

BACKGROUND

For today’s organizations, innovation means finding faster, more efficient, and more cost-effective ways to ensure a competitive advantage in rapidly evolving markets. According to the Harvard Business Review, 40% to 90% of innovations, such as new products, end in failure. However, successful innovations can be achieved by developing solutions that effectively support a comprehensive, closed-loop process for analyzing, executing, and measuring innovations across the enterprise. At Planview, this solution is known as the Innovation Lifecycle.

The Innovation Lifecycle (figure 1) is the foundation of the Performance Management offerings with Planview. Planview products and services are designed to help improve decision making by arming leaders with a unified portfolio management reporting and dashboard tool that enhances performance and increases business process maturity. Planview solutions dynamically balance money and resources between projects and the operations work that supports these projects and products including services, assets, and applications.

With Planview, organizations have the visibility they need to ensure that initiatives stay on track and deliver real business value.

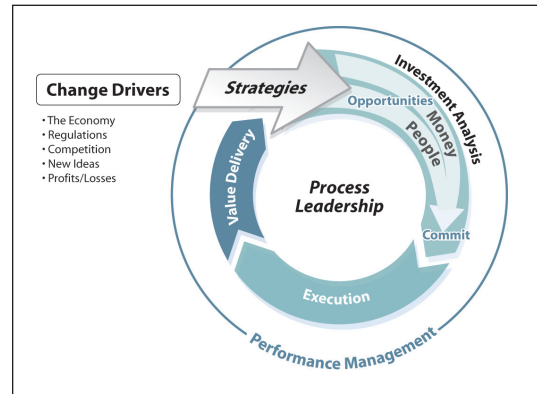


FIG. 1: THE INNOVATION LIFECYCLE

CONTENTS

1. Innovation: The Key Challenges.....2

2. Understanding the Innovation Lifecycle.....2

3. Planview Solutions to Drive Innovation.....5

“With portfolio management, firms can track and manage the profitability of multiple innovations across their lifecycle, killing unproven innovations during the experiment phase and reallocating resources to more promising projects.”

– LAURIE ORLOV, FORRESTER RESEARCH

INNOVATION: THE KEY CHALLENGES

Today’s knowledge-driven organizations face increased scrutiny, tighter budgets, stricter deadlines, and escalating regulatory demands. Technology leaders in particular are under constant pressure to deliver a return on investments, defend their budgets, and deliver greater transparency to the enterprise.

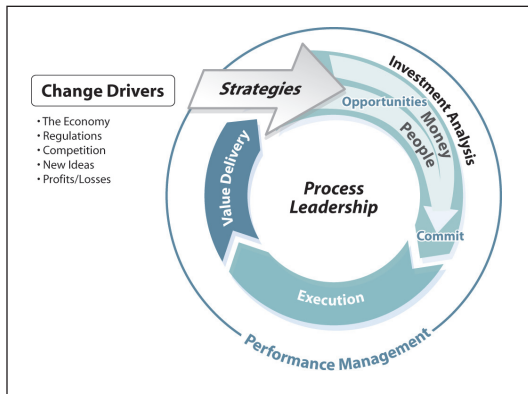
As a result, innovation has become a key element for success, and the ability to harness innovation has become a priority for the world’s benchmark corporations and public sector agencies. These organizations are constantly finding faster, more efficient, and more cost-effective ways to develop products, manage assets, and provide better services to their customers.

However, innovations often include a significant number of challenges, such as:

- Lengthy development times, driven by “scope creep,” limited development resources, and unplanned changes in strategic direction
- Lack of communication and coordination within and among departments
- Lack of a successful track record of innovation, creating a risk-averse culture and a “silo mentality” within departments or work groups
- Inadequate measurement tools to isolate problems and evaluate success

Due to these challenges, most of today’s innovations have a low rate of success. As stated earlier, a recent article from the Harvard Business Review reported that 40% to 90% of new products fail. Taking an example from the consumer packaged goods space, the author states that every year 30,000 new products are introduced to the shelves of supermarkets worldwide — and up to 80% of those products will not be on the shelves within twelve months.¹

UNDERSTANDING THE INNOVATION LIFECYCLE



Innovation can be successfully managed using the Innovation Lifecycle (figure 2): a comprehensive, closed-loop process that involves IT, product development, marketing, professional services, and other critical areas of the organization.

