Innovation Project Management

Innovation Project Management Series

Global Project Management

Poor Statistics on Successful Projects

Failed systems projects cost more than $100 billion per year - Computerworld

One out of every two projects overruns its budget by 180% or more - Computerworld

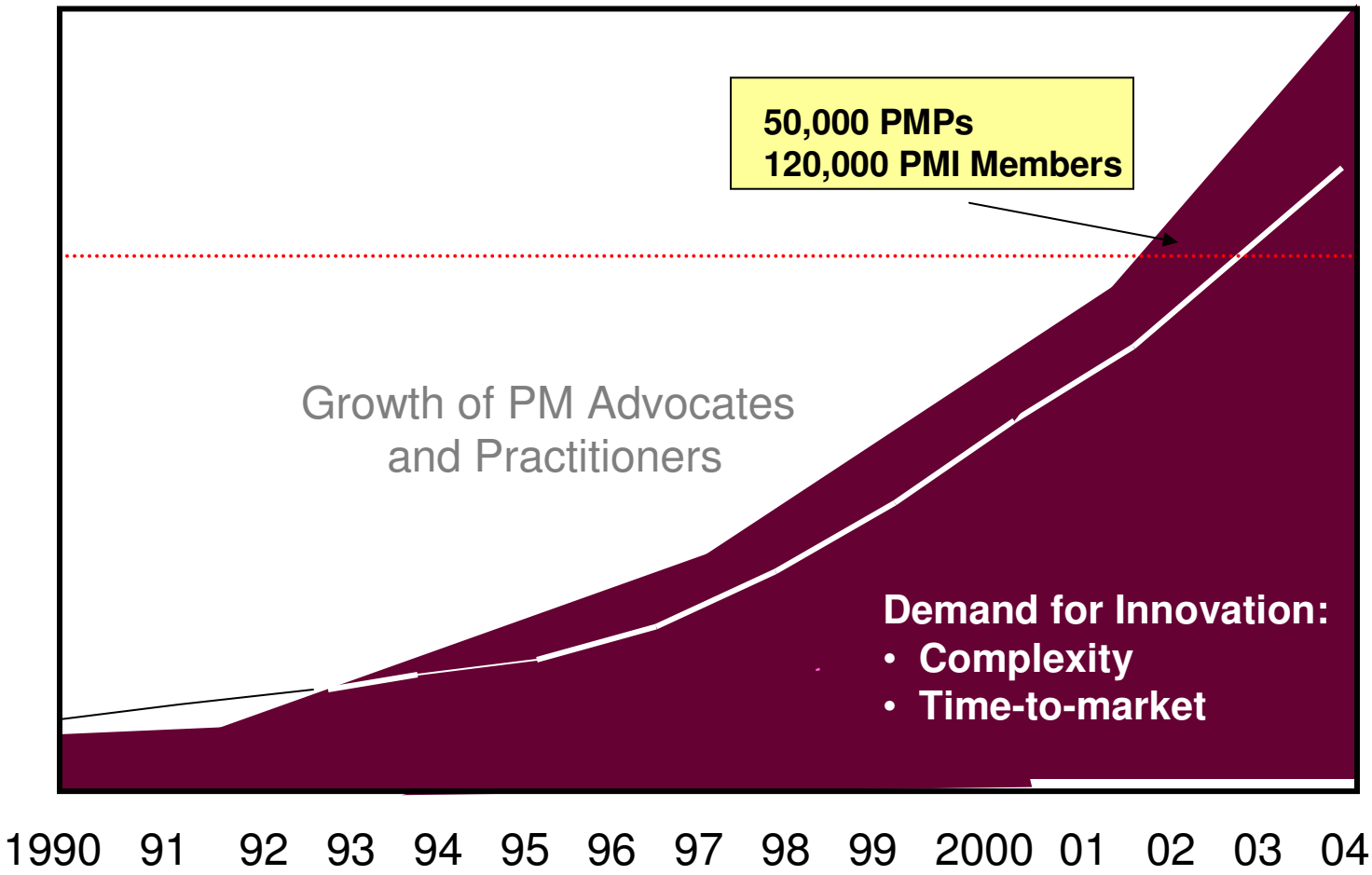
Survey of 300 large companies 65% reported projects were grossly over budget, behind schedule and technology nonperforming - KPMG

65% of companies have lost control of at least one major project - Forrester Research

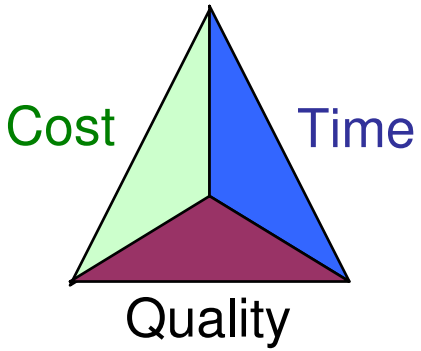
31% of 8,380 projects cancelled - while only 16% were on schedule and on budget - Standish Group

Why aren't Project Success Rates Increasing?

