Growth • Innovation • Leadership Council
FROST & SULLIVAN

EXECUTIVE BRIEF

Aligning Resource Allocation & Prioritization

Moderated by Joshua Tamayo-Sarver, Vice President of Innovation, Vituity & Inflect Health

This virtual council case history examined how to successfully align resource allocation and prioritization to accelerate innovation outcomes while maintaining strategic focus. Through real-world examples, the discussion highlighted how clear success criteria were established to justify and secure innovation budgets, clarify investment priorities across competing initiatives, and balance short- and long-term innovation efforts.

Led Joshua Tamayo-Sarver, M.D., Ph.D., members explored how data-driven insights were used to refine prioritization frameworks, improve resource allocation decisions, and increase visibility into innovation performance.

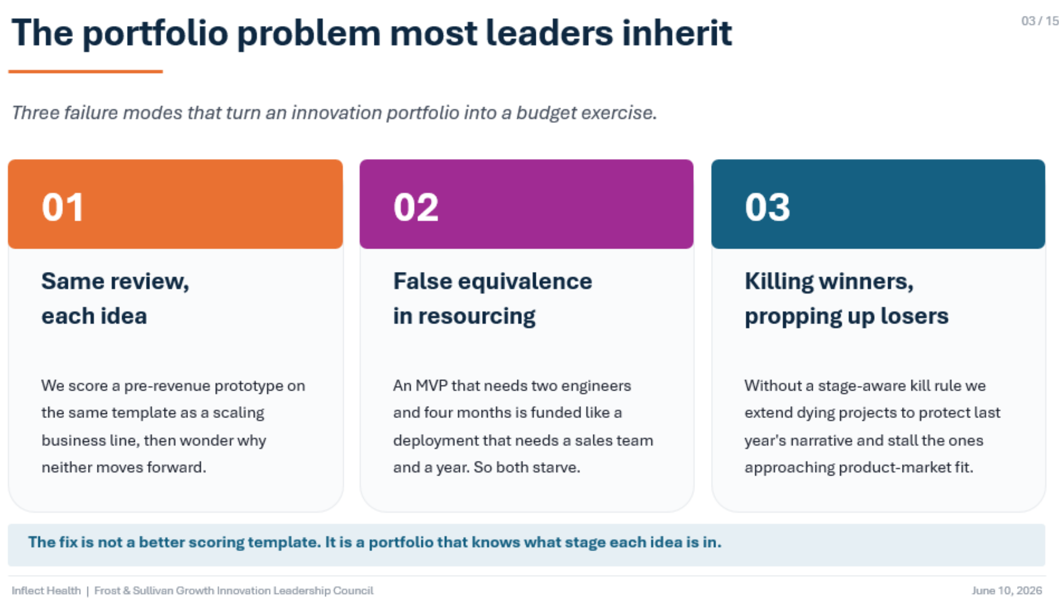
Action Items

- Identify methods for defining measurable innovation outcomes
- Evaluate and rank investment opportunities
- Implement data-informed processes to continuously optimize portfolio and resource management

Harnessing Cross Functional Experiences

Moderator Joshua Tamayo-Sarver began the virtual event by explaining that he would be discussing his company's innovation journey and his experiences managing Vituity & Inflect Health's innovation portfolio. His background as a medical doctor with a Ph.D. in epidemiology and biostatistics, former software engineer, and 20+ years' experience as an innovator building and running healthcare operations made him uniquely qualified to lead the session.

Joshua began by discussing three key failure points in innovation portfolios, (see graphic below) often due to poor resourcing and funding, and often resulting in wasted time. Instead, he recommended "re-framing the question," i.e., rather than asking which innovation idea to fund, ask what stage each idea is in, and what that stage requires. As he noted, "each stage has its own goal and hypothesis to test." Shifting strategies quickly when warranted and having a "kill" rule was recommended.



Dream It Build It Scale It

A three-phase innovation portfolio framework was presented, as outlined below. Stakeholders must meet each phase to progress to the next:

Dream It – Seek to understand a problem uniquely and take a potential new product through valuation and prototyping. Ask (potential) customers: would you want this? Assess what the product is worth. Minimum viable features, minimum viable product to solution.

