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Amplifying Your Impact

SDP Partner Webinar
21 August 2024

David Matheson
Doug Williams

David Matheson

Founder, President and CEO

- Decades working with companies from Nuclear Waste Cleanup to Movie Production
- Ph.D. in organization decision making from Stanford
- Author of The Smart Organization. Benchmarking hundreds of companies
- Innovation & Portfolio Thought Leader
- Instructor, Conference denizen, Fellow and past President of the Society for Decision Professionals
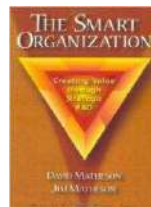
Doug Williams

Associate Director, Innovation

- Recognized thought leader on ideation and innovation
- 14 years working in innovation, including 8 years in innovation SaaS businesses
- Nearly 3 decades working in consulting and research

Patterns in Innovation & Portfolio Decisions across industries.

Pharmaceuticals
- Teva Pharmaceuticals
- Inspire Pharmaceuticals
- KV Pharmaceuticals
- Jazz Pharmaceuticals
- Catalent

Medical Device
- Stryker Neurovascular
- Philips (Respironics)
- Varathon
- Zimmer
- Medtronic

Agriculture
- Bayer Crop Science
- Pioneer Seeds
- DuPont Crop Protection
- Corteva Agriscience
- Christensen Farms

Materials
- Rogers Corporation
- DuPont Safety & Construction
- Hexion

Semiconductor
- Intel
- SanDisk
- Applied Materials
- Orbotech
- Texas Instruments

Equipment
- Ingersoll-Rand
- Eaton
- Scholle Packaging

Consumer Products
- SaraLee
- VF
- HP
- Apple

Communications
- Sprint
- T-Mobile
- Cisco
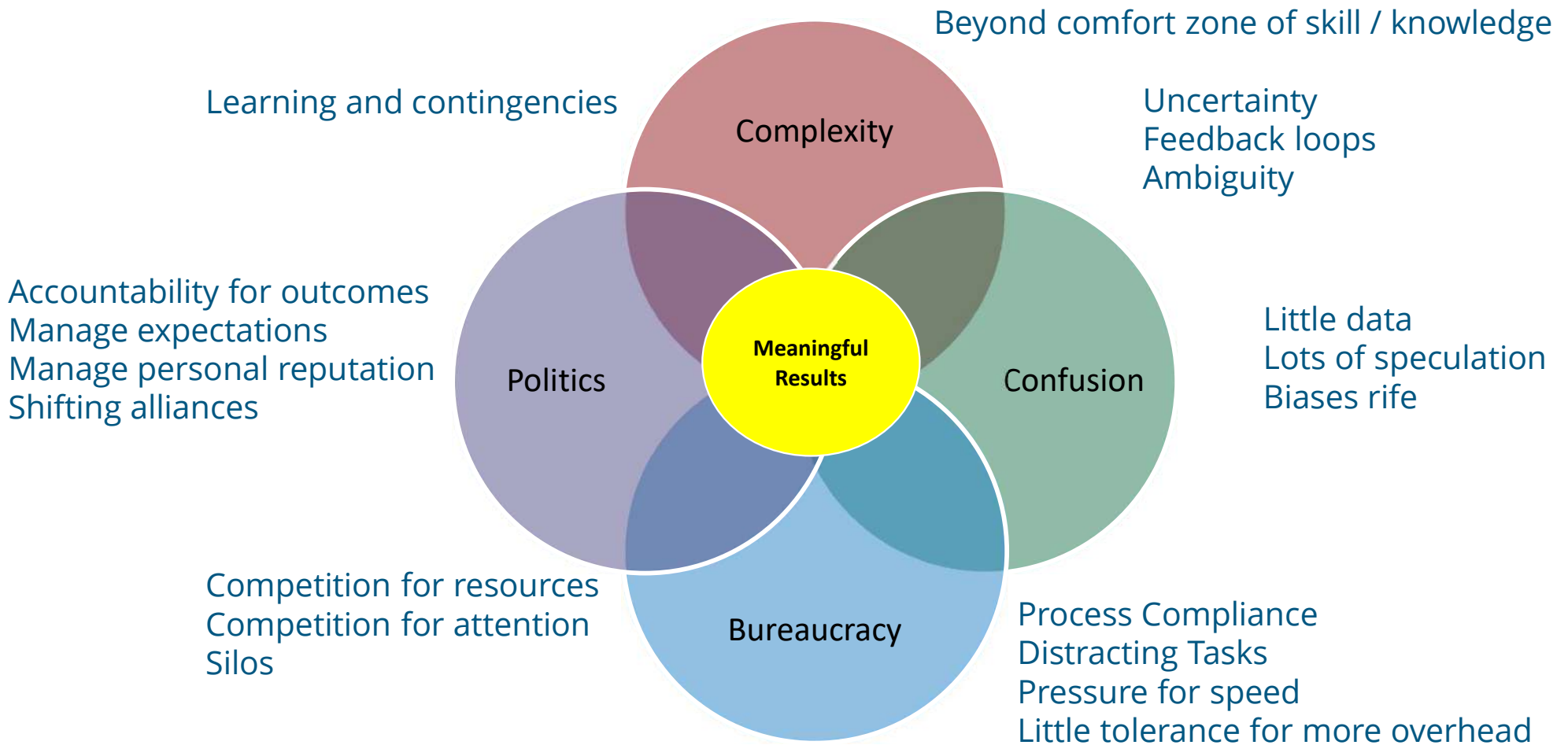- Smiths Interconnect
- AVI-SPL

Energy
- ExxonMobil
- Chevron

Other
- The Nature Conservancy
- Beca

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I've been seriously challenged on DQ over the years and forced to innovate my practice

- "You've got great tools for improving critical thinking. The problem is nobody wants to do that. They just want to do what they want to do."