➢ **Increasing Complexity due to need for greater innovation**



An Innovative Project



A General Definition:

- a significant endeavor, usually mission critical
- unique and unclear as to outcome
- limited skilled resources with extraordinary and dynamic constraints in time, cost and quality
- to bring about a beneficial change which may not be able to be expressed clearly

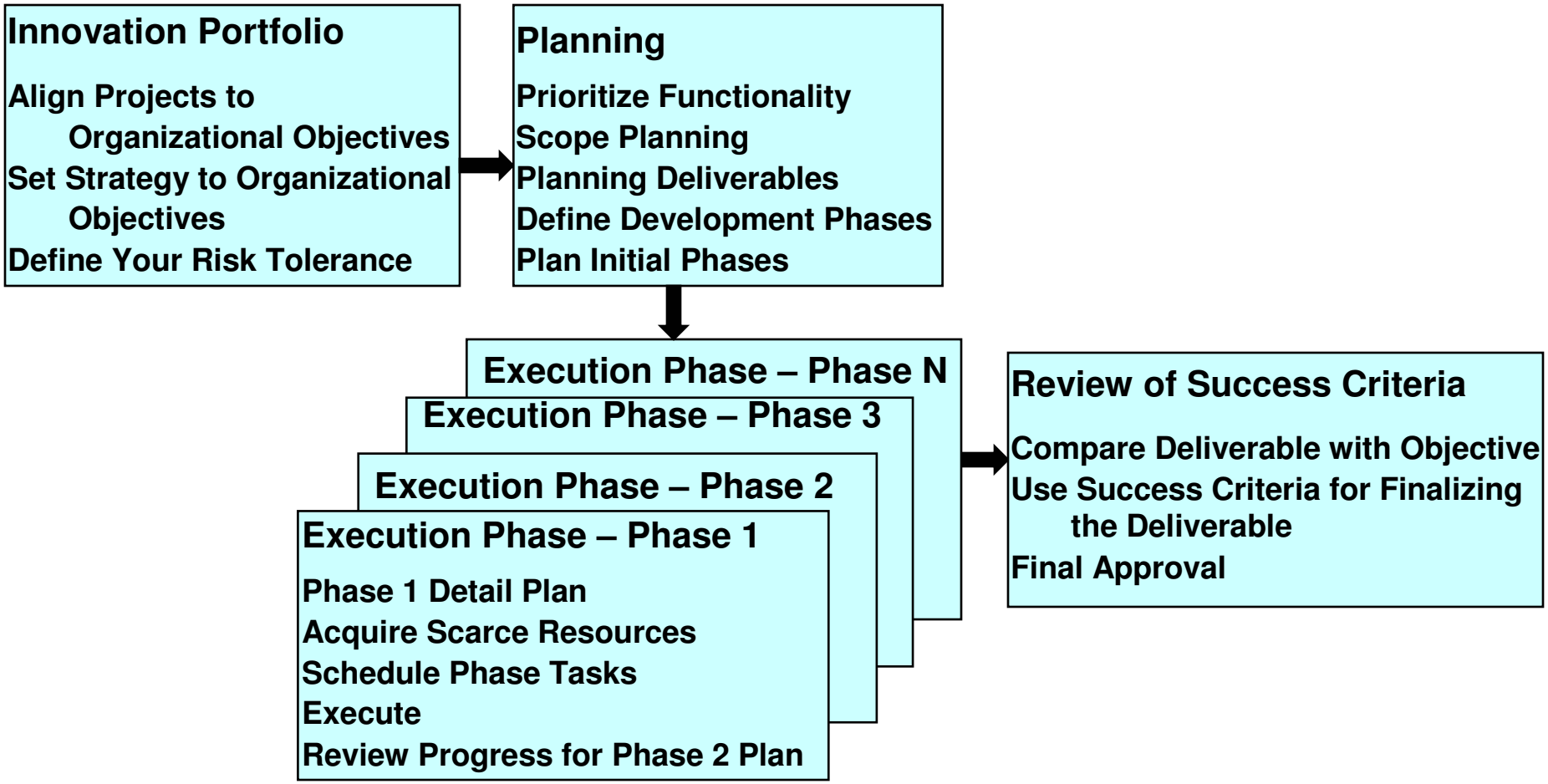
Innovation Projects are Different from Traditional Projects

1. Rapid Technological Changes
2. Unclear Scope Objectives
3. Rapid Changes in the Market
4. Scarce Resource Constraints
5. Unsure of Time Estimates
6. Greater Need for Creativity
7. Knowledge Intensive