FIG. 2: THE INNOVATION LIFECYCLE

¹ Eager Sellers and Stony Buyers: Understanding the Psychology of New-Product Adoption, Harvard Business Review, June 1, 2006

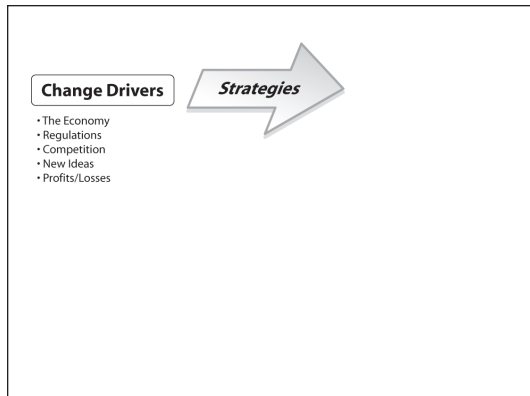


FIG. 3: CHANGE DRIVERS

CHANGE DRIVERS

Change Drivers directly affect strategies and, ultimately, the entire Innovation Lifecycle.

Change Drivers can include:

- Economic factors such as new or evolving markets, changes in supply/demand ratios or variations in interest rates, governmental policies, or the overall health of the economy
- Regulations such as the Sarbanes-Oxley Act or Basel II
- Competition from domestic and global markets
- New ideas from the organization or from customer sources
- Profits/Losses, as well as projected revenues or costs

These Change Drivers (figure 3) affect the way any organization does business, forcing them in turn to reconsider, refine and redirect their strategies. Changes in strategy can be either short- or long-term, reactive or proactive, depending on the type and magnitude of the Change Drivers.

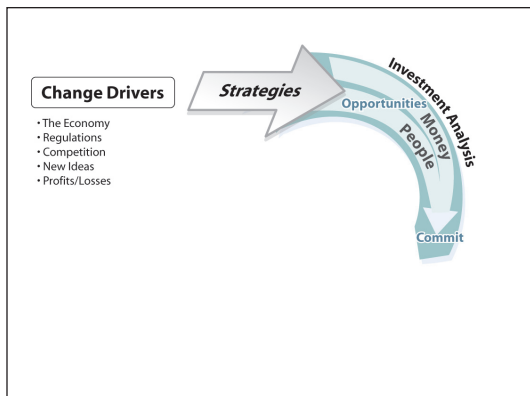


FIG. 4: INVESTMENT ANALYSIS

INVESTMENT ANALYSIS

The second step, Investment Analysis (figure 4), is in many ways a process of selection. Knowledge-driven organizations will always have more opportunities and ideas than they can develop and execute. Executives must therefore prioritize initiatives, selecting those that promise the highest return. Essentially, their question becomes, “What dollars do I have to invest, and what people and skills do I have to put against those initiatives?”

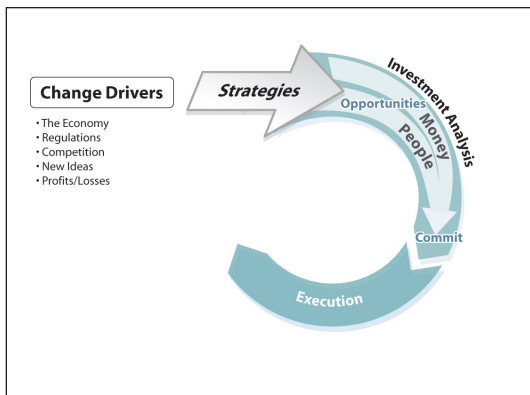


FIG. 5: EXECUTION

EXECUTION

Investment Analysis culminates in commitment to specific projects, and that, in turn, leads to the Execution stage (figure 5)— taking those commitments and making them real. Depending on the business model of the organization, this stage can involve projects, products, services, or assets.

Progress should be carefully monitored and measured in real time to mitigate risk, manage change, and help ensure that initiatives stay aligned to overall business strategies. Managers should be immediately alerted about work slippage, capacity issues, and other concerns so that projects can proceed according to pre-determined schedules and budgets.

