



Taking the Strategic Portfolio Management Journey with Eaton

Your Guides:

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Agenda

- Who is **Eaton**
- Overview of **Eaton's** Global Engineering Portfolio Budgeting & Profit Planning
- **Eaton** – **rego consulting** partnership: Implementing SPM & Clarity® Roadmaps
 - Implement Roadmap module
 - Documenting Projects and Ideas into Clarity®
 - Portfolio Prioritization
 - Portfolio Reporting
- Conclusion
- Q&A

Who is Eaton?

We are an **intelligent power management** company doing business in more than **160 countries** with annual sales of over **\$24.9 billion USD**.

We make what matters work.*



Powering Business Worldwide

We make delivering your best work.*

ELECTRICAL



Power distribution
and circuit protection



Power quality, backup
power and energy
storage



Life safety and
security



Structural solutions



Control and automation



Harsh
and hazardous
environments solutions

INDUSTRIAL



Aerospace



Filtration



Vehicle



eMobility



Powering Business Worldwide

A world-class R&D organization enabling the future of power management

Solving tomorrow's technology problems today



Lead
for *Growth*



World-class engineering talent and Smart Innovation delivers next-gen products



Invest
for *Growth*



Engineering capital prioritized on technology platforms applicable to fastest growth markets

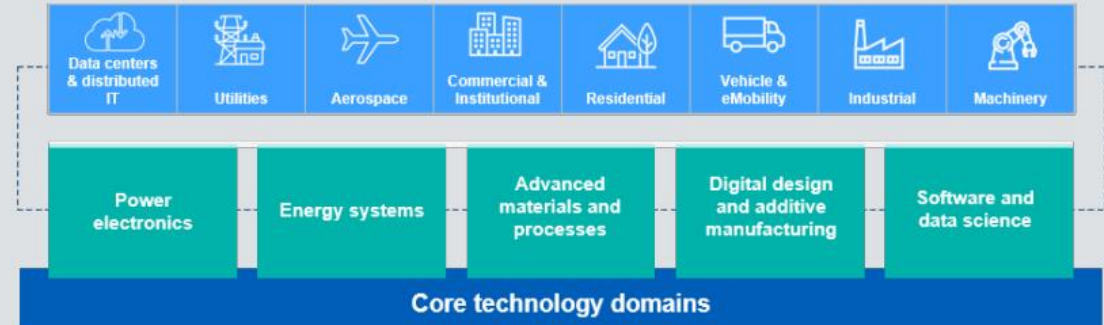


Execute
for *Growth*



AI, digital tools and lean principles cut time to deliver critical projects

Scalable technology platforms



We have a world-class engineering organization...



Lead
for **Growth**



11,000+
Engineers

~\$1B

2024
R&D
spend



~8%

Spend
CAGR
(’24-’30)