- "What matters is the concrete issues and how we are going to address them. Your approach is only as good as make progress on these."

- "If my decision rests on the details or accuracy of a probability assessment (or any other number), then I've already lost."

- "Probabilities and ranges are the greatest source of GIGO and manipulation around here. We need accountability."

- "Clear communication and decisive action are the important outcomes from an assessment, the analysis is just a mechanism."

- "It is too complicated. You need to convert this to simple standard work or we have no hope of doing it."

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The world my clients live in

Beyond comfort zone of skill / knowledge

Learning and contingencies

Uncertainty
Feedback loops
Ambiguity

Complexity

Accountability for outcomes
Manage expectations
Manage personal reputation
Shifting alliances

Politics

Meaningful Results

Confusion

Little data
Lots of speculation
Biases rife

Competition for resources
Competition for attention
Silos

Bureaucracy

Process Compliance
Distracting Tasks
Pressure for speed
Little tolerance for more overhead

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Create more time for Value Delivery by streamlining work in other areas

- Explaining / socializing the profession / DQ / various tools
- Convincing people to improve DQ / do projects / etc.

Selling

Mechanics

- Things needed to "turn the crank" on our methods
- Back room: Analysis, building models, crafting strategy tables, etc.
- Front room: Facilitating, assessing, gathering information, etc.

Administration

Value Delivery

- Scheduling, documentation, change tracking, repackaging, etc.

- Things that your stakeholder perceives as directly adding value
- Advising, coaching, explaining insights, etc.

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Poll: What percentage of your time is spent on Value Delivery?

0-9%

10-19%

20-29%

30-39%

40-49%

50-59%

60-69%

70-79%

80-89%

90-99%

You are viewing the poll results (shared by host)

SmatrOrg Poll 1

1. What percentage of your time is spent on Value Delivery? (Single choice)

00-09%	6%
10-19%	31%
20-29%	25%
30-39%	14%
40-49%	3%
50-59%	11%
60-69%	8%
70-79%	3%

Close

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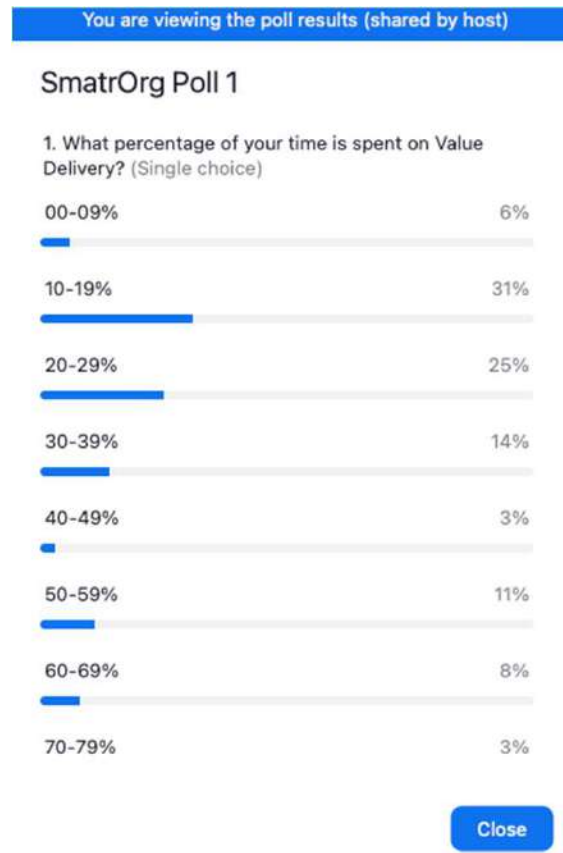
Common solution: pick areas where stakes are high enough to justify the overhead

Overhead:
- Selling
- Mechanics
- Administration

Impact on Stakeholder:
- Value Delivery

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Creating better ways of connecting to clients by changing our workflows
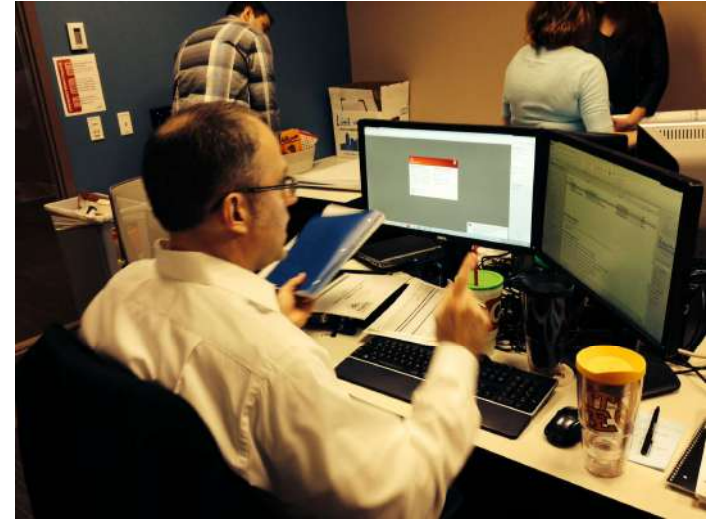
Our Client's World:
- Meaningful Results
- Complexity, Confusion, Bureaucracy and Politics
- Value Delivery

Our Requirements:
- Mechanics
- Administration
- Selling

How we do this work

Plus many specialized productivity tools for Decision Professionals

Rangal®: Enterprise DQ collaboration platform

Application Areas:
- Innovation Management
- Portfolio Management
- Exploration
- ESG
- Long-range Planning
- Commercialization
- Decision Intelligence