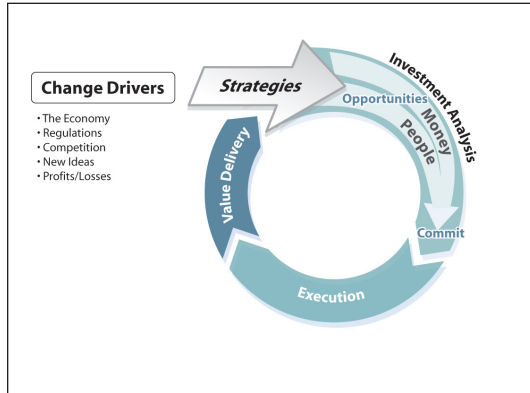


FIG. 6: VALUE DELIVERY

VALUE DELIVERY

The last stage, Value Delivery (figure 6), determines the actual return on the initiatives. This stage closes the loop and provides specific feedback to future strategies, analysis, and execution. By understanding what works, the entire innovation process can be continually refined and improved.

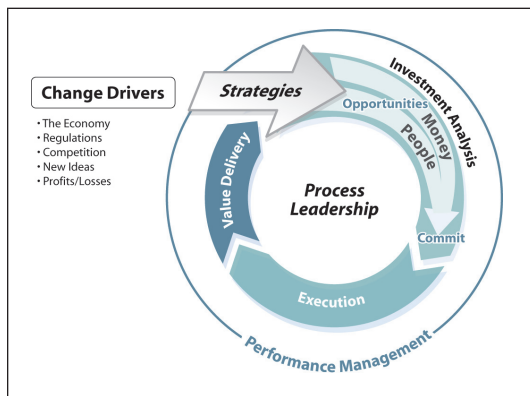


FIG. 7: THE INNOVATION LIFECYCLE

PROCESS LEADERSHIP AND PERFORMANCE MANAGEMENT

At its core, the Innovation Lifecycle is led by Process Leadership (figure 7). According to a recent Ventana Research report, companies that have formal, disciplined processes are more likely to spend their budget effectively. Process Leadership provides a roadmap to success, using industry best practices to continually update processes to improve business performance.

In its entirety, the Innovation Lifecycle is driven by Performance Management. Currently, Performance Management is dominated by business intelligence vendors who use reporting tools to simply look backwards at financial performance metrics.

In contrast, Planview believes that this model can be taken further by considering all three core areas of performance across the organization:

- Demand management – How does work flow through the organization?
- Resource management – How can resources be effectively utilized while balancing needs and budget?
- Financial management -- How can financial performance be managed all the way from front-end budgeting and planning to final benefit tracking?

“To gain a more-holistic perspective, business users must examine how technology can be used to change or eliminate processes and to drive product innovation.”

– GARTNER RESEARCH

PLANVIEW SOLUTIONS FOR DRIVING INNOVATION

Planview offers a number of Performance Management solutions designed to help organizations support every aspect of the Innovation Lifecycle.

Planview helps decision makers analyze, execute, and measure the value of projects across the enterprise. Leveraging a proven portfolio management discipline, Planview Enterprise supports real-time visibility into an organization while providing unprecedented levels of transparency to the rest of the business.

With Planview Enterprise, organizations can develop true, portfolio-driven performance to help:

- Align technology investments with business objectives
- Reduce operational spending
- Achieve visibility into how resources are deployed
- Deliver projects on-time and on-budget
- Mature business processes
- Support regulatory compliance

FOR MORE INFORMATION, VISIT WWW.PLANVIEW.COM.

“Today, innovation is about much more than new products. It is about reinventing business processes and building entirely new markets that meet untapped customer needs. Most important, as the Internet and globalization widen the pool of new ideas, it’s about selecting and executing the right ideas and bringing them to market in record time.”

– BUSINESSWEEK MAGAZINE



Since 1989, Planview has been a market leader and trusted partner in software for comprehensive IT management. Our flagship product line brings the most comprehensive IT management solution to the market, combining adaptive IT management best practices, best of breed resource management, and portfolio management software. Planview enables business leaders to integrate the decision-making process to improve alignment of IT resources with business strategies. We serve an active and growing global customer community of over 400 organizations in financial, insurance, healthcare, government, and other industries. Planview is privately held and has been profitable for over a decade. For more information visit www.planview.com.

© 2006 Planview, Inc. All rights reserved. Planview is a registered trademark of Planview, Inc. All other trademarks are acknowledged. Planview reserves the right to vary specifications and availability of these products and services without notice