

Innovation Management Plan B Strategy

High Innovation Load Projects should be accompanied by a mutually exclusive plan to achieve the same R&D objective.

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- An Innovation Project of heavy innovation load, runs the risk of daunting surprises, in which the cost to complete and time to finish may run out of bound.
- Such limitation should be challenged with "Plan B": a second innovation plan to serve the same R&D goal, where the resource requirements have a better chance to be within preset limits.
- Nominally such "Plan B" is contemplated only after "Plan A" chocked. At issue is the alternative strategy to prepare Plan B as a ready stand-in for Plan A.

Pro and Con for a Ready Plan B



- The biggest argument against Plan B is that it diverts resources
 from Plan A
- The biggest argument for Plan B is that it secures a streamlined operation.
- The second pro point is that it creates a productive creative tension between the two (or more) plans. It alleviates the threat of "group think".
- The bigger the innovation load ahead, the more attractive the Ready Plan B Approach.

Plan B: Natural and Forced



- Some innovation challenges are naturally confronted by two or more mutually exclusive lines of attack where each line is of serious likelihood to succeed. The question is how to allocate the available resources between these lines.
- Other innovation challenges are faced with only one line of attack. It may be really hard to come up with anther way to solve this challenge, one that is mutually exclusive with the first one. Identifying a Plan B for these circumstances is a challenge of its own, but usually worth the effort.

Managing the Dual Solution Approach



- Plan A and Plan B should be each pursued as if they are "the only game in town".
- Resource allocation is carried out on the basis of Cost probability Curve for both.
- Let z be the cost of the more expensive plan such that the probability for it to cost no more than z is 0.5+δ. Let Ω be the likelihood for the cost not to be more than z based on the other plan.
- The ratio of resource allocation A1:A2 between plan 1 and plan 2 is a function of Ω : A1/A2 = f(Ω).

Plans 1,2 Resource Allocation

Plans 1, 2 Resource Alocation





Resource Allocation Among n Competing Plans



Based on the respective Cost Probabilities Curves (CPC)

Plans 1,2,...n are mutually exclusive pathways to achieve the same goal. Based on respective CPC₁, CPC₂, CPC_n, compute $z_1, z_2, ..., z_n$ where $\Omega(z_i) = 0.5 + \delta$. Where $\Omega(x)$ is the probability that the cost of the plan will not be higher than x. $\delta = 1/r$, where r is the highest ratio between resources allocated to the n plans.

Let m be the plan for which $z_m = max(z_1, z_2, ..., z_n)$. Compute:

$$A_i/A_m = (\Omega_i(z_m) - 0.5)/\delta$$

Normalize resources $A_1, A_2, ..., A_n$ with $\alpha = \Sigma A_i$, and allocate A_i / α

Re-Allocation per Interval



- Re-Allocation Interval (ReInt), per lapsed time, or per event, (either, or both)
- Fewer competing plans survive with progress. As long as the innovation load is high, keep at least two competing plans.
- Optimize Re-Allocation Interval.

Forced Plan B



- Mindset: Plan A "won't work" authoritatively declared. Find an alternative. "Everything can be done in more ways than one"
- Use the "Abstract" route in the Innovation^{SP} procedure to develop Plan B
- If no ready alternative found, conjure up an absurd plan, then make it more and more palpable.

Team Environment



- Assign different teams to each plan build a positive competitive tension.
- Educate the teams about the allocation dynamics.
- As much as possible let people work on the plan they believe in.

Plan B Strategy v. Innovation^{SP}



- The Plan B strategy is a manifestation of Innovation^{SP}, the "Breakdown" option, Parallel Mode.
- Can be applied within a larger breakdown configuration.
- For simple cases apply the formula: A1/A2 = P1/P2, where Pi is the probability for plan i to succeed.

Thank You!

- D&G Sciences Innovation Productivity Corporation trains and consults researchers and innovation stakeholders to help them become more effective in their innovation enterprise, and better appraise their innovative effort within their larger sphere of interests.
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