



SmartOrg helped me get my project out of the doldrums, enabling my team to quickly refocus its efforts. As a result, we delivered fantastic business results.

Project Manager

Case Study

Creating Profitable Opportunities in a Commodity Business

Challenges

Executives of this Fortune 100 company faced a challenge: drive growth and increase margins in a fiercely competitive commodity business. Should their main emphasis be on reducing costs or growing through innovation?

The Chief Technology Officer (CTO) strongly supported growth through innovation. However, he needed to convince senior management, who questioned the need for additional R&D. How could he and his staff better identify promising opportunities? How could they convince senior management? Once projects were in the pipeline, how could they focus resources on those tasks that would create the highest value?

Solution

The CTO turned to “Value-Based Management” after hearing about the process at an industry conference. He piloted the process in a series of workshops where cross-functional teams, led by SmartOrg, developed graphic value maps of several projects using Decision Advisor® software. The software evaluated the maps and provided on-the-spot results.

“The transparent process and real-time evaluation engaged everyone in the decision-making process. We openly discussed issues and agreed on project value, risks and uncertainties. No black box!” (Chief Technology Officer)

After deploying SmartOrg processes and software, the company made significant progress as illustrated by the examples below.

Turning Around a Stalled Project

The project leader was frustrated. Her project had reached a crucial point in the development process. The project team was unable to agree on how best to proceed. Progress had stalled. To open discussion, the leader convened a Decision Advisor workshop. Project team members, working together, quickly identified and agreed on the most valuable areas to apply their efforts. The project leader and her team revised the plan, refocused their efforts and met the deadline for a successful launch.

SmartOrg tools enable key stakeholders who speak 'different languages'—finance, technology, manufacturing and sales—to translate what they know into a common 'value language' understood by all.

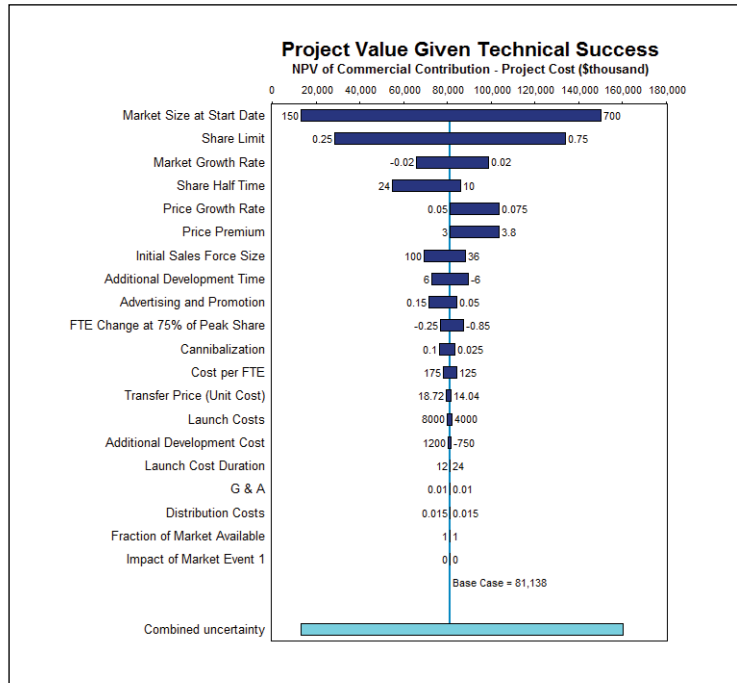
Research & Development Executive

Improving Stage Gate™ Performance

Within a year following deployment of Value-Based Management processes and software, the company analyzed roughly 30 projects, representing about half of their portfolio. Project leaders reported significant improvement in the flow through the Stage Gate “funnel” because they were able to identify and kill losers much earlier in the process. Projects that remain in the funnel have a much higher probability of creating—or exceeding—forecast value.

Improving Portfolio Value

The SmartOrg process enables project leaders to address technical hurdles with the highest risk early in the development process. The cumulative impact of this risk-management strategy on portfolio performance has been “enormous” says the CTO. The company believes they improved their investment productivity by over 100% within a 12-month period. “However you look at it, we have substantially reduced wasted effort and significantly improved profits—not bad for a commodity business,” says a company executive.



“Tornado Charts” like this help management determine where to focus resources to (a) reduce downside risk and (b) drive towards achieving upside value.

About SmartOrg

SmartOrg's value-based management (VBM) approach helps organizations drive profitable growth by focusing their attention and resources on high-value opportunities. We help companies evaluate and assess current and future projects and answer the fundamental question: “should we do it?” SmartOrg's software tools, training, and coaching help organizations bridge the gap between business and technology by managing risk and uncertainty, selecting the best projects in their portfolios, setting project strategy and accelerating deployment. SmartOrg headquarters are in Menlo Park, California with regional offices in the eastern and western United States, the United Kingdom, and Asia.

SMARTORG™
VALUE-BASED MANAGEMENT SYSTEMS

+1 650 470 0188
www.smartorg.com
info@smartorg.com