



## Case Study

# HP Turbo-Charges New Business Creation

### Overview

Hewlett-Packard Company is a world leader in innovation. The success of their merger with Compaq created an opportunity to develop entirely new areas of the business. Executives recognized that this would require exploring radically new ideas and managing the tremendous uncertainty surrounding moving into new businesses.

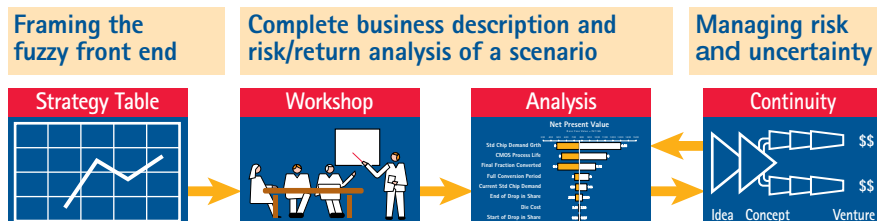
### Challenges

The head of the imaging and printing division, one of HP's most successful businesses, stepped up to the challenge by establishing a New Business Creation (NBC) process to focus on building a portfolio approach to new growth. The phased process graduated from new business concepts, to seed funding, to starting a new venture.

Departing from a traditional project management approach, HP decided to rapidly explore a large number of projects to identify potentially high-return projects, all the while knowing there was a high degree of risk and uncertainty. The Division President identified several target markets as diverse as life sciences and home entertainment, and unleashed high-powered teams to develop proposals to address them. His teams quickly came up with a pipeline of interesting, high-potential product proposals.

Said the business process owner, "Our big challenge was to get teams to see the upside potential in a constructive way so they could focus their efforts on a big win, rather than on easy-to-meet incremental goals."

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HP's New Business Creation Process has increased new product development throughput by over 100%.

We've given our teams a practical compass for navigating unfolding uncertainty and alternatives. We are using SmartOrg processes and tools to explore new territory and drive growth. There are exciting things in the pipeline—expect to see a couple of explosive new businesses in a couple of years.

Business Process Owner

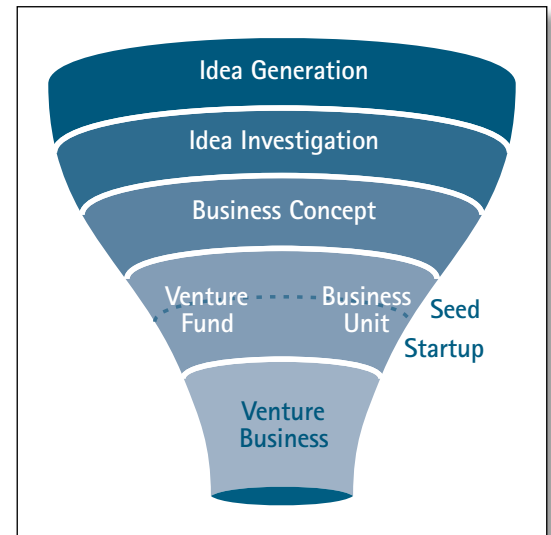
## Solution

Project teams participated in a series of Value-Based Management workshops, in which they went through a structured evaluation of several key projects. The team wanted to explore possibilities as quickly as possible. They created a flotilla of plans, each based on different solutions. Using the Value-Based Management portfolio approach, they rapidly winnowed this set down.

## Results

The team achieved dramatic results (see table). For the first time—in a simple and practical way—project teams and their managers experienced the impact of risk and uncertainty on their projects. They gained a new perspective on where to apply their efforts to create the highest business value.

Within six months HP cancelled all but one opportunity, while using the lessons



A healthy funnel

learned to create several more. “We’ve never been able to make so much progress so quickly; our throughput is up over 100%. Best of all, we’ve just signed a deal with a major partner to market the first product out of this process and it’s headed for success,” said the Business Process Owner.

PROJECTS			
Phase	Target	Actual	Percent
Ideas Investigated	30	27	90%
Business Concepts	4	7	175%
Seed Projects	2	5	250%
Startup	2	2	100%

HP significantly accelerated its New Business Creation pipeline using SmartOrg solutions

## About SmartOrg

SmartOrg's value-based management (VBM) approach helps organizations drive profitable growth by focusing their attention and resources on high-value opportunities. We help companies evaluate and assess current and future projects and answer the fundamental question: "should we do it?" SmartOrg's software tools, training, and coaching help organizations bridge the gap between business and technology by managing risk and uncertainty, selecting the best projects in their portfolios, setting project strategy and accelerating deployment. SmartOrg headquarters are in Menlo Park, California with regional offices in the eastern and western United States, the United Kingdom, and Asia.

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