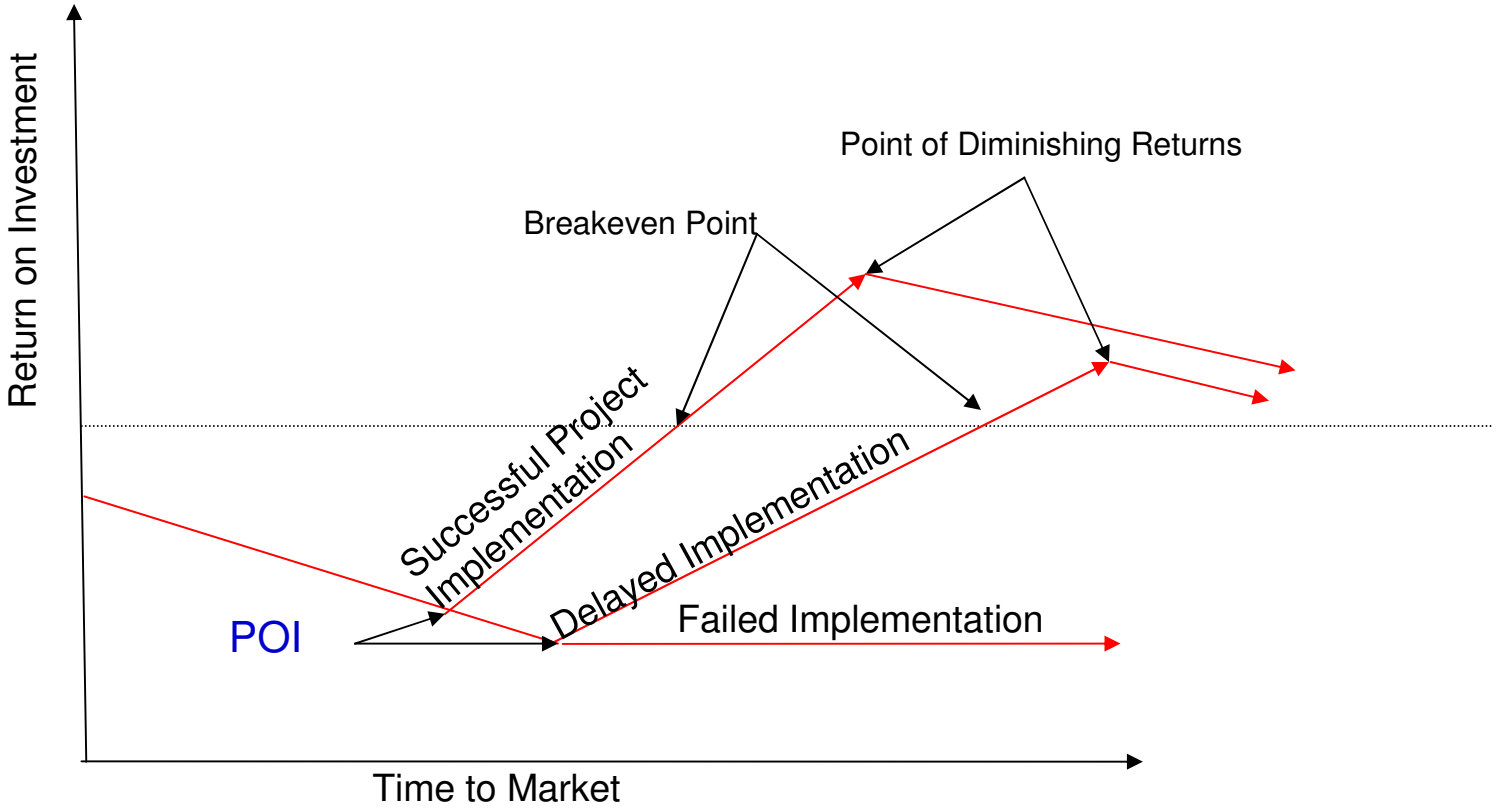
New Approach for Innovation Projects

1. The Need for Portfolio Management Techniques
2. Being Scope Change Friendly
3. Planning Done on a Shorter Time Frame
4. The Need for Managing Knowledge
5. Planning for Rapid Phased Deliverables
6. Working with Scarce Resources
7. Fully Engaging Team Creativity
8. Deploying Highly Talented People