Modularized to flexibly meet multiple needs

IT — Users

Familiarity — Excel Templates

Database — Calc Engine

Data Import/Export

Platform — Standard Workbench UI (API)

Jupyter, R, Tableaux, etc. — Advanced Analytics

Special Customized UI — Customizable

Hyperion, SAP, etc. — Finance

Creating better ways of connecting to clients by changing our workflows

Tornado Diagrams

1. Scan Issues   2. Map & Quantify Implications   3. Prioritize Issues
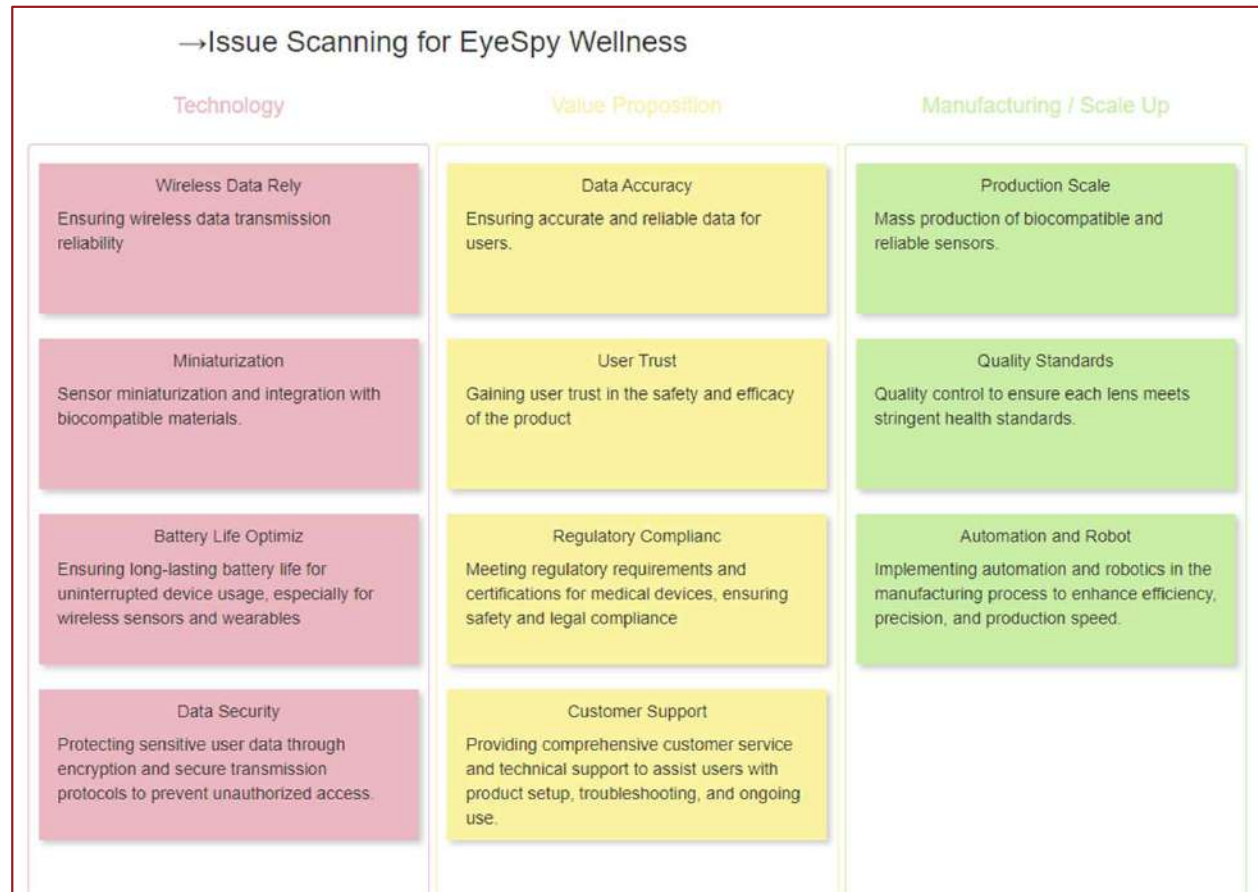
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Issue Scanning: structured brainstorming in problematic categories

→Issue Scanning for EyeSpy Wellness

Technology	Value Proposition	Manufacturing / Scale Up
Wireless Data Rely Ensuring wireless data transmission reliability	**Data Accuracy** Ensuring accurate and reliable data for users.	**Production Scale** Mass production of biocompatible and reliable sensors.
Miniaturization Sensor miniaturization and integration with biocompatible materials.	**User Trust** Gaining user trust in the safety and efficacy of the product	**Quality Standards** Quality control to ensure each lens meets stringent health standards.
Battery Life Optimiz Ensuring long-lasting battery life for uninterrupted device usage, especially for wireless sensors and wearables.	**Regulatory Complianc** Meeting regulatory requirements and certifications for medical devices, ensuring safety and legal compliance	**Automation and Robot** Implementing automation and robotics in the manufacturing process to enhance efficiency, precision, and production speed.
Data Security Protecting sensitive user data through encryption and secure transmission protocols to prevent unauthorized access.	**Customer Support** Providing comprehensive customer service and technical support to assist users with product setup, troubleshooting, and ongoing use.	

