

Setting the Foundation for Strategic Portfolio Planning

Within most organizations' Portfolio Management functions, two scenarios are prevalent with new project ideas: high value ideas typically find a long path to becoming projects/programs, and low value projects receive too much focus before they are determined to be ineffective for execution. More and more organizations are finding it difficult to take the large number of ideas generated for creating new capabilities from initial concepts to business cases which allow executive teams and leaders to decide which ideas to execute and in what order. Even in efficient project portfolios, great ideas can take a long time to build enough traction to move forward – using significant resources along the way. Teams generally get mired in institutional prescriptive methods asking: *Who are the experts to get me estimates on costs and project duration? Who are the stakeholders needed to make this project happen? What are the objectives of the project? How do we convince the rest of our organization that this project is a good idea?*

To help answer these questions and others, this paper describes a series of brainstorms to be carried out during the early stages of a project – when it is just an idea. These brainstorms are built around the concepts of the law of diminishing marginal returns and seek to define the absolute minimum amount of information that is needed to further an idea to the point where key business decisions can be made around its fate. In addition, this paper also recommends required behavior changes and skills needed by the brainstorming team.

Creating a new project/program idea is difficult because ideas at their inception carry many of the same difficulties as creation of new products – the major issues which are the most pervasive tend to be the inability to get initial idea momentum and the inability to match the idea objectives against strategic business priorities, leading to executive misalignment. The term commonly used to describe the early stage of development in new product development is the Fuzzy Front End^[1]. Project/Program ideas need specific exercises to be carried out early on, in the same way products do to take them out of the Fuzzy Front End.

About Us

Kenny & Company is a management consulting firm offering Strategy, Operations and Technology services to our clients.

We exist because we love to do the work. After management consulting for 20+ years at some of the largest consulting companies globally, our partners realized that when it comes to consulting, bigger doesn't always mean better.

Instead, we've created a place where our ideas and opinions are grounded in experience, analysis and facts, leading to real problem solving and real solutions – a truly collaborative experience with our clients making their business our business.

We focus on getting the work done and prefer to let our work speak for itself. When we do speak, we don't talk about ourselves, but rather about what we do for our clients. We're proud of the strong character our entire team brings, the high intensity in which we thrive, and above all, doing great work.

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The problems at the early stages of an idea are compounded for large transformational efforts, typically known as programs. The ambiguity of new ideas causes executives to form disagreement over a variety of topics^[2]. While there are many reasons executives are misaligned over idea sequences and project execution, one major root cause that leads to most of the misalignment is a lack of sufficient estimating and idea progression^[3] over time leading to a myriad number of questions that executives are left to ponder.

Within this paper a five stage model for idea maturity is discussed. The completion of the entire (or required portions) five stage model makes the basis for what we will term an Idea Package. The Idea Package is put together by the Idea Originator and consists of the following brainstorm:

- Initial Concept Brainstorm – Creates the ability to convey the most critical aspects of the idea in less than two minutes.
- Estimated System Brainstorm – Basic estimation of how the affected system might operate if the idea is implemented and who is involved. Provides the ability to communicate more information about the issue to most audiences in a single page.
- Causal Brainstorm – A quick supposition as to root causes creating the primary perceived business issues. Provides the ability to see some tasks that may be needed to validate assumptions in the Idea Package. Improves the ability to communicate more information on the issue and reasons it may occur in a single page to project team audiences.
- Project Structure Brainstorm – Provides improved details over specific deliverables that make sense, capabilities that could be created/modified, data sets that could be needed for the project, and a basic guess at milestones and the duration between them. Provides the ability to explain what the idea could provide to most audiences in a single page.
- Potential Benefits Brainstorm – A best guess at financial benefits (improvements to top/bottom line performance), along with other core metrics that the organization tracks to monitor internal performance.

