

A **three-page excerpt** from our 19-page Best Practice Guidebook:

Strategic and Economic Value Analysis of Innovative New Business Ideas



Best Practice Guidebook

Strategic and Economic Value Analysis of Innovative New Business Ideas

GUIDEBOOK SUMMARY

Firm: Hewlett-Packard Company
 Industry: Information Technology: Computer Products and Services
 Headquarters: Palo Alto, California, United States
 Geographic Footprint: Global
 Ownership: Public
 Revenue (2009): \$114.6 billion USD



Problem:
 HP needs a rigorous process to help develop and evaluate ideas for launching innovative new businesses based on their strategic and economic values.

Solution:
 HP establishes a strategic and economic value-based process to develop ideas for new businesses. The process employs a two-day workshop that involves:

- Identifying appropriate commercialization strategies
- Structuring the commercialization strategies to minimize risk
- Identifying uncertainties around the key economic factors that most influence estimates of the new business' commercial value

Business Results:

- More than 30 new businesses have been evaluated using the process
- 15 new businesses were launched; 70% involved disruptive innovation

Resources Required:

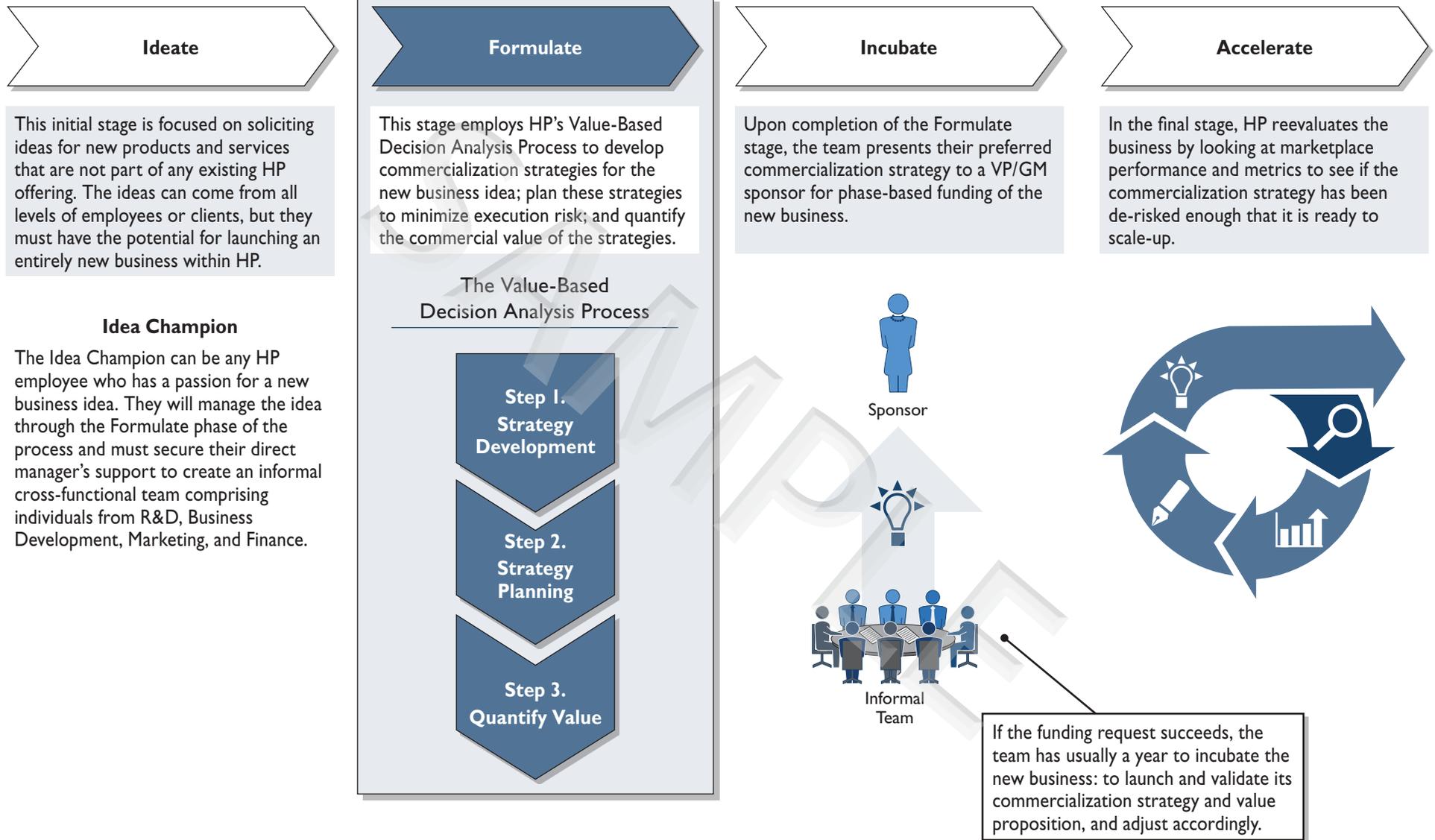
- A cross-functional team prepared to support the new business idea and participate in the workshop
- A trained process facilitator to prepare and run a two-day workshop