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Implication Mapping: Influence Diagram Light

Map issues to parameters economic model

→ Impact Mapping for EyeSpy Wellness

Select the most important way(s) each issue will impact your business case

	Can we make a go of it?	How far can we go?								
	→ Ability to Launch	→ Time to Impact			→ Market Size			→ Unit Economics			→ Expenses Profile
	Potential Showstopper	Production Ramp Duration	Duration of In-Market Maturity	Production Ramp Down Duration	Total Available Market TAM at Maturity	TAM Penetration at Maturity	Our Market Share at Production Maturity	Average Unit Selling Price ASP	Unit Cost-of-Goods-and-Services	Variable Cost of Revenue	SG&A Expenses
Ensuring wireless data transmission reliability	☐	☐	☑	☐	☐	☐	☐	☐	☐	☐	☐
Sensor miniaturization and integration with biocompatible materials.	☐	☑	☐	☐	☐	☐	☐	☑	☐	☐	☐
Ensuring long-lasting battery life for uninterrupted device usage, especially for wireless sensors and	☐	☐	☐	☐	☑	☐	☐	☐	☐	☐	☐

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Implication Quantification: Issue-based range assessments

Create issue-based scenarios and assess ranges

Find High Impact Issues: Tornado Diagram

Issues mapped to big tornado bars are HIGH impact, resolving them will build confidence in the business case and its upside.

Updates: Evergreen, accessible and auditable
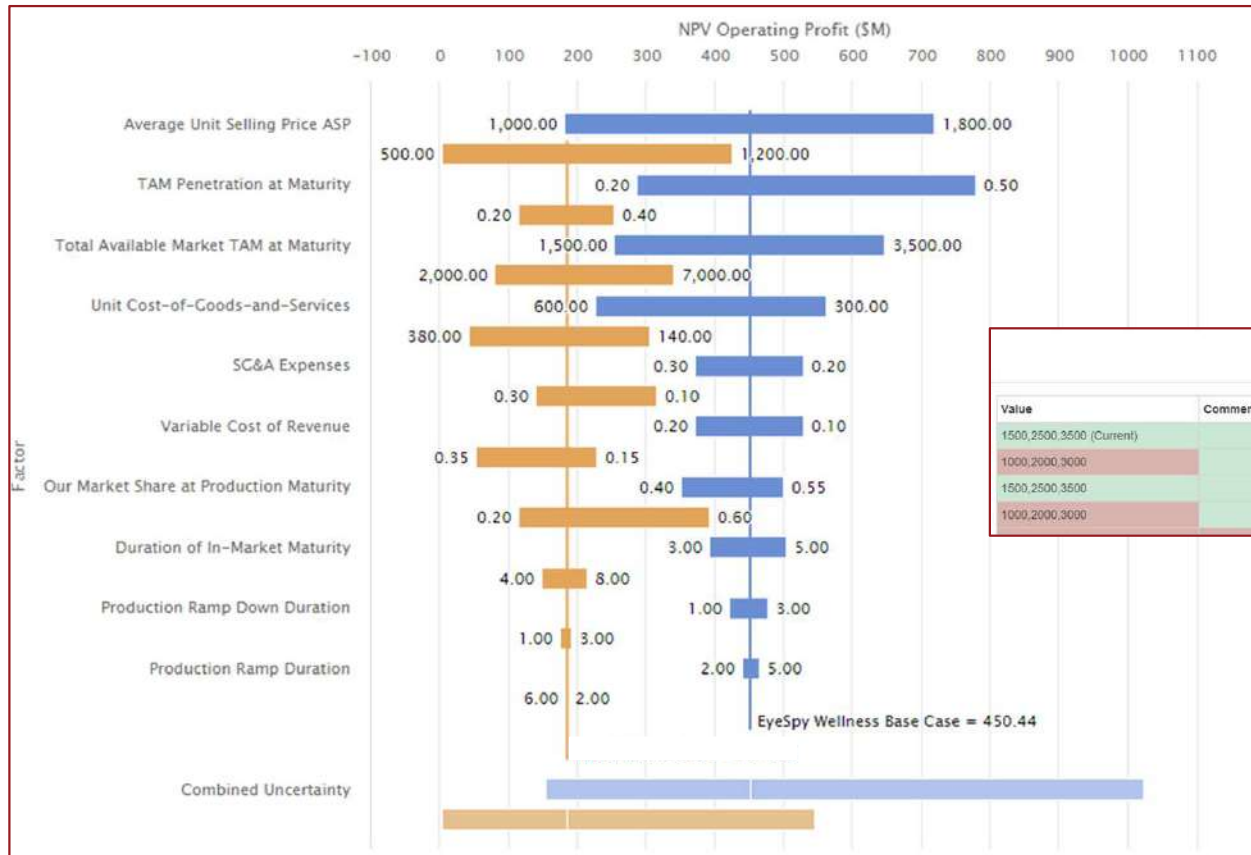
Old view of project Current view of project