The Idea Package is tracked by a portfolio or business unit manager and is assessed by a decision making body which can be an executive leadership team, or a business sponsor responsible for investment within one or more cost centers. Idea Packages are socialized and prioritized as part of long range planning discussions and converted to projects as part of project selection for an upcoming planning year. In some cases Idea Packages can convert to projects within a planning year if there is an immediate need or a surplus of resource availability and budget.

The following sections along with Table 1 – The 5 Stages of Idea Brainstorming, provide a detailed explanation of each brainstorm in the Idea Package.

	Brainstorm	Key Characteristics	Risk If Not Performed	Typical Pitfalls / Behaviors to Avoid	Benefits When Completed
Stage 1	Initial Concept	<ul style="list-style-type: none"> • Short description • The issue • Potential actions • Value measures • Resource, cost, and effort measures • Suspected timeframe 	<ul style="list-style-type: none"> • Executive alignment issues on long range strategic plan • Irrational exuberance • Failure to gain momentum 	<ul style="list-style-type: none"> • Excessive consensus • Excessive granularity in estimating 	<ul style="list-style-type: none"> • Concise one page representation of idea • Able to track idea as part of portfolio management process • One page representation of how the idea works
Stage 2	Estimated System	<ul style="list-style-type: none"> • Suppliers • Inputs • Macro process • Outputs • Customers 	<ul style="list-style-type: none"> • Orphaned key stakeholder • Project interdependency miss • Effort duplication • Misinterpretation of the big picture by stakeholders 	<ul style="list-style-type: none"> • Assumed organic system brainstorming capability • Excess granularity in process enumeration • Execution of brainstorm on portfolio placeholder items • Treating Estimated System Brainstorm as final project artifact • Irrational persistence of flawed idea 	<ul style="list-style-type: none"> • Improved understanding of what the idea might be • Improved understanding of task sequence and priority • One page representation describing cause of business issue
Stage 3	Casual	<ul style="list-style-type: none"> • Materials/Supplies cause enumeration • Technology/Machines cause enumeration • External/Customer cause enumeration • Personnel/Partners cause enumeration • Methodology/Process cause enumeration • Measurement/Data cause enumeration • Key issue enumeration 	<ul style="list-style-type: none"> • Poor project task sequencing • Poor deliverable understanding at early project stages • Scope creep from fixing problems unrelated to key issue 	<ul style="list-style-type: none"> • Excess effort grouping causes by category • Excess collaboration during idea phase • Execution of brainstorm on one-dimensional efforts • Failure to divide and conquer • Treating Idea Causal Brainstorm as project artifact 	<ul style="list-style-type: none"> • Greatly improved understanding of scope • Improved understanding of task sequence and priority • One page representation describing causes of business issue
Stage 4	Project Structure	<ul style="list-style-type: none"> • Key activities of project • Core deliverables • Capabilities updated or created • Data sets to collect or construct • Major milestone dates/timeline 	<ul style="list-style-type: none"> • Project delay from data limitation • Executive misinterpretation of delivered capability • Project manager misinterpretation of key activities and deliverables • Key resource assignment issue 	<ul style="list-style-type: none"> • Excess granularity and planning on dates for major milestones • Lack of clarity in capability delivery wording • Treating Idea Project Structure Brainstorm as actual project plan • Not revising Initial Concept Brainstorm details after completion 	<ul style="list-style-type: none"> • Improved understanding of what is to be created / delivered • Improved understanding of cost and time to implement • Concise one-page overview useful as starting point for project planning
Stage 5	Potential Benefits	<ul style="list-style-type: none"> • Core business metric improvement estimates • Secondary metric / KPI improvement estimates • List of benefits/affected operating metrics with description 	<ul style="list-style-type: none"> • Execution of resource intense project with pure core benefits • Delayed implementation of valuable project 	<ul style="list-style-type: none"> • Assumed inherent organic benefits explanation capability • Not revising Initial Concept Brainstorm after completion • Treating Idea Potential Benefits Brainstorm as full business case 	<ul style="list-style-type: none"> • Improved understanding over benefits linked to business unit strategy • Well-formed idea details for improved portfolio management

Table 1 – The 5 Stages of Idea Brainstorming

Stage 1 – Initial Concept Brainstorm

The purpose of the Initial Concept Brainstorm is to develop a representation of the idea using the least amount of information in the least amount of time. It is concise and developed quickly using only the best understanding of the idea known at the time. For this reason it is the most important brainstorm to be carried out. Once the Initial Concept Brainstorm is completed an idea can be tracked within a portfolio manager's tracking system.

