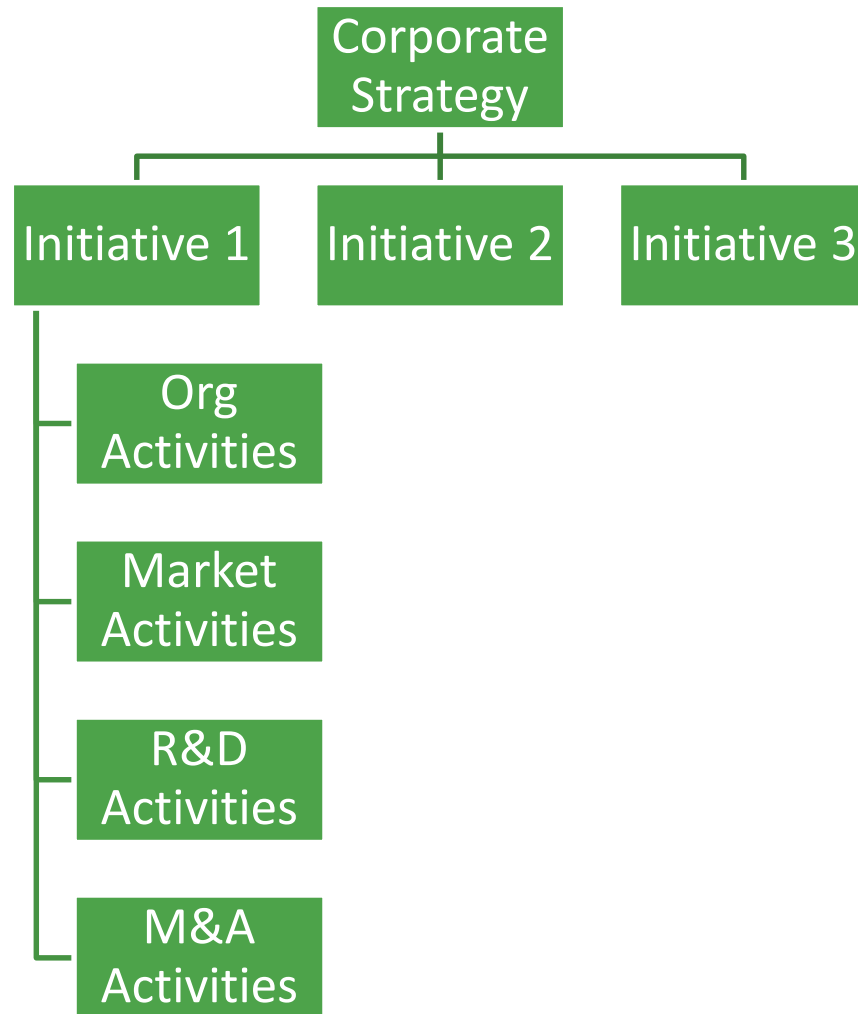
Geographical



Product



A Stronger Link to Corporate Strategy May Be Strategic Initiative Portfolios



There is no single best portfolio definition, as long as it contains:

1. Structure / Hierarchy
2. Ownership / Accountability
3. Strategic Performance Targets
4. Performance-to-Target Analytics

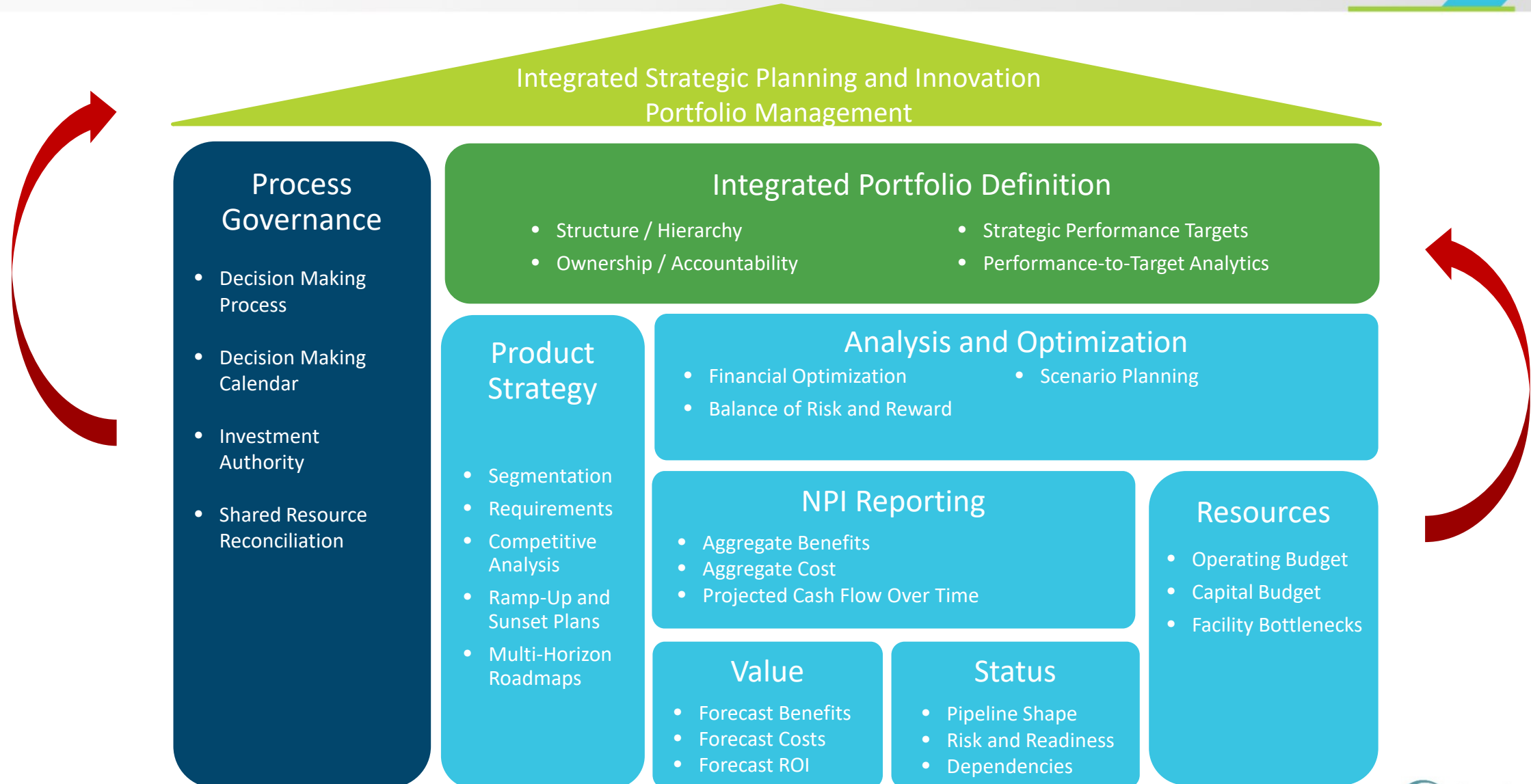
Poll Question



To what degree does your company align to this framework?

- No elements of framework
- Some elements of framework
- Similar framework but not leveraged effectively
- Similar framework used to drive critical decisions
- Similar framework fundamental to our corporate culture

Building the House: Stories from the Field



Thank you for your attention

Any questions?



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