6

Advanced
innovation
centers



17

Total global RD&E hubs

200+

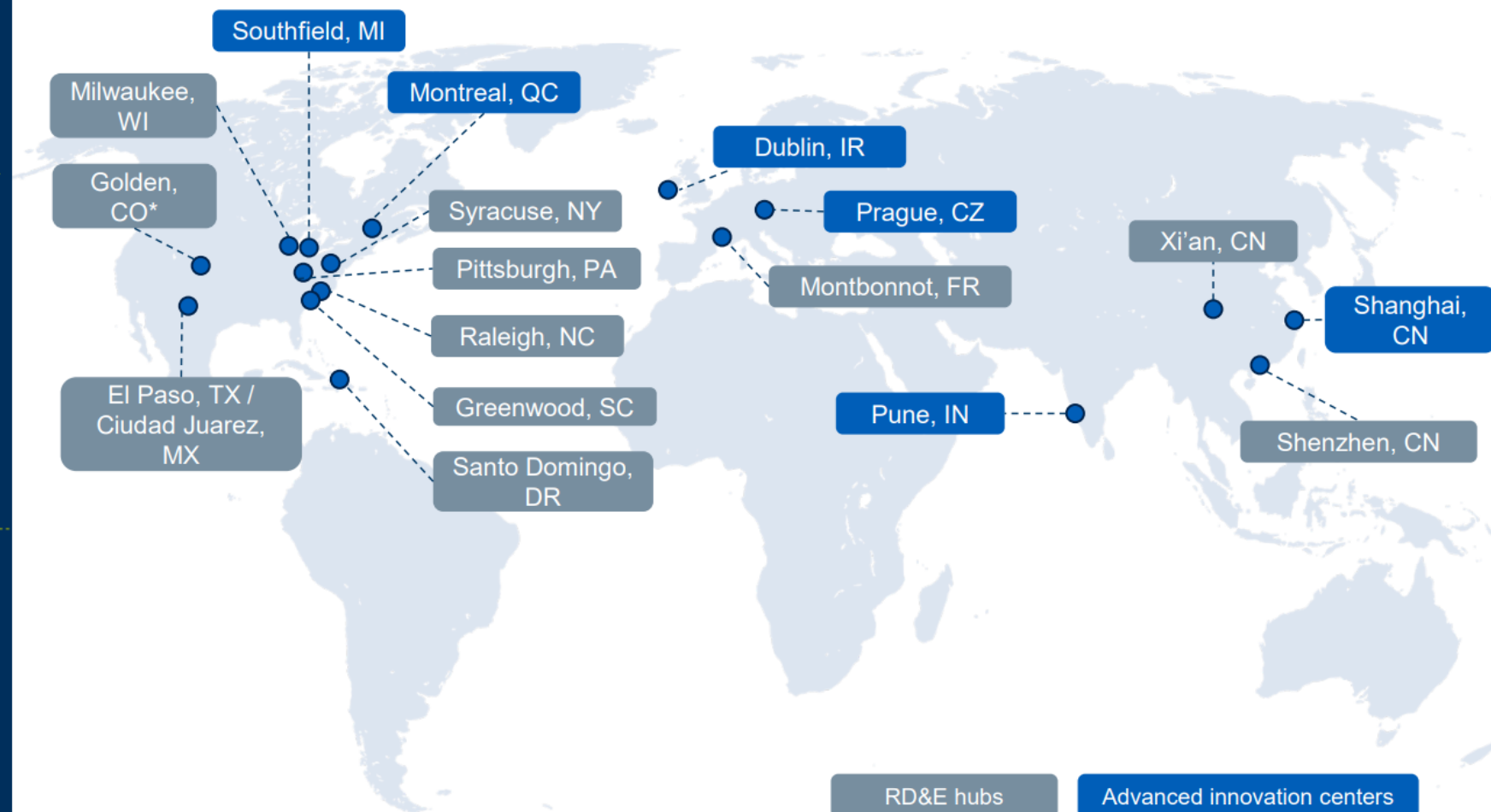
Technology
partnerships

2000+

New launches
in last 5 years



12,000+
Granted patents



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Source: Eaton's 2025 Annual Investor Conference - Technology and Innovation Strategy
<https://www.eaton.com/content/dam/eaton/company/investor-relations/financial-reports/aic-2025/eaton-technology-macha-2025.pdf>