There is a strong need at the early stages of an idea to place basic broad bins on certain demographics of the concept such as its length, level of effort/cost, and value. While at its earliest stages, it is not possible to give exact quantitative answers, it is however, possible to use measures such as small, medium, and large. These levels are sufficient to get an idea's momentum with the executive leadership that safe guards the organizations budget.

The Initial Concept Brainstorm when completed should never exceed a single page, should be completed in less than an hour, and should take less than 2 min to review.

Information Generated During Brainstorming Activity:

- Short description – The description of the project/program idea that is no more than a short paragraph. This should be the “elevator pitch” for the concept.
- The issue – A short paragraph description of the business issue that is occurring today. Idea Originators should use a “Burning Platform” approach when drafting this content (e.g. If we do not fix material defects seen in our end product then customers will seek out our competitors to buy from). Using this format makes it much easier for executives and decision makers to make tradeoff decisions.
- Potential actions – The next three actions or steps the Idea Originator thinks would occur if the project started today, consisting of no more than a short paragraph. This provides a small insight into “what's next” and allows for more context for executives and decision makers to assess the project/program idea.
- Value measures – At least three, but no more than five qualitative measures that relate to primary business imperatives/metrics (e.g. Cost Reduction, Sales Growth, Quality Improvement, Decision Accuracy, etc.). Each should be rated as Small, Medium, or Large Impact. The actual metrics should be selected

by the executive or decision making team. The Idea Originator should only estimate the rating for each measure relative to other projects they know about. The decision making team should then refine these later based on its expertise.

- Resource, cost, and effort measures – These are basic estimates for the financial cost of the idea and for personnel time assigned to the idea. The Idea Originator should not spend substantial effort at estimating cost this time, but should try to define the scope of the cost in broad measures. One approach is to start with a cost estimate of 0.5%, 2.5%, 10%, 50%, or some value greater of a portfolio's annual budget (e.g. \$5k, \$25k, \$100k, \$500k on a \$1M annual budget)^[4]. Similarly resource estimates should be given a quick guess by important labor classifications (e.g. internal business group team, external business group team, contractor, etc.) as Full Time Equivalent (FTE) Value per week in one day increments (e.g. the smallest value would be one day/wk. or 0.2 FTE). This reduced granularity level of detail is enough at the earliest stages of an idea for the executive/decision making team to start planning the future budget years based on ideas they see as likely to progress.
- Suggested timeframe – This is the proposed start date and high-level estimated duration of the idea based on the Idea Originator's best guess as to when they desire the project to start. This will help decision makers understand the priority and duration of the effort.

Risks from not completing this brainstorm

When this step is skipped in idea formation the following set of issues are common:

- Executive alignment issues on long range strategic plan – Different executives from the business will not have enough data to formalize staffing and budgets for longer term planning ranges.
- Irrational exuberance – Idea Originators not having done basic due diligence prescribed in this exercise will press forward with ideas that are out of strategic alignment with the organization – increasing the risk of a cancelled project later when executives determine the project does not have value to them anymore.

- Failure to gain momentum – Not having a basic one page short description, Idea Originators will lack the ability to convey the importance of their ideas effectively within the organization quickly enough for all decision makers (who are limited in time) to review.