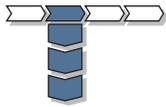
Applicability of Best Practice to Executive Functions:

Function	Applicability
R&D/Innovation	●
Corporate Development	◐
Corporate Strategy	◐

HP employs a multi-step process to identify, evaluate, and launch businesses that are outside of HP's current offerings

HP's New Business Development Process





HP’s Value-Based Decision Analysis Process utilizes a two-day workshop to formulate and evaluate commercialization strategies for new businesses

The process deploys a process facilitator to ensure the team is prepared for the workshop, which tests the strategic and economic value of the commercialization strategies

Overview of the Value-Based Decision Analysis Process

Process Facilitator Role and Workshop Preparation

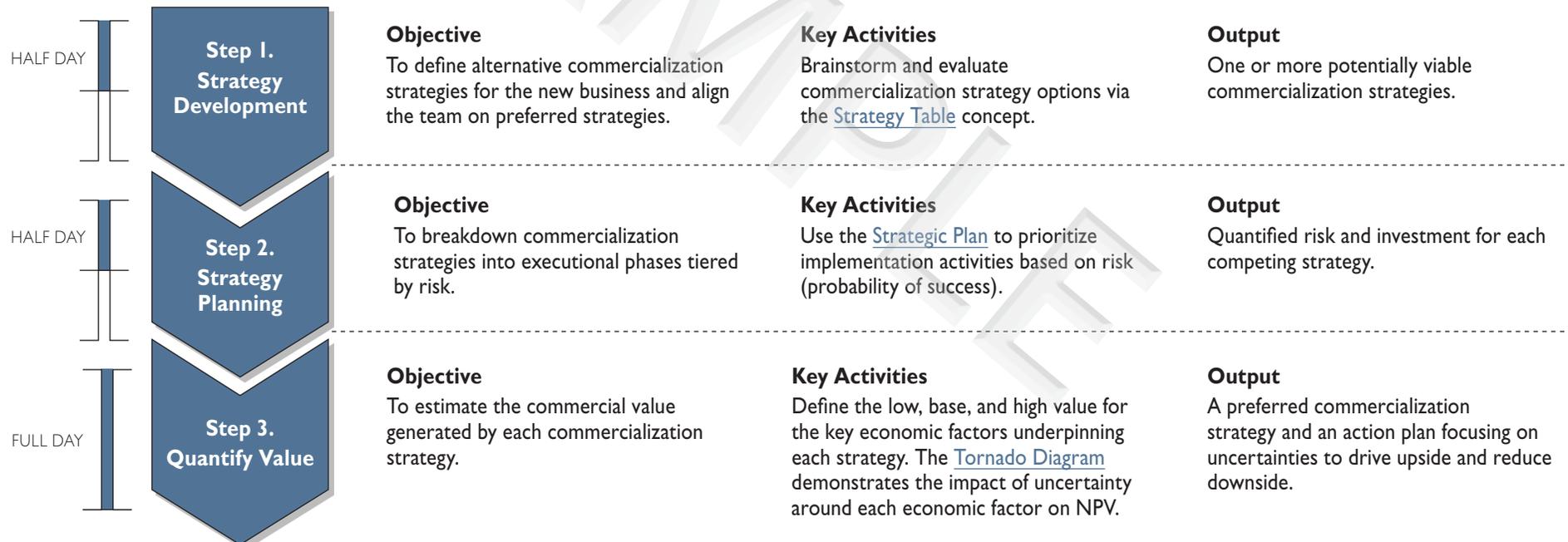
The process facilitator:

- Is an effective and proven meeting facilitator, has broad understanding and experience with business planning topics, and has strong capability in process management and quantitative analysis
- Manages the meeting process and quantitative analysis during the workshop
- Guides the dialogue sessions between team members that lead to insights that create a shared vision around the most pertinent commercialization strategy
- Captures the key learnings and decisions generated by the team and ensures the team develops action plans

For six weeks prior to the workshop, the facilitator ensures the team is prepared by:

1. Mandating that the Idea Champion has identified a “sponsor” for the new business: a VP/GM who commits to hearing a funding presentation following the workshop
2. Formalizing the team’s composition to ensure each key function is represented and there is one representative per function; teams usually comprise 8–12 individuals
3. Identifying a decision maker, i.e., a senior manager, who acts as “the CEO” in the workshop and breaks deadlocks
4. Requiring the team to create pre-reading materials encompassing competing technologies/ services, potential customers, market size, etc

Two-Day Workshop



View GTM's webinar with Rich Duncombe (Hewlett-Packard)

ASK THE THOUGHT LEADER WEBCAST

A quarterly webcast from the Growth Team Membership™ program

Register for the Webinar

Value-Based Decision Analysis of Innovative New Business Ideas

GTM and Rich Duncombe, HP Strategist at Hewlett-Packard, present this best practice where Rich shared his key lessons learned and participated in a Q&A.

Please contact us to learn how to access the full Best Practice Guidebook or for information on Growth Team Membership.™



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