Innovation Projects

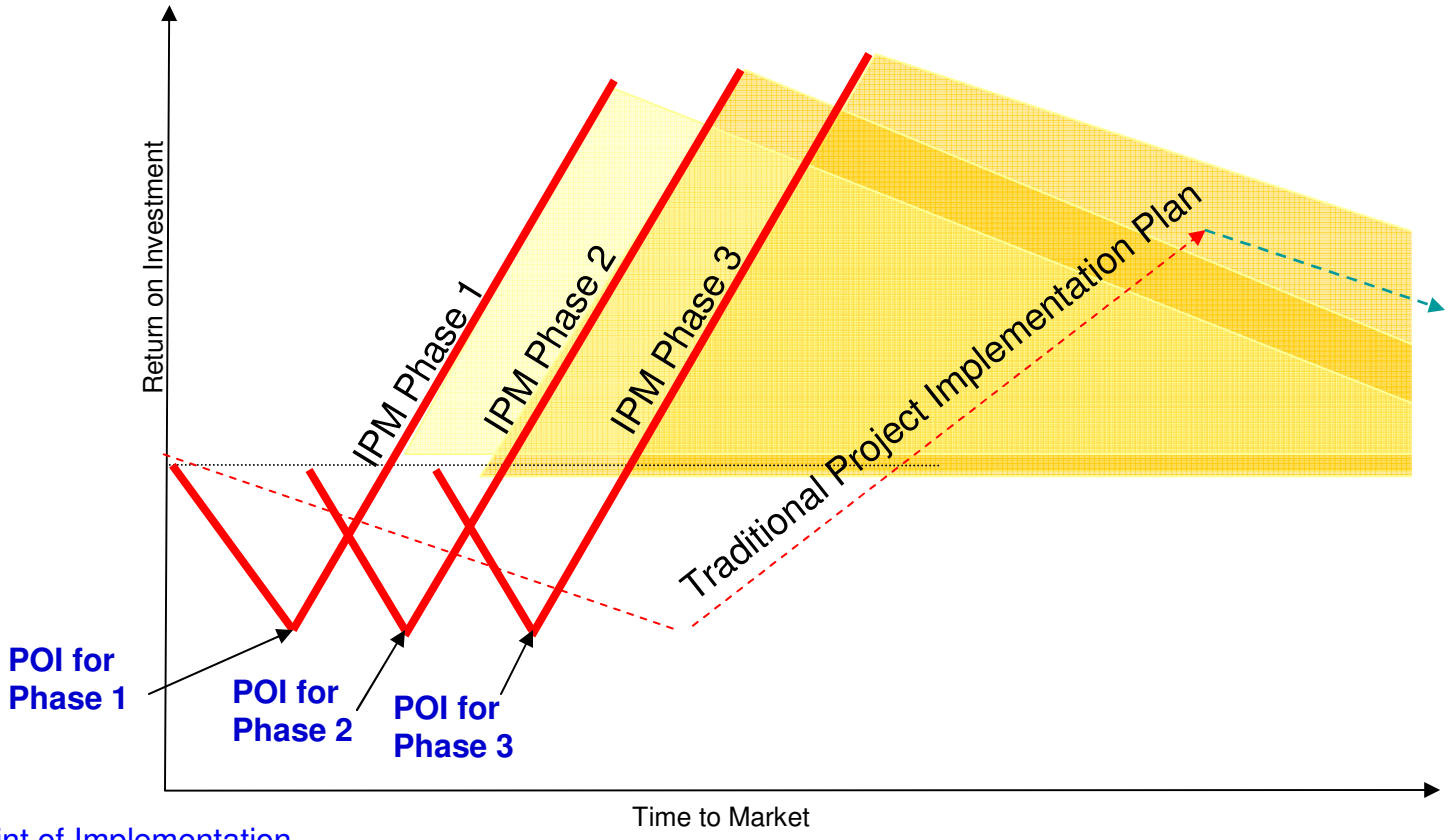


Traditional Project Investment Profile



POI = Point of Implementation

IPM Intensive Project Investment Profile



POI = Point of Implementation

Return on investment

Added return due to Intensive project
Return from Traditional project

Setting the Development Plan

Example: PDA Upgrade Project

Proposed Phases	Aggressive High Value Strategy	Estimate in Days	Low Risk Strategy	Estimate in Days	
Phase One	Bluetooth Communication	*178*	Infra Red Input/Interface	*54*	Phase One
	Infra Red Input/Interface	*54*	Larger Display	*84*	
Phase Two	Faster Com Link	*102*	Larger keypad	*34*	
	Cell phone Capability	*154*	New Exterior Design	*66*	Phase Two
Phase Three	New Exterior Design	*66*	Faster Com Link	*102*	
	Larger Display	*84*	Bluetooth Communication	*178*	Phase Three
	Milspec Durability	*76*	Milspec Durability	*76*	
Phase Four	Larger keypad	*34*	Cell phone Capability	*154*	Phase Four
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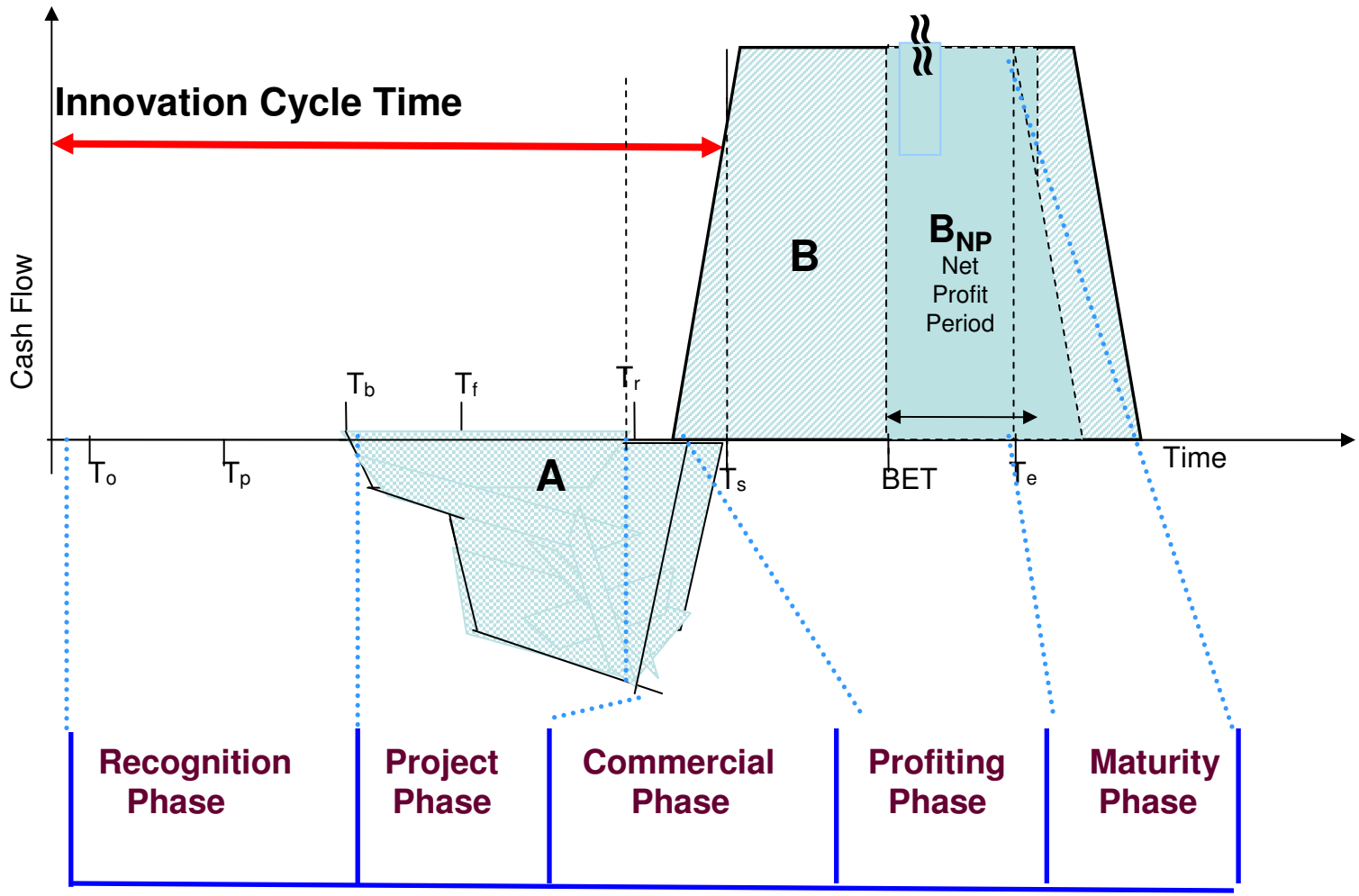
The Traditional Approach to Innovation