Change Log

Creating better ways of connecting to clients by changing our workflows

Common Workflows

- Tornado Diagram
- Probability of Success
- Value of Information

- Portfolio Evaluation
- Opportunity Prioritization
- Prioritizing Learning

Our Client's World:
- Meaningful Results
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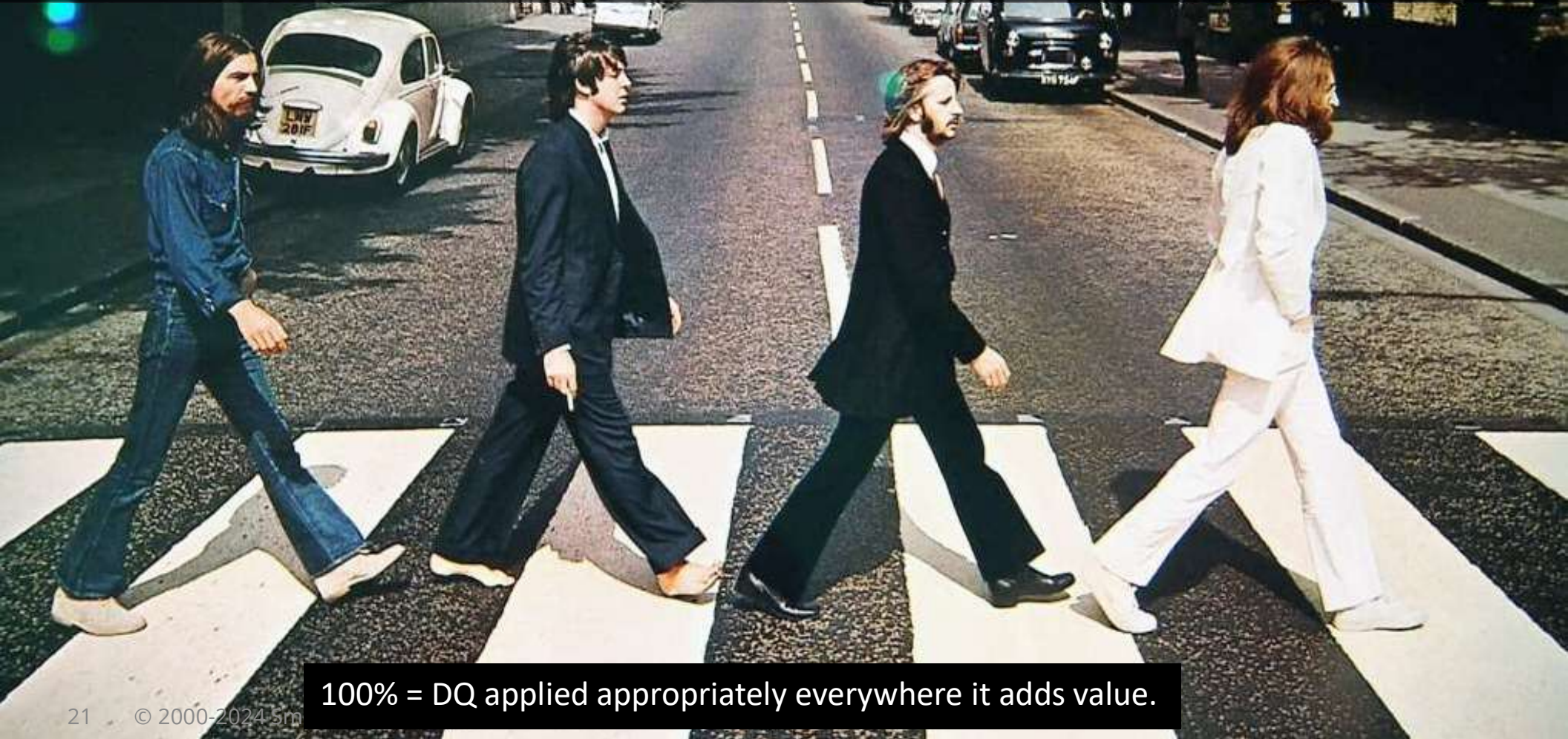- Value Delivery

Our Requirements:
- Mechanics
- Administration
- Selling

Yesterday's toolkit limits the impact of today's decision professional

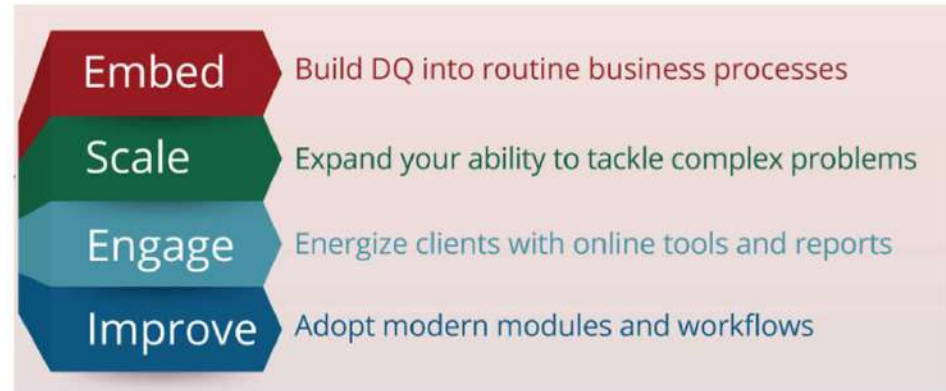# Where is your organization on its DQ journey?

100% = DQ applied appropriately everywhere it adds value.

New methods and technologies can amplify the decision professional's impact in the org

New methods and technologies can amplify the decision professional's impact in the org

