



NEW OAKS
CONSULTING

Innovation Diamond Management

INTRODUCTION

Innovation Diamond Management (IDM) is a strategic framework designed to manage both sustainable and breakthrough innovation in a clear and structured manner. This approach enables organizations to systematically transform ideas into scalable business value. IDM facilitates the journey from concept to market success by aligning innovation strategy, master planning, upstream innovation & initiative launch, portfolio optimization, and resource allocation.

By balancing creativity with discipline, the model transforms innovation from sporadic efforts into a consistent and scalable business capability. It shifts innovation from isolated initiatives to a repeatable, portfolio-driven approach that harmonizes exploration with execution, ultimately leading to measurable impact and value creation.

THE INNOVATION DIAMOND FRAMEWORK

The framework integrates the following five dimensions:

- **Innovation Strategy** ensures innovation priorities are tightly aligned to corporate growth objectives and clearly differentiated across core, adjacent, and disruptive horizons. This is typically a 3-5 year innovation plan aligned with Business Leaders' strategic objectives.
- **Master Planning** translates strategic intent into an executable innovation roadmap, defining governance, decision points, and pathways from experimentation to scale. This approach ensures that our customers' needs are met and keeps them informed about the status of projects that affect their plans.
- **Upstream Innovation & Initiative Launch** defines how opportunities are identified, shaped, and brought into the innovation system using structured approaches to idea sourcing, customer insights, problem definition, and rapid validation. Enabled by PM systems and processes. It ensures a clear, consistent, and high-quality pipeline entering the portfolio.
- **Portfolio Optimization** enables leadership to actively manage risk, balance time horizons, and dynamically reallocate investments based on learning and performance.
- **Resource Allocation** ensures capital, talent, and leadership attention are deployed where innovation has the highest strategic and financial return.

THE INNOVATION DIAMOND FRAMEWORK

Innovation Strategy

Innovation Strategy defines where the organization will compete through innovation and how innovation supports enterprise growth objectives. It establishes explicit innovation ambition, priority domains, and target value pools, while clearly differentiating investments across core, adjacent, and disruptive horizons. An effective innovation strategy creates leadership alignment, sharp strategic focus, and clear investment guardrails.

Master Planning

Master Planning transforms strategic goals into a practical innovation roadmap. It outlines the complete innovation lifecycle, including governance structures, decision-making authorities, and escalation routes necessary to advance initiatives from concept to commercialization. Effective master planning minimizes friction between experimentation and scaling by clearly identifying pathways, required capabilities, and ecosystem dependencies from the outset.

Upstream Innovation & Initiative Launch

Upstream Innovation & Initiative Launch defines how opportunities are identified, shaped, and introduced into the innovation system. It establishes structured approaches to idea sourcing, customer insight generation, problem framing, and rapid concept validation. This dimension is enabled by PM systems, processes, and structures, including standardized intake mechanisms, stage-zero governance, initiative charters, and early-stage tracking to ensure a high-quality, well-governed pipeline enters the portfolio with clarity, consistency, and speed.

Portfolio Optimization

Portfolio Optimization ensures innovation investments are managed as an integrated, customer-centered system rather than standalone projects. It enables leadership to balance risk and return across time horizons while prioritizing initiatives based on both data and evolving customer needs and insights.

By continuously incorporating customer feedback and market signals, organizations can dynamically reallocate resources as new information emerges. This disciplined approach improves transparency, strengthens decision-making, and increases the likelihood of delivering meaningful customer value.