Recognition Phase

T_o Opportunity occurs

T_p Opportunity perceived

Project Phase

T_b Project activity begins

T_f Product definition and plans freeze

Commercial Phase

Tr Product is released to production

Profiting Phase

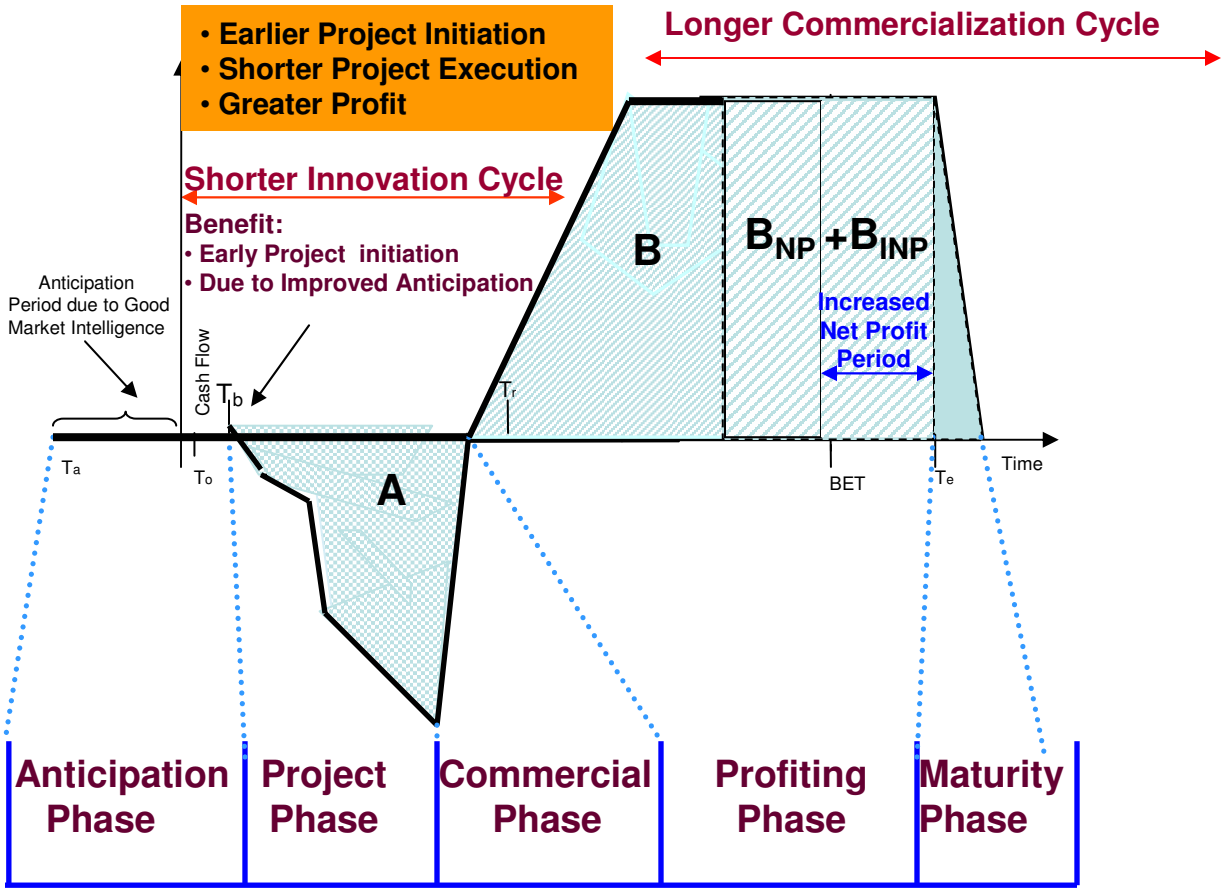
T_s First customers are satisfied

BET Break-Even Time

Maturity Phase

T_e Project becomes extinct

An Enhanced Innovation Life Cycle