Build It – Build a business foundation. Ask: Does it align with strategy? Will it scale? Define the product and deploy it. Joshua shared that he had a poor deployment experience and discovered that people were not using the product as they had indicated they would.

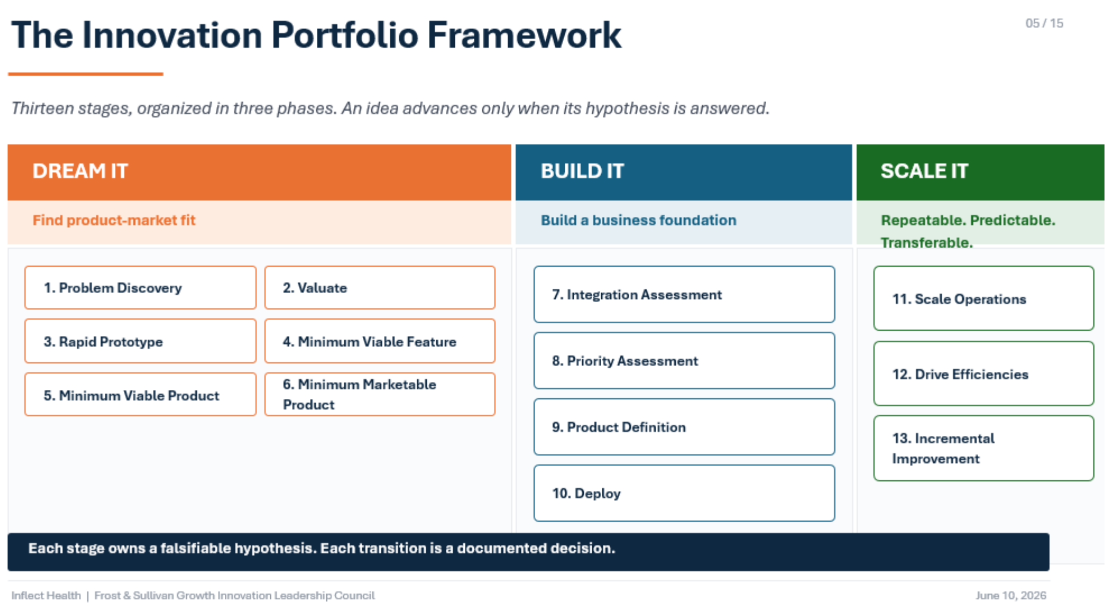
Scale It – Product or service should be repeatable, predictable, and transferrable. Incremental improvements can be made. It should drive efficiencies.

Each stage has its own hypothesis and each transition between stages is a documented decision. Three governance rules make the phases above work:

1. **Meet or justify** – before advancing to next stage an idea/hypothesis must meet every prior goal or have a documented reason to skip it.
2. **Enter anywhere** – an idea can enter at any stage if it has met all prior goals. Acquisitions and partnerships typically enter mid-stage.

3. **Exit anywhere** – an idea can exit or be killed at any stage. This can be a “good” outcome – much better than proceeding and wasting money and time on a poor innovation path.

As noted, different skill sets are needed for different phases.



Defining Measurable Outcomes

Other key actions discussed included defining measurable outcomes and running two key, formal gates: 1. Valuate - is *the problem worth the likely investment?* and 2. Priority Assessment - *Is the value strategic, monetary or both?* Creating data-informed policies via portfolio dashboards that are updated regularly (not yearly) and used to govern decisions was endorsed.

Different portfolio projects and their fates were briefly discussed. One initiative was killed after the hypothesis failed. Another advisory/consulting project didn’t pan out as planned while another project was moving forward and being tweaked. A few members shared their experiences witnessing years-long, expensive projects fail: “We spent millions and then the market changed!” They noted how these outcomes might have been avoided with better processes and oversight. Shorter innovation cycles were recommended.

In closing, Joshua recommended three key approaches to the innovation process:

- ✓ Map every active bet to a stage.
- ✓ Run valuation and priority assessments as formal gates.
- ✓ Build a one-page portfolio dashboard and use it regularly for decision-making.