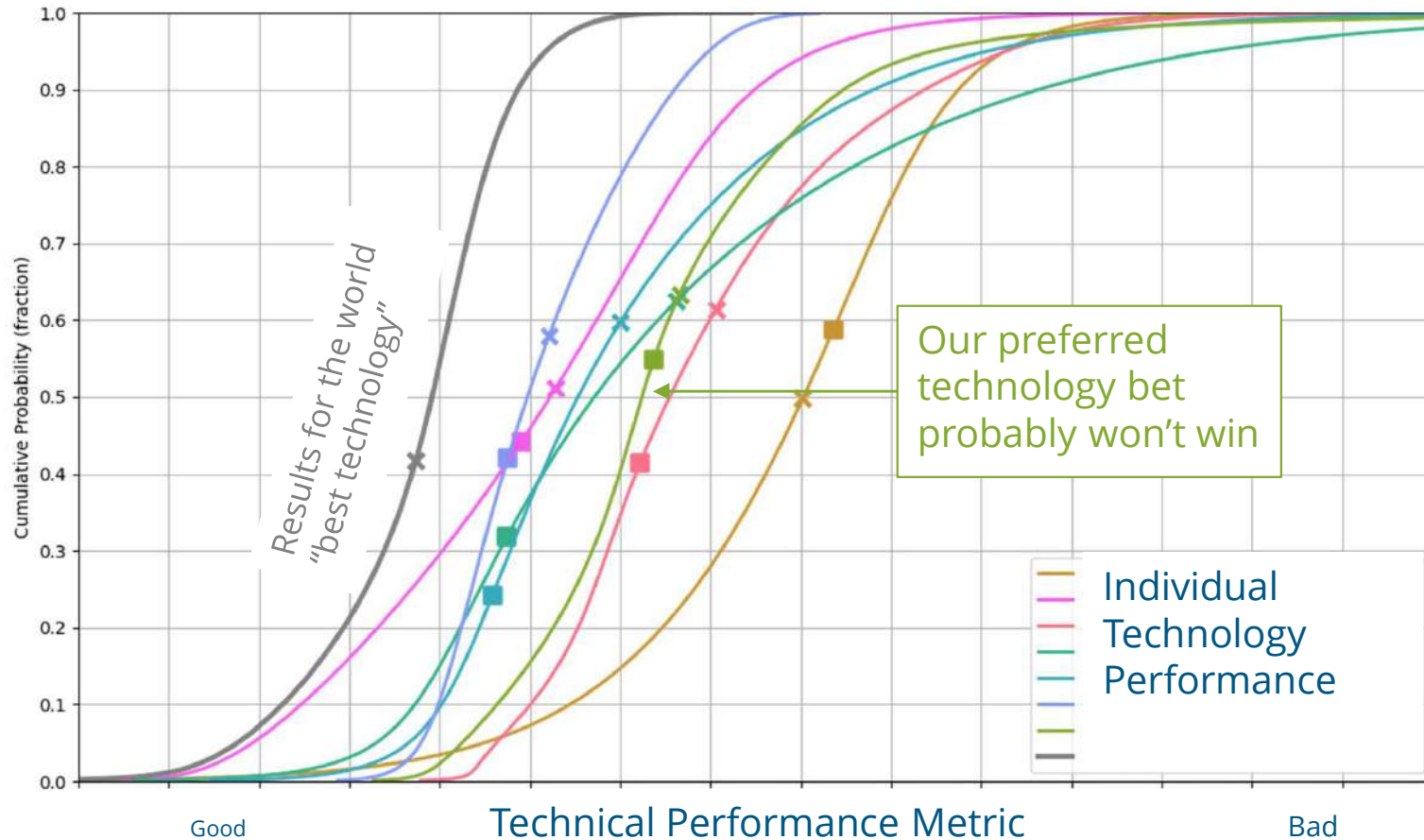|	
Embed	Build DQ into routine business processes
Scale	Expand your ability to tackle complex problems
Engage	Energize clients with online tools and reports
Improve	Adopt modern modules and workflows

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Embedding: Make DQ routine

- **Portfolio of approximately 5,000 R&D projects**

- **Evaluated every year as part of their prioritization and budgeting processes**

- **Range assessments and probabilities generated as routine work at scale.**

- **DQ project analysis and portfolio analysis used routinely and directly as part of their decision making**

- **Role of the Decision Professional:**
  - Process Designer / Business Partner
  - Help with special cases

Scale: Increase the scope of problems you can tackle

Analysis of a complex technology portfolio done with a couple of workshops

Results for the world "best technology"

Our preferred technology bet probably won't win

Legend:
- Individual
- Technology
- Performance

Y-axis: Cumulative Probability (fraction)

X-axis: Technical Performance Metric (Good ← → Bad)

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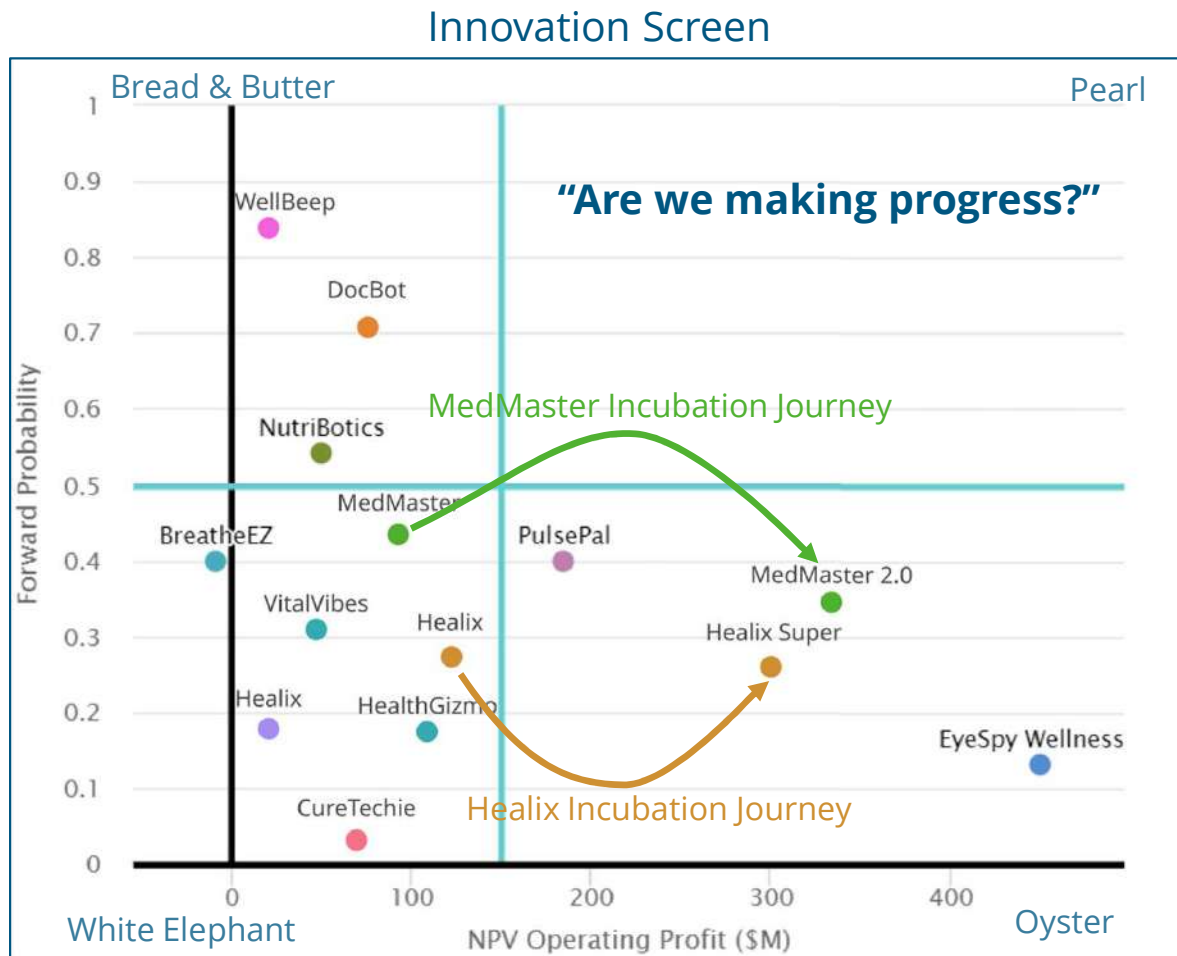# Scale: Increase your value added