Behaviors to avoid

- Excessive consensus – This exercise should be carried out by one to three Idea Originators. The Idea Originator(s) should be able to complete this quickly without the need to gain consensus at this stage. The most common error made by the Idea Originator(s) is to not put their own perspective down and to wait for input from others first. Doing so creates unnecessary delays in cataloging the idea and can lead to the Idea Package showing up late in the planning exercises for future budgets reducing its likelihood of being converted to a project within the targeted fiscal year.
- Excessive granularity in estimating – The Idea Originator should be certain not to spend lots of time at this early stage on deriving estimates. The goal at this stage of an idea is to broad bin the idea on the dimensions of cost, value, and effort. There will be little return on investment for additional time spent on estimates until all decision makers are engaged.

Stage 2 – Estimated System Brainstorm

The Estimated System Brainstorm has two purposes: 1) to force the Idea Originator to go through a structured exercise furthering his/her concept, and 2) to better convey additional details about the idea to an interested party.

The exercise itself is based on a brainstorming technique common in Lean Six Sigma (LSS) known as a SIPOC diagram^[5]. The term system refers to the collection of people, processes, and technologies affected by the idea. The goal of the brainstorm is to assess what the system will look like if the idea is carried out. This exercise forces the Idea Originator to determine stakeholders supplying and receiving inputs and outputs from a system or the process created if the idea is run to completion. While this exercise should be performed again with detail after the idea converts to a project, doing this exercise quickly in the ideation phase solidifies the concept more in the Idea Originator's mind.

Interested parties will also find this diagram useful as they can quickly see the macro process that could exist in conjunction with its inputs and outputs – solidifying the idea value to them.

The Estimated System Brainstorm when completed should never exceed a single page and should be finished in less than an hour.

Information Generated During Brainstorming Activity:

- Suppliers – A list of the potential stakeholders who provide input to the system/process created by the idea.
- Inputs – A list of potential inputs the idea might require if it converts to a project.
- Macro process – A guess at a 3 to 7 step linear macro process created if the idea is put in place explaining its function as a system.
- Outputs – A list of potential outputs the idea might require if it converts to a project.
- Customers – A list of the potential stakeholders who receive outputs generated by the process/system created by the idea.

Risks from not completing this brainstorm

- Orphaned key stakeholder – If the suppliers and customers of the system/process created by the idea are not estimated prior to project startup there is increased chance the project leads will miss out on important stakeholder conversations and miss a key requirement.
- Project interdependency miss and duplication of effort – Not having an estimate of the inputs/outputs an idea could produce can lead to issues with duplication between projects, and also lead to improper risk abatement from project sequencing where an interdependency might exist – a portfolio manager might not stage a dependent project far enough out leading to delays.
- Misinterpretation of the big picture – Not having a simple estimate of the idea's system/process can lead to an increased chance of disconnection between the Idea Originator's concept and interested parties requirements.

Behaviors to avoid

- Assumed organic system brainstorming capability – Most groups do not have trained behavior in carrying out abstract system brainstorms. Many times a business group will need to bring in an external expert to train and coach Idea Originators. Embedding this skill set in a team can take several months – retraining how the team thinks for these types of exercises.

- Excess granularity in process enumeration – A common error is to try to explain too much about the potential process or to do too much research about the potential process. At the early idea stage, the process estimated should be best effort and not take more than an hour including a few follow-up questions to subject matter experts if needed.
- Execution of the brainstorm on portfolio placeholder items – Items such as training, documentation, content management projects, etc. still require time and effort and should be tracked, but there is little value in trying to determine a system brainstorm if the idea is nothing more than a placeholder in a portfolio for budget/resource planning purposes.
- Treating the Estimated System Brainstorm as a final project artifact– In some cases, project managers or members of the executive team can confuse the work done by the Idea Originator as a deep exercise validated by subject matter experts (SMEs). The Idea phase generated system brainstorm is made to be done quickly to further the Idea Package. It should not be used as a final deliverable as part of a project until validation work is performed.
- Irrational persistence of flawed idea – An Idea Originator can sometimes learn of issues with their idea via this exercise, previously not considered. In some cases, there can be a tendency to push forward with the concept regardless of the new insight. Make sure a portfolio manager, or a team of peer reviewers can catch these issues in an environment that does not foster persecution.