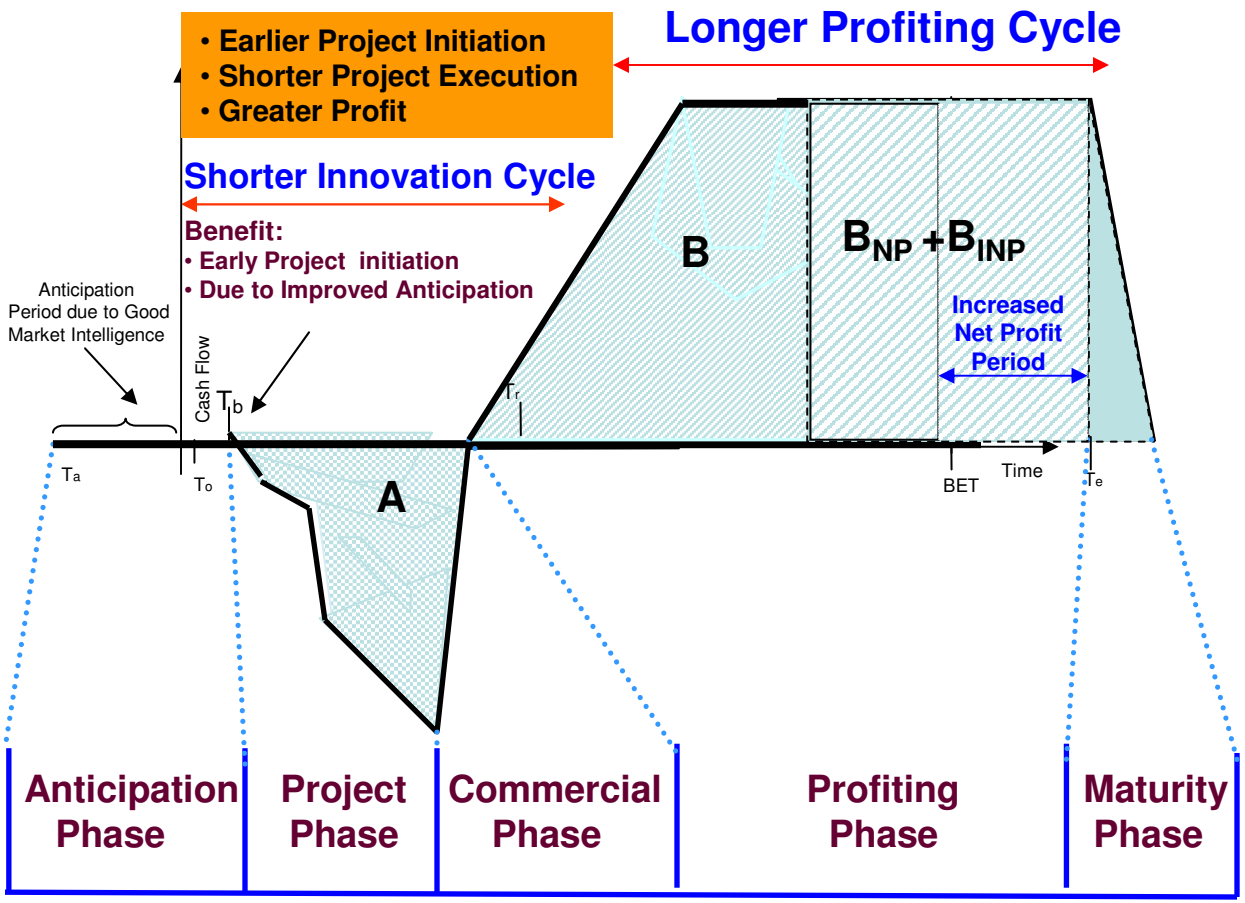
2 Step Strategy:

1. Develop strong market intelligence

2. Use intensive project investment to meet the earliest release date

This maximizes profits and improves the overall competitiveness

An Enhanced Innovation Life Cycle



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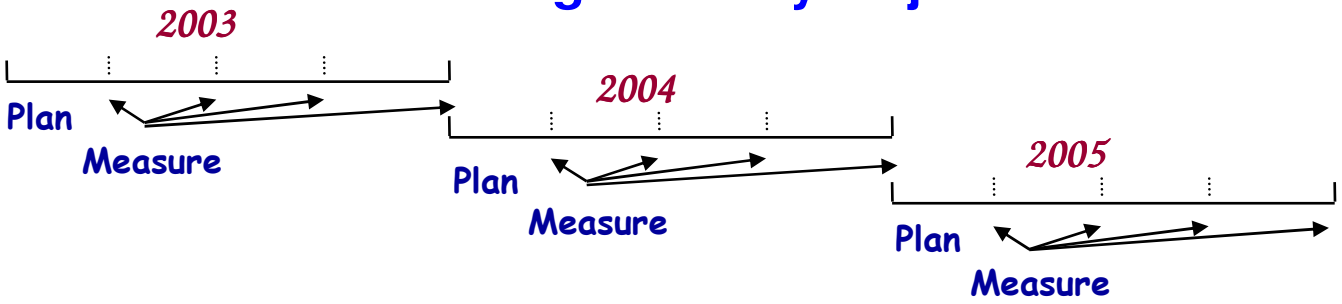
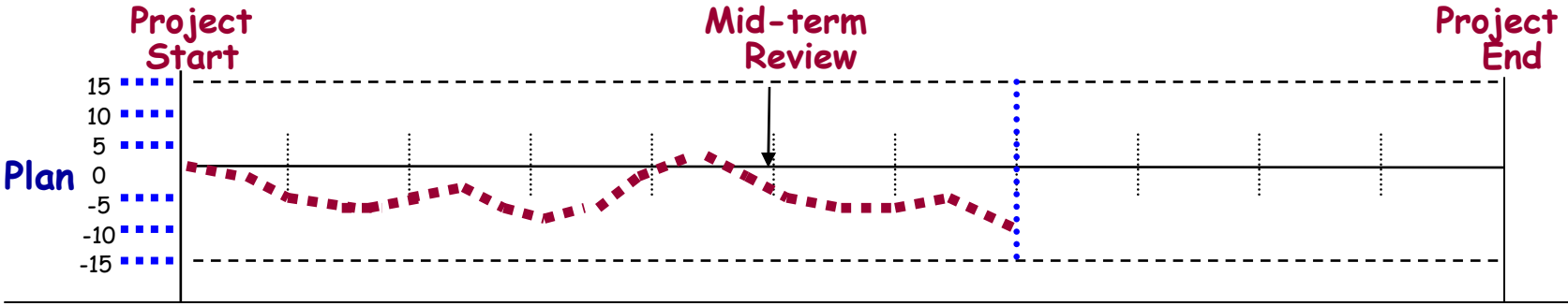
Management Techniques