Very early project, range is still too large, needs further incubation

Has visibility to big upside: How to derisk?

Visions are small: Can we find path to bigger prize?

BONUS: They are now Embedding this process into their core workflows
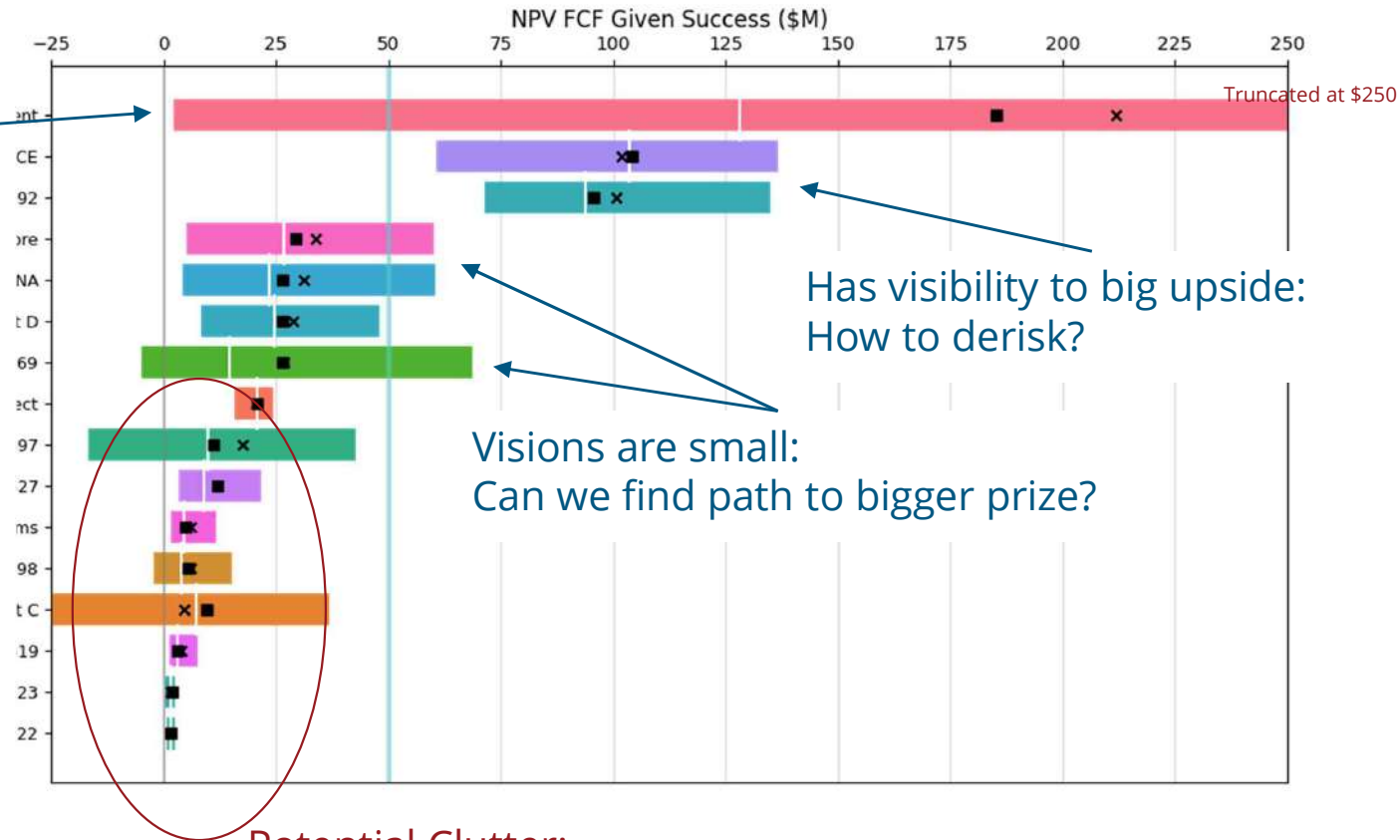
Potential Clutter: Can we create a bigger vision?