Stage 3 – Causal Brainstorm

The Causal Brainstorm helps the Idea Originator think of potential causes that could contribute to the main business issue(s). The brainstorm is seeded by several categories based on a LSS diagram known as an Ishikawa or Fishbone Diagram (slight adjustments are made to the groupings to be more meaningful in a business environment). It is meant to be a quick best effort at estimating root causes affecting the system associated with the idea. This brainstorm builds on the Estimated System Brainstorm and improves the ability of the Idea Originator to estimate potential tasks by increasing the visibility of activities he/she may need to solve in the course of a project. It also serves as a way to understand which areas could be higher priority when planning out task sequence later.

Completion of the Causal Brainstorm also helps show critical thinking to the executive team/decision maker by producing tangible possible causes linked to an issue that resonates with the decision maker.

The Causal Brainstorm when completed should never exceed a single page and should be completed in less than an hour.

Information Generated During Brainstorming

- Activity: Materials/Supplies cause enumeration – A short list of potential causes relating to the system’s material or supply sources. Common causes deal with quality and speed of acquisition.
- Technology/Machines cause enumeration – A short list of potential causes relating to the technology or machines that make up the system. Common causes deal with performance deficiencies or capability gaps.
- External/Customer cause enumeration – A short list of potential causes relating to the anything the organization has no direct control over. Common causes deal with irrational consumer behavior or anything the business cannot control (weather, new laws, recessions, etc.). Personnel/Partners cause enumeration – A short list of potential causes relating to the staff or business partners that operate the system. Common causes deal with skills gaps, or insufficient resources.
- Methodology/Process cause enumeration – A short list of potential causes relating to the process or methodology by which the system operates. Common causes deal with inefficient or incorrect workflows being executed.
- Measurement/Data cause enumeration – A short list of potential causes relating to measurements or data used by the system to drive decision points. Common causes deal with incorrect/incomplete data sets or metrics.
- Key issue enumeration – A short paragraph or list of issues similar (or sometimes the same) as what was listed in the Initial Concept Brainstorm.

Risks from not completing this brainstorm

- Poor project task sequencing – If an idea converts to a project, the original task sequencing by the project manager may not reflect an optimal scenario as the Idea Originator is not always able to convey which areas of the idea are most critical to solve. Performing this brainstorm during the ideation phase helps the Idea Originator learn which areas will be important to solve early on and share this with others.
- Poor deliverable understanding at early project stages – Deliverables suggested by the project team are estimated with only limited input at the beginning of the project causing an increased risk for changing the deliverables of the project midway. The brainstorm helps identify potential important areas providing insight into corresponding deliverables needed to resolve the suggested problem areas.
- Scope creep from fixing problems unrelated to key issue – Without any brainstorm on potential causes and areas to solve the project team is left to develop project bounds on their own. This leads to ineffective scope statements and increased risk for potential scope creep.

Behaviors to avoid

- Excessive effort grouping causes – Too much emphasis is put into deciding which group to place a potential cause within. The groups are only there to seed the brainstorming process.
- Excess collaboration on causes during idea phase – Too many individuals are involved in the Causal Brainstorm or the Idea Originator tries to query too many details with a variety of SMEs to refine the brainstorm content. The brainstorm should not be done with more than a team of 3 and should only include information known at the time of brainstorming. SMEs if not immediately available should not be bothered for input until the idea is converted to a project.
- Execution of brainstorm on one-dimensional efforts – The brainstorm is carried out on a quick fix project or very short effort. Similar to the Estimated System Brainstorm there is no return on investment of time to perform this on certain simple items such as training development, clean-up efforts, or other items which need only a budget/resource placeholder as part of an overall portfolio plan model.

