



# Innovation Portfolio Management

How portfolio management can boost efficiency in the innovation process at corporate incubators

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## Keywords

*Innovation Portfolio Management, Project Management, Project Portfolio Management, Innovation, Incubator, Stage gate, Innovation Management, Uncertainty, Corporate Venturing*

## Summary

This white paper describes how Dialogues Incubator created a project portfolio management framework to boost efficiency in the process of innovation. Because managing a portfolio of innovative projects at corporate incubators is a challenging task, the Dialogues Incubator has developed a portfolio framework to complement its current innovation management practices like the Stage Gate Innovation model.

Dialogues Incubator aims at leveraging the merits of a well established portfolio management framework to enhance alignment with the parent organization's strategy, maintain a balance between exploration and exploitation, and improve communication of portfolio-related decisions. Furthermore, the framework serves as a decision support tool that goes hand-in-hand with the Stage Gate methodology deployed by the incubator to fund its projects.

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**About Dialogues Incubator**

Dialogues Incubator’s mission is to facilitate innovation and entrepreneurship in financial services by providing various services such as corporate venturing, research & development, consulting and training.

Dialogues Incubator is happy to share its experience with you, so do not hesitate to contact us. Are you interested in our Portfolio Management tool and practices please visit us and experience it yourself. To stay updated on our progress with Portfolio Management you can also email us via the link on our website [www.dialoguesincubator.nl](http://www.dialoguesincubator.nl)

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(The application is created and maintained by Etative Solutions)

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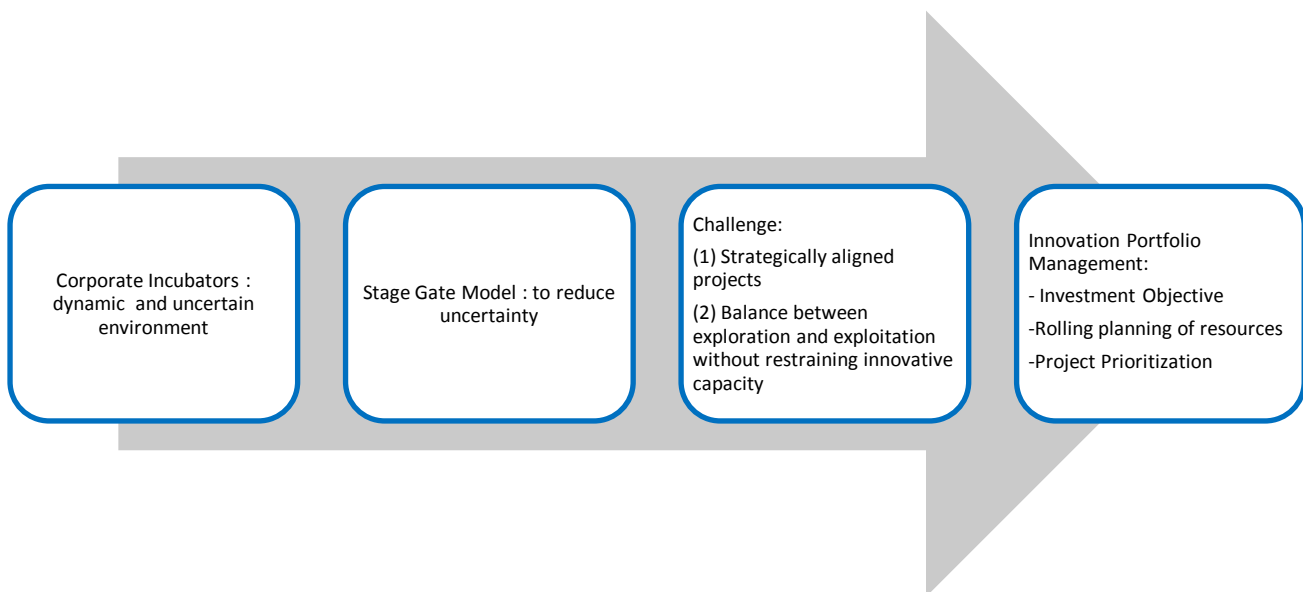
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*“Chance favours only the prepared mind.”*

— Louis Pasteur

*“The first step towards creating an improved future is developing the ability to envision it.”*

— Tony Dungy



## Introduction

To achieve faster time-to-market, higher quality and higher business value within the constraints of the current economic climate, the Dialogues Incubator needed to reprioritize activities. Dialogues Incubator is all about creating value through innovation. This can be challenging when the value of innovative projects is not always quantifiable (and is even less so in the early phases of the innovation process) and even more in times when every penny is looked at twice. Nevertheless, no immediate financial return and high uncertainty does not mean that these projects are unsuccessful. On the contrary, precisely those unstable situations give rise to creativity and eventually shape innovation<sup>1</sup>.

The challenge, thus, is to ensure an efficient and effective innovation process. In order to do this Dialogues Incubator has build a project portfolio management framework that both optimizes and legitimizes the distribution of resources without restraining the innovation capacity of the organisation and enables alignment with the overall strategy of the organization. This paper describes why and how this portfolio management framework was developed and answers the following research question:

*How can project portfolio management boost efficiency in the process of innovation at corporate incubators?*

<sup>1</sup> Boonstra (2005)