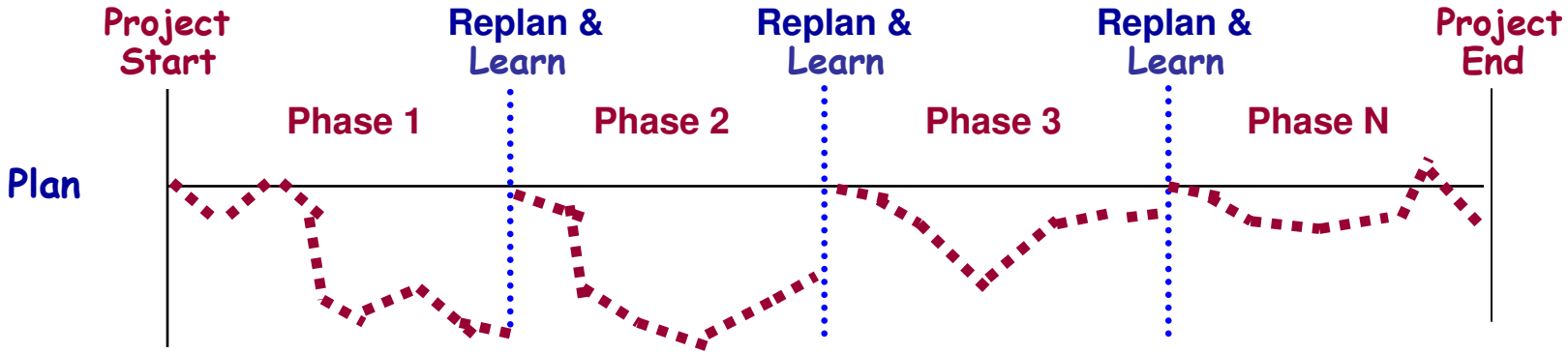
Business - Management by Objectives



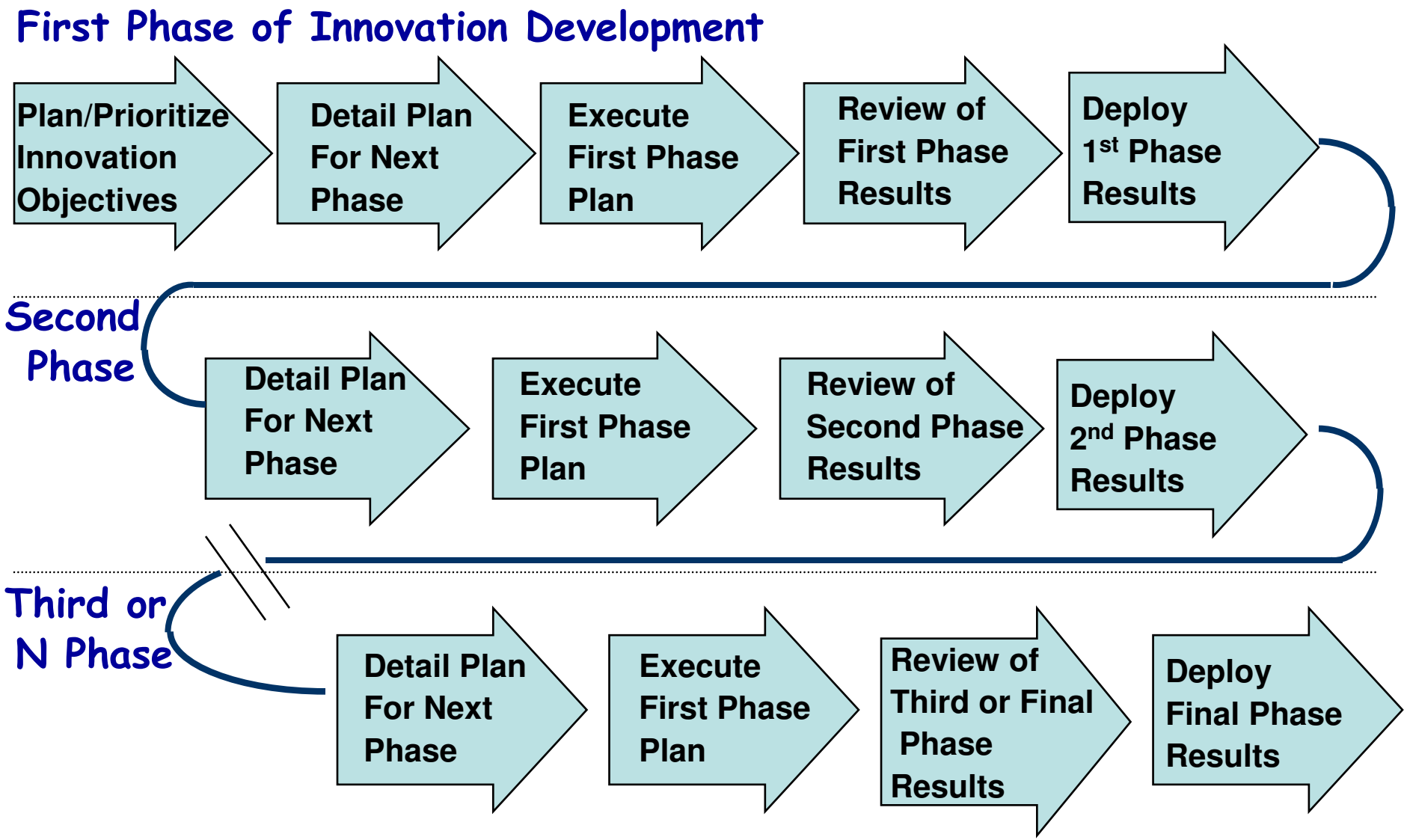
Projects - Management by Exception



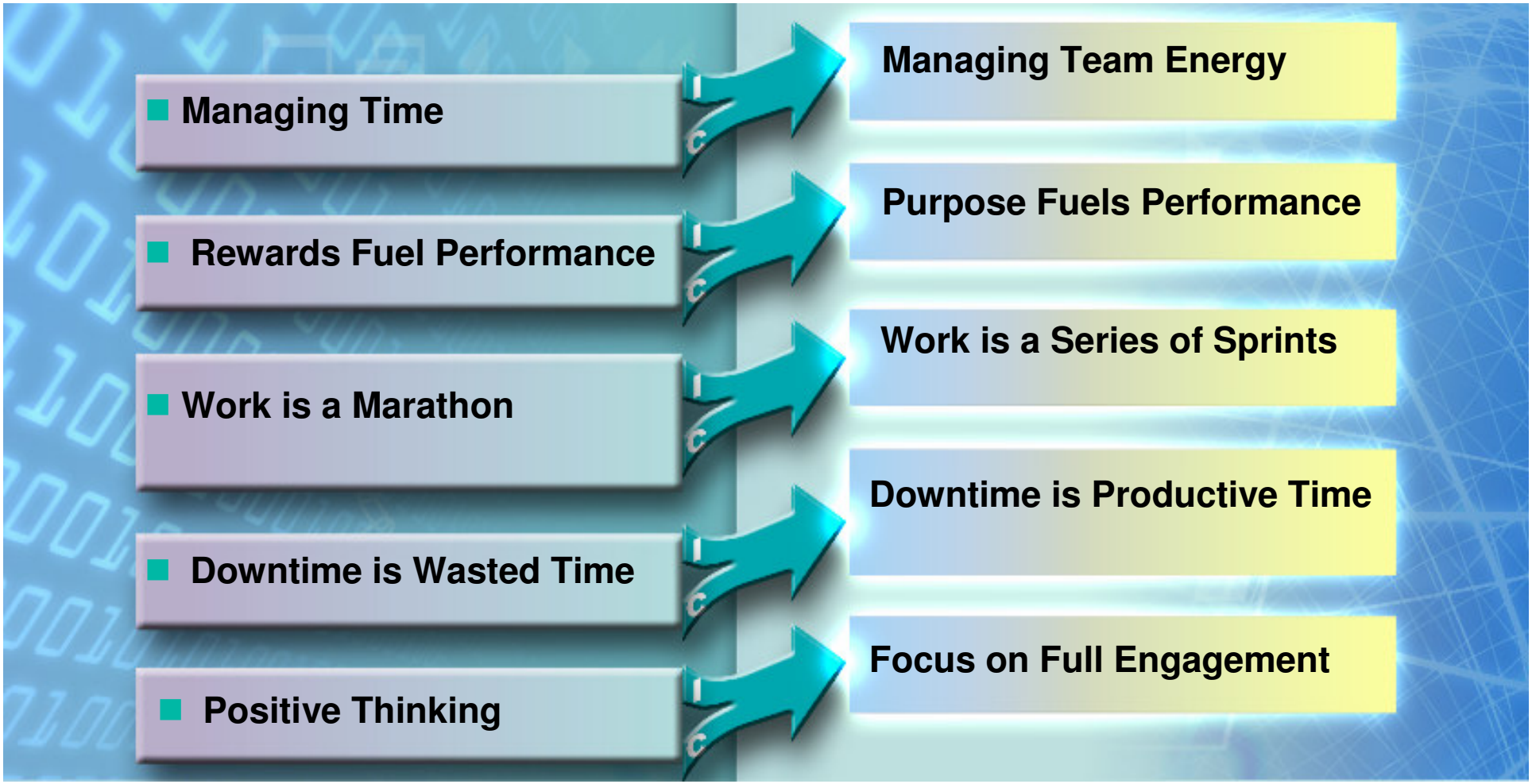
Innovation Projects - Management by Transition



Management by Transition



Paradigm Shifts in Industry



Basic Principles of APM:

- Satisfy the customer through early and continuous delivery of valuable deliverables (software);
- Changing requirements, even late in development means responding for competitive advantage;
- Delivering working solutions frequently with a preference to shorter timescale;
- Business & technical developers must work closely;
- Projects must be built around motivated teams and support them with a supportive environment;
- Always use face-to-face communication;
- Working deliverables is the primary measure of progress;
- The Agile process is sustainable development in being able to maintain a constant pace indefinitely;
- Agility is continuous attention to technical excellence and good design;
- Simplicity rules;
- A self-organizing team will naturally emerge into the best architecture, requirements and designs;
- Frequently a team should reflect on how to become more effective, then readjusts itself to become more effective.

Source: *Agile Software Development,* Robert C. Martin, Prentice Hall, 2003