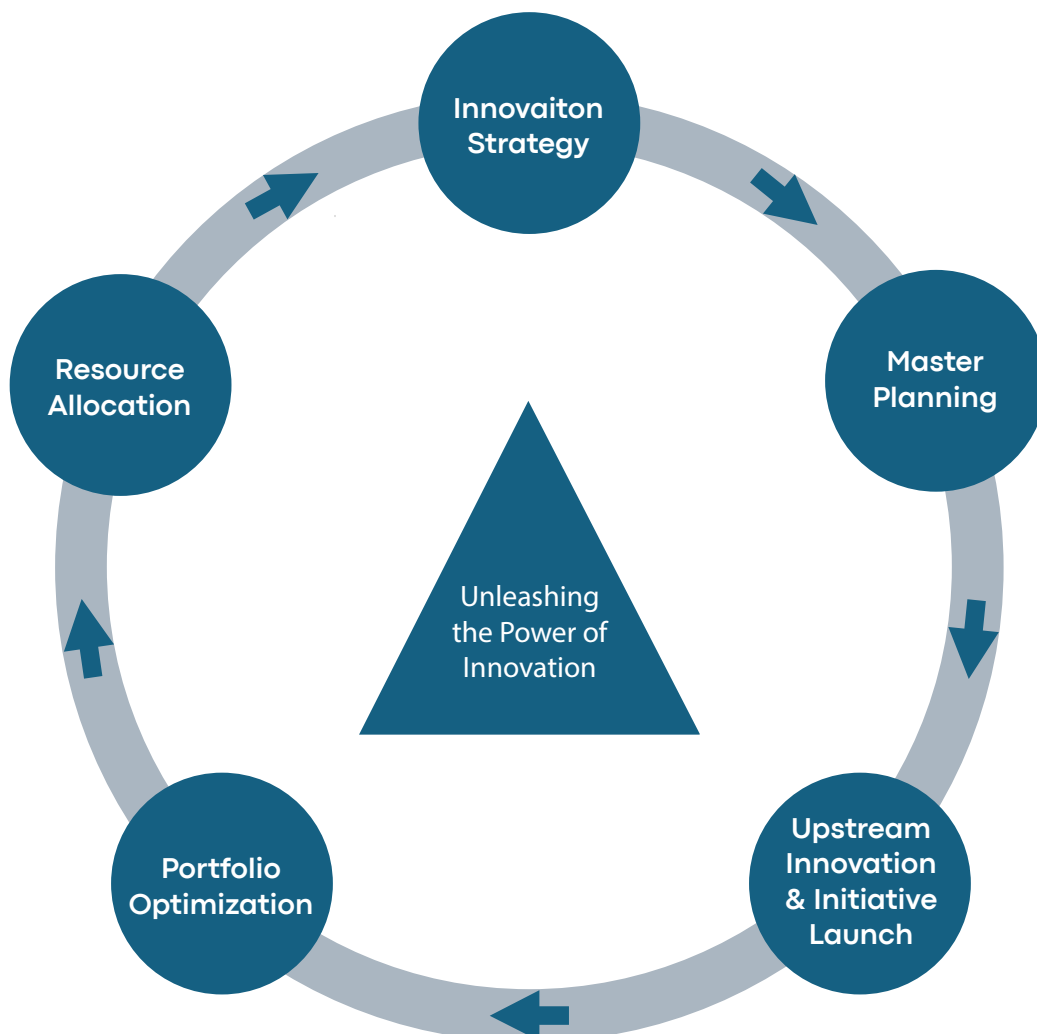
Resource Allocation

Resource allocation determines how capital, talent, and leadership focus are distributed across the innovation portfolio. It sets up funding models, investment thresholds, ownership responsibilities, and accountability measures that promote agility while ensuring a disciplined approach to returns. Effective resource allocation guarantees that high-potential initiatives receive the necessary resources and ongoing support to thrive.

How the Diamond Operates

The five dimensions of Innovation Diamond Management are interdependent and operate as an integrated system. Innovation Strategy sets direction, Upstream Innovation & Initiative Launch builds a high-quality pipeline of opportunities, Master Planning translates priorities into executable pathways, Portfolio Optimization manages risk and performance across the system, and Resource Allocation ensures focus, funding, and scalability.

Breakdowns at any point, whether weak upstream pipeline quality, unclear execution pathways, poor portfolio discipline, or misaligned resource deployment, materially reduce innovation effectiveness and slow value realization.



BUSINESS VALUE

Organizations that implement Innovation Diamond Management consistently achieve:

- Greater predictability of innovation outcomes
- Bigger, more successful innovation
- Accelerated time-to-market
- Improved capital efficiency and risk management
- Clear linkage between innovation activity and enterprise growth priorities
- A scalable, repeatable innovation operating model
- Simplification/Scale/Margin Improvement

INNOVATION DIAMOND LEADER (IDL)

Within the Innovation Diamond Management framework, the Innovation Diamond Leader (IDL) plays a pivotal role.

The IDL is responsible for coordinating and leading the five dimensions of the Innovation Diamond: Innovation Strategy, Master Planning, Upstream Innovation & Initiative Launch, Portfolio Optimization, and Resource Allocation. With accountability for innovation results, processes, and organizational capabilities, the IDL enhances the quality and sustainability of all the organization's innovation efforts.

Key Role and Responsibilities of IDL

- IDL and R&D co-lead Innovation Strategy process, focusing on where to grow and where to disrupt. Businesses can prioritize sustaining innovations as well as targeted disruptive and commercial innovations.
- IDL leads Initiative Master Planning across all functions and regions to leverage scale and ensure consistency with Innovation Strategy.
- IDL leads Portfolio Optimization & Resource Allocation with Finance, making constraints visible and forcing tough choices so that businesses will flow the right resources to the right initiatives.
- IDL tracks, analyzes, and reports key measures linked to innovation results and capability. Develops, recommends, and leads initiatives to address and fill existing gaps.

- IDL fosters an environment of openness, curiosity, connection, and courage, which are essential qualities for cultivating a culture of innovation.
- The IDL operates across multiple dimensions:
 1. IDL engages in innovation from idea to consumer. Their involvement starts at the initial stages and continues through market execution, providing measures and insights to enhance all aspects of the innovation process over time.
 2. Connects regional and global teams to ensure everyone has visibility to the entire innovation pipeline, and the opportunity to make every idea as big as it can be.
 3. Includes commercial and technical functions, fostering teamwork by translating multifunctional perspectives into shared business concerns and implementing best-in-class systems.
 4. IDM leads the holistic agile integration and synchronization of commercial, market, and technical Innovation activities.

KEY INSIGHTS

- Innovation Diamond Management provides leadership teams with a disciplined system to manage innovation as a core growth engine. It replaces ad-hoc experimentation with portfolio-level governance, enabling confident investment decisions and sustained innovation-driven growth.
- Organizations that master these five areas achieve superior results in their product innovation efforts.
- IDM does not just improve innovation outcomes. It changes the slope of value creation. By governing innovation as a portfolio and scaling the right initiatives faster, organizations unlock nonlinear growth rather than incremental gains.

