

## Creating Profitable Opportunities in a Highly Competitive Business

**The Problem.** Management realized that new products would be needed to drive growth and increase margins in a business where profits are largely driven by manufacturing cost. Natural tensions between cost-reduction and growth mindsets made it difficult to determine where and how much to invest in new opportunities.



Senior management was having considerable difficulty obtaining agreement on project direction from business sponsors and project teams. An inconsistent approach to project valuation and risk management provided little direction to project teams. As a result, teams were working “within their comfort zones,” often neglecting tasks that would prove to be critical to the economic success of the project.

**A SmartOrg Solution.** The Chief Technology Officer engaged SmartOrg to pilot its software solutions to evaluate several projects during a workshop. Positive results and enthusiastic response from project teams resulted in a rollout of the solution within the R&D organization. Building on initial success, project teams routinized project evaluation and successfully conducted in-depth evaluations of dozens of projects across several business units.



“Thanks to SmartOrg, my organization now focuses on the real business value of their projects. Their solution enables key stakeholders who speak ‘different languages’—finance, technology, manufacturing and sales—to translate what they know into a common language understood by all.”

Chief Technology Officer

**Turning Around a Stalled Project.** An important project was stalled. It had reached a crucial point in the development process, but the project team was unable to make progress. During the pilot workshops, project team members quickly identified the crucial factors they needed to work on.

Armed with this knowledge, the project leader and her team revised the plan and refocused their efforts to meet the deadline for a successful launch.

“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

**Improving stage gate performance.** To date the company has analyzed over 30 projects, about half of their portfolio. Project leaders have improved the flow through the stage gate “funnel,” identifying and killing “losers” earlier in the process. The projects that remain have a much higher probability of creating—or exceeding—forecast value.

“The fastest and most complete way to meet stage gate deliverables throughout the process.”

Process Owner

**Improving portfolio value.** By employing the SmartOrg evaluation process, project leaders have refined their project direction to address technical hurdles with the highest risk earlier in the development process. The cumulative impact of this risk-management strategy on portfolio performance is enormous. The company developed a simple model that suggests they can improve their investment productivity by over 100% in the coming year. “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.

**These results are typical,** say company executives who cite they get a more realistic appraisal of what business outcomes can be for a project. They find that people can see what the upside potential can be and manage towards achieving it. Conversely, they can have discussions about the downside risks in an objective, non-threatening way. If projects need to be killed, they can be killed with certainty and confidence that the decision is a proper one.



“The SmartOrg solution is very much non-black box! Financial models created by SmartOrg software are considerably quicker, more transparent and more flexible.”

Strategic Marketing Manager