NPV FCF Given Success ($M)

Truncated at $250

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Engage: Give ownership of inputs and outputs

Innovation Screen

Bread & Butter

Pearl

"Are we making progress?"

Dashboards are more engaging than a report

MedMaster Incubation Journey

Healix Incubation Journey

White Elephant

Oyster

NPV Operating Profit ($M)

Forward Probability

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Opportunities for Decision Professionals

Modernize your workflows
- Meet the decision makers where they are
- Create easy-to-use bridges from their world into our tools
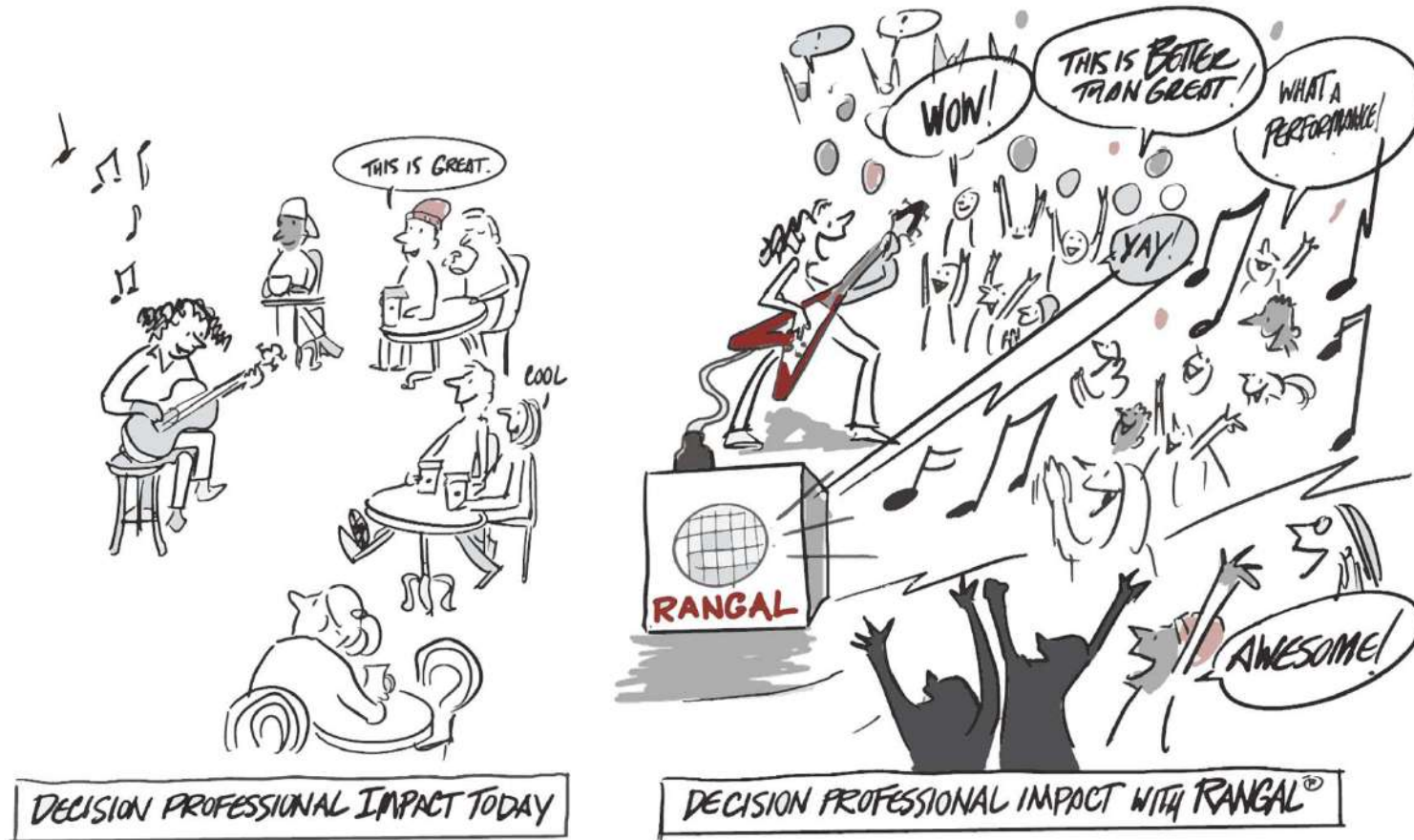
Increase your repertory
- Embed: Build DQ into routine business processes
- Scale: Expand your scope
- Engage: Energize stakeholders

Go from Analyst, Facilitator and Promoter to:
- Coach / Advisor
- Process Designer and Business Partner

Reduce time spent on Overhead

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Are you ready to amplify your impact?

Join our next cohort to see how Amplification applies in your world

- **Who it's for:**
  — Up to 10 Decision Professionals

- **What's included:**
  — One 4-week training module
  — An 8-week subscription license to SmartOrg's Innovation Navigator software

- **Proposed timeline:**
  — September 23: 2-hour kickoff and training session (intros, workflow training for connecting Issues to a Tornado Diagram)
  — October 8: 1-hour *optional* "ask us anything" session
  — October 18: 1-hour debrief, lessons learned

- **No fee!**
  — You attend the sessions, try the workflow and give feedback
  — No requirement to use it with a "real" internal client

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Complete our application form to join!

https://bit.ly/4dMlyt7

Lower case L, not capital I

Note:
- Sign-up deadline: **Friday September 6**

- Applications will be considered on a **first-come, first-served** basis

- Qualified applicants that are not among the first 10 will be added to a waiting list for a future opportunity

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