- Failure to divide and conquer – Many important potential causes surface with similar priority and in the interest of resource availability/budget are dropped from the idea objectives and not picked up by another idea. A portfolio manager should always review the Causal Brainstorms to see if a new idea should be generated based on orphaned causes.
- Treating idea Causal Brainstorm as project artifact – The Causal Brainstorm carried out during ideation is best effort only for the purposes of improving the quality of early stage planning. It should not be used as-is during a future project without validation by appropriate SMEs.

Stage 4 – Project Structure Brainstorm

The Project Structure Brainstorm helps the Idea Originator better describe what the idea could provide if it converts to a project. It is a one page overview focused on activities, deliverables, business capabilities, and major milestones. While this type of information is usually estimated during an idea phase it is not always done so by building upon Initial Concept, Systems, and Causal Brainstorms. Building the idea in stages like this allows the Idea Originator to learn more about the idea's potential makeups and deliverables. In addition, this exercise focuses on defining data sets potentially required for future project work or to be created as a potential deliverable. Data sets commonly cause project delays for several reasons: 1) data sets needed are not complete or of poor quality, 2) access to data requires brokering agreements with other departments or navigating special security procedures, or 3) creation of data requires special IT architectures and security considerations during setup. Early identification of potential data set consumption or creation will help reduce eventual project risks.

This brainstorm helps two distinct sets of stakeholders in addition to the Idea Originator: the executive team/decision makers and a potential project/program manager. Executive teams will be most interested in what new business capabilities are potentially delivered by an idea. Seeing this as part of the Idea Package will help the decision making group decide if the idea is potentially in line with their strategic priorities. Project managers can more easily construct initial project artifacts with greater accuracy as they can better understand the Idea Originator's intent for the project, what it might entail, and what the decision making team is looking to get out of it.

As with all the previous brainstorms this exercise should be carried out in a small team of one to three persons including the Idea Originator. The brainstorm should not take more than one hour to complete and should produce a one page document only.

Information Generated During Brainstorming Activity:

- Key activities of project – A short list of 5-9 key activities the idea may need to complete during its course. This should provide an additional layer of granularity over the “Potential Actions and Next Steps” in the Initial Concept Brainstorm
- Core deliverables – A short list (no more than seven) of deliverables which might be created throughout a project if the idea is converted. These can be creation of reports, data sets, systems, procedures, etc.
- Capabilities updated or created – A short list of one to three new business capabilities created (e.g. Ability to take customer web orders, ability to track end-user defects back to original raw material orders, ability to collaborate on projects using social media, etc.)
- Data sets to collect or construct – A short list of potential data sets that might be needed to complete the idea, or data sets that might need to be constructed to fulfill the idea.
- Major milestone dates/timeline – Either a list of proposed dates with corresponding milestones or a graphical representation on a timeline. The Idea Originator should take a quick guess only, but this guess will have a lot of value to interested parties – adding an extra level of understanding of what a project might look like.

Risks from not completing this brainstorm

- Project delay from data limitation – Data sets are not given enough thought prior to a project leading to unknown requirements to scrub or get access to core data. If the idea phase includes some estimates on data pre-research can be done which may require pre-project efforts focused on getting access to and cleaning up data or planning for extra project duration on these efforts as appropriate.
- Executive misinterpretation of delivered capability – During the ideation phase and long range planning, executive misalignment is very common due to a lack of understanding of the potential business capabilities delivered by future projects. This can lead to problems during projects as the executive team

disconnect can persist throughout project discovery phases and capabilities are just being enumerated for the first time. By specifically guessing about the capabilities during the ideation phase executives will be more likely to take ownership of items that match with their strategic priorities prior to conversion to a project/program.

