

Innovation system measurement

For energy & utility sectors

Situation

Our client, a technology focused innovation team within a global energy company was under increasing pressure to demonstrate value from its portfolio of projects driven by an increase focus on cost efficiency to boost returns and competition for internal resources. The team was structured as a 'federation' of teams operating within four vertical businesses. Much of the activity involved commercialising research and development, although ideas were also sought from grassroots levels across the business functions. Because of the team structure it made it particularly difficult to achieve a common approach and although it had notched up some notable successes over the years there was an issue of losing track of projects once they had been handed over to the business which created problems in monitoring how much of the planned value was actually being delivered.

Objectives

The team needed the capability to address the innovation system as a whole, to look beyond the question of individual project delivery to aspects such as business adoption and people issues, that would critically impact value delivery. The client tasked H-I Network to design and implement a common project management scorecard approach for the federal business teams in order to be able to create a portfolio view. To gain the co-operation of the 'federal' teams, there was also a need to offer a practical benefit for the short term.

Approach

H-I Network worked with the organisation to;

- Engage each of the federal teams, gaining their input and interest
- Review existing processes for idea capture, project management and valuation
- Develop a prototype project scorecard, populated with real project data with the Oil Products business
- Deliver prototype scorecards at business and overall portfolio levels
- Deliver an upgraded workshop implementation guide for project valuation, with greater focus on risk profiling and control actions

Results

The immediate result of the assignment was agreement by the key Exploration and Production business to pilot the upgraded project valuation workshop. Implementation of other aspects is in progress.

