

MOVING INTO THE UNKNOWN

A Study of How a Newly Established FEI Department Within a Structured and Linear Environment Can Manage Venture Prioritisation

In order to stay ahead of competition, pursuing radical innovation is highly important for companies with mature technology. The front end is the first phase of developing radical innovation. The front end is characterised by high uncertainty and a different working process compared to that of incremental innovation. Large mature product companies with mature technology pursuing radical innovation can do so by establishing a FEI department. In order for a newly established FEI department to choose the right ideas for radical innovation, they need to figure out how an appropriate prioritisation method for their environment can be designed.

This study was carried out in order to create a framework describing a prioritisation method for newly established FEI departments within large product companies with mature technology. In order to do so characteristics for these departments had to be identified and suitable prioritisation models had to be researched.

The study was carried out through a single case study, using an abductive approach and a qualitative research strategy. The empirical data consists of eighteen interviews carried out at the FEI department at Tetra Pak. The literature review covers the front end and the possible influence of the environment around the FEI department. It also includes change management, in order to explain the behaviour of it being a newly established department.

The study contributes with a categorisation of front end theory using the following categories, process, uncertainty, decision, leadership and teams. Through a comparative analysis, characteristics of newly established FEI departments at large product companies with mature technology were identified.

Based on the characteristics described above and a literature review of prioritisation models previously used for the front end, fuzzy NPD and innovation, the Hierarchical fuzzy TOPSIS was identified as a suitable prioritisation model

for newly established FEI departments within large product companies with mature technology.

The final contribution is the recommended method, which includes the Hierarchical fuzzy TOPSIS model. The method gives guidelines to FEI departments for how to use the Hierarchical fuzzy TOPSIS model. The study shows that the departments need initial structure and planning needed in order for the employees to feel comfortable with a more chaotic work process. The method describes how the Hierarchical fuzzy TOPSIS model, which includes fuzzy linguistic, will help the departments to handle uncertainty and improve their communication. Through better communication opportunistic behaviour will be reduced. Defining criteria and sub-criteria in the prioritisation model will increase awareness and the understanding of strategic value, feasibility and attractiveness, which is something they need. The method is designed to be simple to use in order to prevent old behaviour to come back.

Creating a prioritisation method for a newly established FEI department within a large product company with mature technology is important, not only to be able to prioritise but also in order for the venture teams to feel secure enough to work in a dynamic, chaotic and iterative way. The study shows that the environment around a FEI department affects the way they work and therefore also the way the prioritisation method can be used. Defining criteria and sub-criteria will increase the understanding within the department of what is valued in ventures and ideas. When the people within a FEI department have a consistent and clear communication, it will also be easier to enable a bottom up information flow from the department to top management. If the bottom-up information flow is consistent and clear it will also be easier for a FEI department to make the rest of the company understand the urgency of the work they are carrying out.