- Project manager misinterpretation of key activities and deliverables – Frequently, a project manager is an external resource to the business unit or organization, and without basic details on the idea a project is based on, they may create project artifacts that do not accurately reflect the activities or scope intended by the Idea Originator or the executive team. This can lead to numerous iterations on creation of project artifacts and wasted time and effort.
- Key resource assignment issue – Without insight into a project’s key activities early on, it is common to find one activity requires a very specialized resource which may be limited via existing commitments. By having insight into potential activities a portfolio manager can seek tentative resource agreements on specialty resources or have foresight to delay start of a project until the key resource can participate.

Behaviors to avoid

- Excess planning on dates for major milestone – The Idea Originator spends a large amount of time revising the actual milestone dates and creating a very detailed list of key activities to be performed. No more than an hour should be spent on the first version of this during ideation. During the early ideation phase, the law of Diminishing Marginal Returns takes effect quickly – formal planning activities contain too many variables that will change in the period leading up to a potential project and thus will be performed over again if done in detail too early.
- Lack of clarity in capability delivery wording – The Idea Originator has ambiguity in the wording of the potential capabilities which might be delivered. The capability wording should be very clear and avoid any buzz word phrases which any executive team members maybe unfamiliar with. The business unit manager or portfolio manager should always verify all capabilities listed by an Idea Originator are worded effectively to convey what is being delivered.

- Treating idea Project Structure Brainstorm as actual project plan – Interested parties and stakeholders treat the details in this brainstorm as final or as a project deliverable leading to problems when an idea is converted to a project. It is important for a portfolio manager or champion of the ideation process to reinforce to executives and other stakeholders the differences between ideation and the start of a project.
- Not revising Initial Concept Brainstorm details – The Idea Originator does not make adjustments to the metrics in the Initial Concept Brainstorm after completing this exercise leading to a disconnect between the high-level summary and the Project Structure Brainstorm. It is expected to learn more about the idea by completing each brainstorm – the Initial Concept Brainstorm should be updated after this brainstorm is completed to accurately reflect the current understanding of the idea in its most concise representation.

Stage 5 – Potential Benefits Brainstorm

The Potential Benefits Brainstorm is the final part of the Idea Package and is the most difficult brainstorm to generate. It has the purpose of helping the Idea Originator determine potential benefits produced from carrying out the idea. The Potential Benefits Brainstorm works to determine two types of potential benefits: primary (profit/cost measures) and secondary (service measures/key performance indicator) benefits.

This brainstorm is important to carry out as it provides a layer of information to portfolio managers not usually available in the idea stage. This brainstorm forces the Idea Originator to develop a list of potential benefits generated and then to assess their impact on secondary measures along with profit and cost measures. This allows for a stronger validation of the value measures in the Initial Concept Brainstorm and gives executives and decision makers a much stronger understanding of the idea's value to them.

The Idea Originator should not spend more than two hours on this idea brainstorm and the output should be a single page showing a table of benefits with metrics and their collective effect on primary and secondary metrics/Key Performance Indicators (KPIs). After the completion of this brainstorm the Idea Originator should go back and adjust the value measures and other key details of the Initial Concept Brainstorm.

Information Generated During Brainstorming Activity:

- Core business metric improvement estimates – The two primary metrics that are most important to the organization – revenue generated (if the organization is not-for-profit revenue can be replaced with a metric equivalent to the primary service rendered to the community) and cost reduction. This assessment provides potential profit of the idea.
- Secondary metric improvement estimates – One to three secondary metrics or KPIs (inventory on hand, number of incidents, service availability, etc.) that are important to the business shown as the original value today and the potential new value if the idea is converted to a project. One of the metrics should be labor hour savings, even if those savings do not lead to reductions in cost. In some cases when a business is large enough the local business sponsor/decision maker for a portfolio may be assessed on various KPIs, rather than only contribution to net margin. Having this level of detail will improve the local sponsor's buy-in of the project since it shows improvements to the areas they are assessed on by the highest levels of the business.
- List of benefits/affected metrics with description – A table of three to nine potential benefits stated as a sentence along with the associated metric affected and its potential magnitude of change. This table becomes the basis for the primary and secondary metric potential improvements, and provides validity to those estimates.

