



Checklists

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Checklists

Checklists are a commonly used example of a simple qualitative technique. A checklist is simply a list of factors which are considered important in making a decision in a specific case. These criteria include technical and commercial details, legal and financial factors, company targets and company strategy. Most useful criteria are essentially independent of the business field and the business strategy, but the precise criteria and their weights will differ in specific applications.

The requirements for the use of this technique are minimal, and the effort involved in using it is normally low. Another advantage of the technique is that it is very easily adaptable to the company's way of doing things. However, checklists can be a starting point for more sophisticated methods where the basic information can be used for better focus. One simple and useful example is a SWOT analysis, where projects are assessed for their strengths, weaknesses, opportunities and threats.

Therefore, this technique can be developed further and the analysis interaction and feedback can be easily managed using simple information technology. Ways to make the technique more sophisticated include:

- To include some quantitative factors among the whole list of factors.
- To assign different weights to different factors.
- To develop a systematic way of arriving to an overall opinion on the project, such as a score or index.

A simple checklist could be one made up of a range of factors which have been formed to affect the success of a project and which need to be considered at the outset. In the evaluation procedure a project is evaluated against each of these factors using a linear scale, usually 1 to 5 or 1 to 10. The factors can be weighted to indicate their relative importance to the organization.

The value in this technique lies in its simplicity, but by the appropriate choice of factors it is possible to ensure that the questions address, and are answered by, all functional areas. When used effectively this guarantees a useful discussion, an identification and clarification of areas of disagreement and a stronger commitment, by all involved, to the ultimate outcome. The table below shows an example of a checklist, developed by the Industrial Research Institute, which can be adapted to almost any type of project.

List of potential factors for project evaluation

	Score (1-5)	Weight (%)	S × W
Corporate objectives Fits into the overall objectives and strategy Corporate image			
Marketing and distribution Size of potential market			

Capability to market product Market trend and growth Customer acceptance Relationship with existing markets Market share Market risk during development period Pricing trend, proprietary problem, etc. Complete product line Quality improvement Timing of introduction of new product Expected product sales life			
Manufacturing Cost savings Capability of manufacturing product Facility and equipment requirements Availability of raw material Manufacturing safety			
Research and development Likelihood of technical success Cost Development time Capability of available skills Availability of R&D resources Availability of R&D facilities Patent status Compatibility with other projects			
Regulatory and legal factors Potential product liability Regulatory clearance			
Financial Profitability Capital investment required Annual (or unit) cost Rate of return on investment Unit price Payout period Utilization of assets, cost reduction and cash-flow			