

**I/MHP**

A PORSCHE COMPANY

# BEYOND OLD ASSUMPTIONS AND BUDGET



**The current situation is forcing us to reevaluate our market, customer, supplier assumptions and standard budgeting process and to think beyond KPIs such as Net Present Value and Return of Investment.**

**Let's have a look at powerful ways to secure liquidity, free up cash and minimize negative effects for business continuity without jeopardizing projects.**



# R&R TO SURVIVE

**R&R stands for REPRIORITIZE & RESCOPE and acts on the following axiom:**

**Any current project idea should be considered an innovative idea that has the ability to truly push the business forward.**

# HOW TO R&R UNDER UNCERTAINTY

One powerful way to R&R is to revisit assumptions and dedicate your resources more purposefully by applying methods considering uncertainty in ongoing projects. This means:

**Consider uncertainties and avoid big project budgets**



**Take a fresh look at revenue and cost assumptions**



**Invest resources to fast validate market, customer, supplier, technical assumptions**



**Adapt the project idea based on the validated / negated assumptions**



# RIGHT TOOLS UNDER UNCERTAINTY

## Level 1:

Reverse Income Statement, Real Options, Discovery Driven Planning

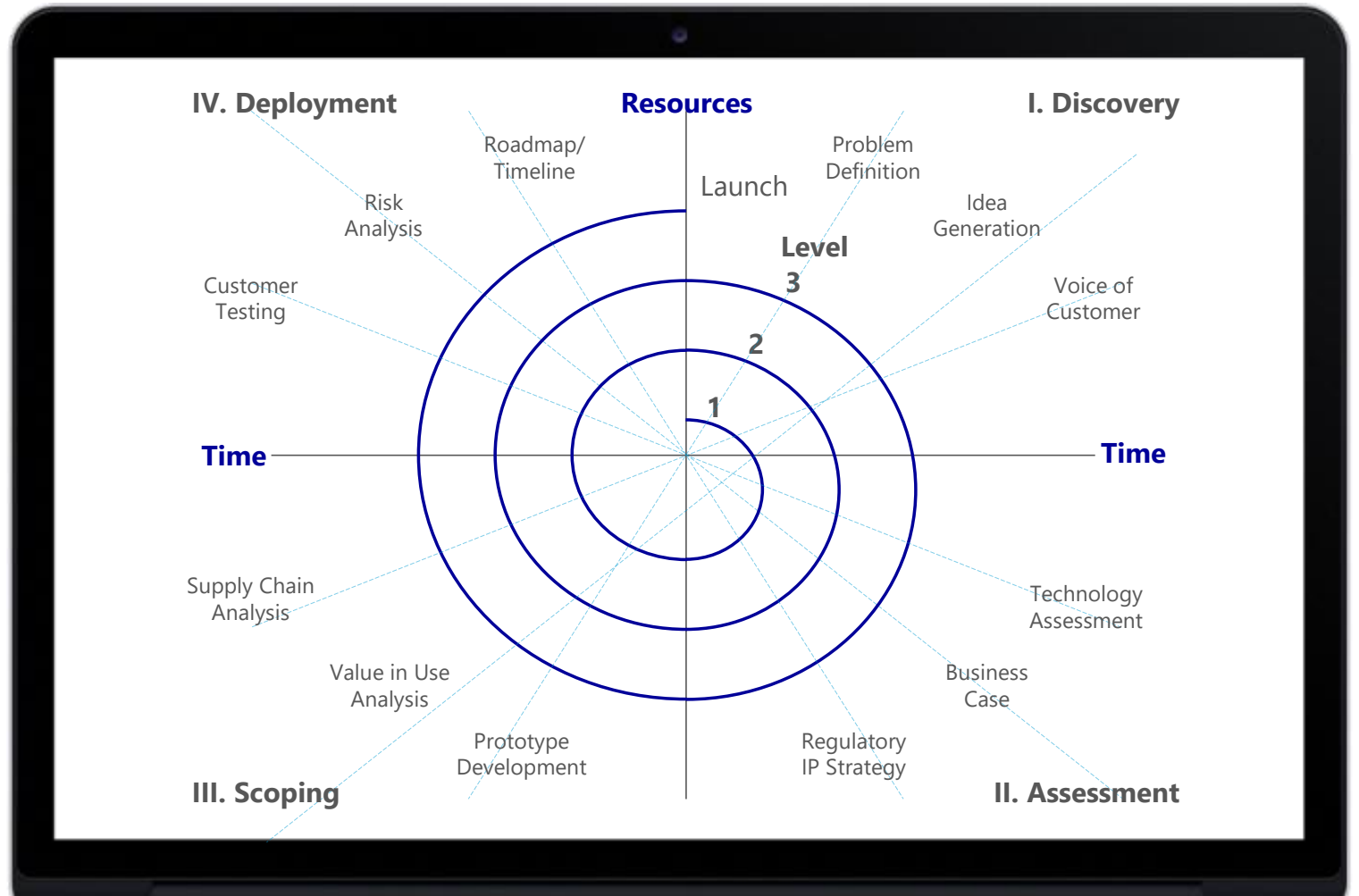
## Level 2:

Probabilistic Decision Analysis, Product/Technology Discovery Roadmaps, Multigenerational Product Planning

## Level 3:

Linear Stage-Gate, NPV, DCF

Different business casing tools to use so that projects don't claim big budgets under high uncertainty rather get funded as they prove value at each iteration:



# FURTHER ADVANTAGES OF R&R

**Continue projects with lower budgets  
and less risk**

**Free up cash for more short- and mid-term  
projects with lower budgets and faster iterations**

**Foster innovative ideas in the R&D and  
other valuable departments**

**Achieve higher success by improving any project  
idea with earlier feedback loops**

**Truly think big, test small, fail fast and learn  
always under uncertainty**



**I/MHP**

A PORSCHE COMPANY

# TACKLING UNCERTAINTY? CERTAINLY.



**With the mentioned tools at hand, there is no doubt that current budgeting challenges can be tackled boldy and head-on, opening the way for not only business continuity but also sustainable innovation in a time after Covid-19 alike.**

**Time to R&R and crush those numbers!**