Risks from not completing this brainstorm

- Execute resource intense project with poor core benefit – Without this level of detail in the early idea stage it is very possible for projects to execute that have poor business benefit and which consume a large amount of resources.
- Delayed implementation of valuable project – Many times valuable projects are delayed or not implemented since there is insufficient insight into the potential effects to secondary metrics/KPIs. Having the details of this brainstorm will abate that risk.

Behaviors to avoid

- Assumed inherent organic benefits explanation capability – This brainstorm requires Idea Originators to have a strong understanding of the business unit they operate within, along with strong abstract reasoning skills which are not typically inherent without some basic level of training. It is common for business leads to assume their staff have these capabilities already. It is recommended that a specialist (generally an external resource) train staff on performing this brainstorm or a mentor/mentee relationship is established from a known resource capable of forging this skill set within a business unit.
- Not revising the Initial Concept Brainstorm – The Idea Originator may develop a good estimate of potential benefits during this brainstorm better than originally anticipated. If the Initial Concept Brainstorm is not updated in the areas of the idea description and value measures then there is a good chance executives/decision makers may not review the idea past the Initial Concept Brainstorm and pass on the idea erroneously. Make sure to update previous brainstorms as new details emerge.
- Treating idea Potential Benefits Brainstorm as a Full Business Case – As with the other four brainstorms, this one should not be treated as authoritative until a full business case is made during the initial stages of a project. It should be expected that the benefits will change when resources are staffed to derive detailed benefits.

About the Author



Brent Weigel is a Manager with Kenny & Company. He leads and supports the defining, analysis, planning, implementation and overall execution of client engagements. In addition, Brent provides thought leadership and leads the development of the Cloud Computing Strategy & Consulting Services offering for Kenny & Company. Brent has more than 13 years experience in IT Consulting, software, startups and manufacturing with Booz Allen Hamilton, Standard Register and Stage Logic. He has a BS in Electrical Engineering with Computer Science Minor and a MS in Engineering Management from Rose-Hulman Institute of Technology along with a variety of certifications in areas such as Six Sigma, ITIL v3, and Microsoft technologies.

Conclusion

The completion of all five stages of the Idea Package leads to a well-formed idea. Having well-formed ideas reduces risks in investment planning by engaging executive teams earlier with relevant details they care about. Well-formed ideas also are more likely to have lower risks as projects around the areas of scope creep as the Idea Originator is forced to think about their concept in structured quick way.

The most important thing to remember when performing brainstorms that make up the Idea Package is to limit collaboration until each brainstorm is captured initially. Each business will have a different internal culture that establishes what is required for collaboration on new projects, but it is important to not confuse the capture of the Idea Package as anything other than an initial capture (ideas are not projects).

An epidemic now exists within organizations which have created an inability to make initial abstract estimates without excess collaboration. Many Idea Originators will not document what is in their head for fear of being incorrect or for fear of being seen as not collaborative. The purpose of generating the Idea Package is to go through a structured approach to documenting the Idea Originator's concept so that it is easier to collaborate on later by letting interested parties collaborate around the content of the Idea Package rather than waste time in a large collaborative environment trying to generate original idea content.

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Notes

1. "Managing Quality in the Fuzzy Front End". Siddiqui, Saima. Kenny & Company Points of View. February 10, 2012.
2. "Executive Alignment: A Behavioral Framework". Kenny, Michael. Kenny & Company Points of View. January 12, 2012.
3. Idea Progression is the process of taking an idea from the initial thought understood well by only its originator to a refined concept understood by most relevant stakeholders.
4. Resource estimation is easier for individuals to estimate in early stages if each level of estimation level is about 5x the previous. It is rare for an idea to have a cost of \$0, so the minimum should be 0.5% of annual portfolio budget which allows for some contingency.
5. SIPOC – Suppliers, Inputs, Process, Outputs, and Customers

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