



Thales UK takes control of its R&D portfolio

Client background

Thales UK is the second largest defence electronics supplier and operates across many industries including aerospace, finance, transportation and energy. Employing more than 8,000 people in the UK, Thales are trusted by industry and government to deliver high-quality safety, security and information management products and services. Thales UK's commitment to offering an innovative diverse portfolio of products and capabilities is underpinned by substantial investment into self-funded R&D.

Client challenge

Like all corporations it is important for Thales UK to align its R&D investments with the overall vision and strategy. In 2010, Thales UK understood that improving strategic alignment would enable them to maximise the value delivered by their significant, but still limited, R&D budget. Organisational changes within the Thales Corporation brought this to the fore with a shift of focus from divisions to geographies. Thales UK needed to take full accountability for its business and investments. Due to the size and complexity of the business it was necessary to find an effective way to trade-off across the diverse portfolio.

The leadership team recognised the Catalyze Strategic Portfolio Management (SPM) process could achieve this in a structured manner, delivering consistency across the business and driving alignment and commitment to the final agreed portfolio.

How Catalyze helped

Working with the Thales UK leadership team, the overall strategic intent was explicitly defined. This set the context in which trade-offs could be made and allowed a set of criteria to be agreed against which all of the current and future R&D investments would be evaluated.

THALES

We have helped Thales UK:

- Align R&D investments with strategic intent
- Evaluate investments consistently across business domains
- Avoid stovepipe investment decisions

“Catalyze helped us align our investments with our strategy, and optimise the return on investment for the available budget. The expertly facilitated workshops have been very effective at building a common understanding of the portfolio, and allowing rigorous but constructive challenges to the business cases and risks.”

Alvin Wilby,
Strategy and Technical
Director, Thales UK

Furnished with the Strategic Intent, the management teams of the five sector focused business domains were challenged to explore and review new and existing opportunities. Business cases were developed for each opportunity, including the resources required to successfully execute and realise the financial and other organisational strategic benefits.

With the support of independent facilitation, key stakeholders for each business domain were able to review and gain new insights into their complete R&D investment portfolio in a challenging but collaborative environment. A portfolio was agreed by understanding, justifying and then prioritising the investment opportunities, focusing on the return on investment they deliver to Thales UK.

From the domain level portfolios a series of recommendations were taken to the Thales UK board to help make the difficult investment trade-offs across the business. The leadership team was fully briefed on the research priorities and was able to quickly agree upon a balanced portfolio of investments to be included in the annual operating plan. Traditional stovepipes were broken, budgets reallocated and existing investments cancelled to make way for more attractive R&D opportunities.

Thales has adopted the Catalyze approach to Strategic Portfolio Management and it has now been embedded into the annual R&D planning cycle for the past 2 years.

Enabling Effective Decisions

Thales UK leveraged the Catalyze Strategic Portfolio Management process to align their R&D strategy with their strategic intent.

Thales UK has successfully:

- Developed a balanced R&D portfolio that challenges the existing stovepipes and delivers the best value-for-money to the wider organisation.
- Funded new attractive R&D investments.
- Identified existing R&D investments that were previously under-resourced.
- Stopped existing R&D investments that were delivering a poor return on investment.
- Embedded the Catalyze SPM process to ensure repeatability and consistency across the business.
- Developed a culture of transparent decision making and accountability.

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At Catalyze we help organisations to achieve their objectives, by translating strategic intent into deliverable operating plans and optimised business investment portfolios. We do this by applying our expertise in strategy, with proven tools and methodologies that enable informed decision-making and establish clear organisational priorities.

Catalyze was founded in 2001 in conjunction with the London School of Economics and Political Science, and we work with major public and private sector clients on a global basis. Our processes and tools have been independently reviewed and validated by the UK Treasury and the National Audit Office.