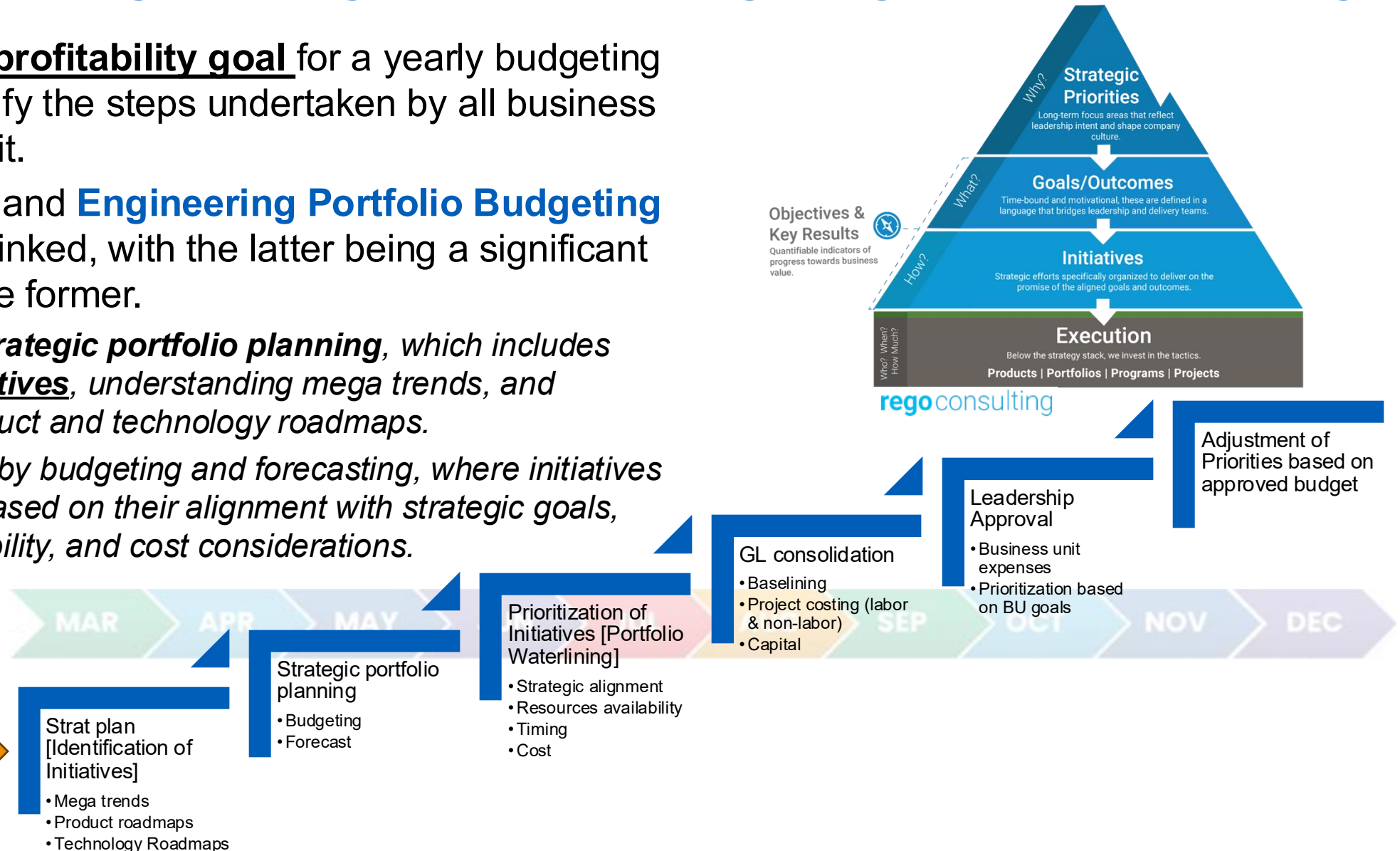
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Yearly Global Engineering Portfolio Budgeting & Profit Planning

- Eaton's sets up **profitability goal** for a yearly budgeting period and identify the steps undertaken by all business units to achieve it.
- Profit Planning** and **Engineering Portfolio Budgeting** are closely interlinked, with the latter being a significant component of the former.
 - It begins with **strategic portfolio planning**, which includes identifying **initiatives**, understanding mega trends, and developing product and technology roadmaps.
 - This is followed by budgeting and forecasting, where initiatives are prioritized based on their alignment with strategic goals, resource availability, and cost considerations.



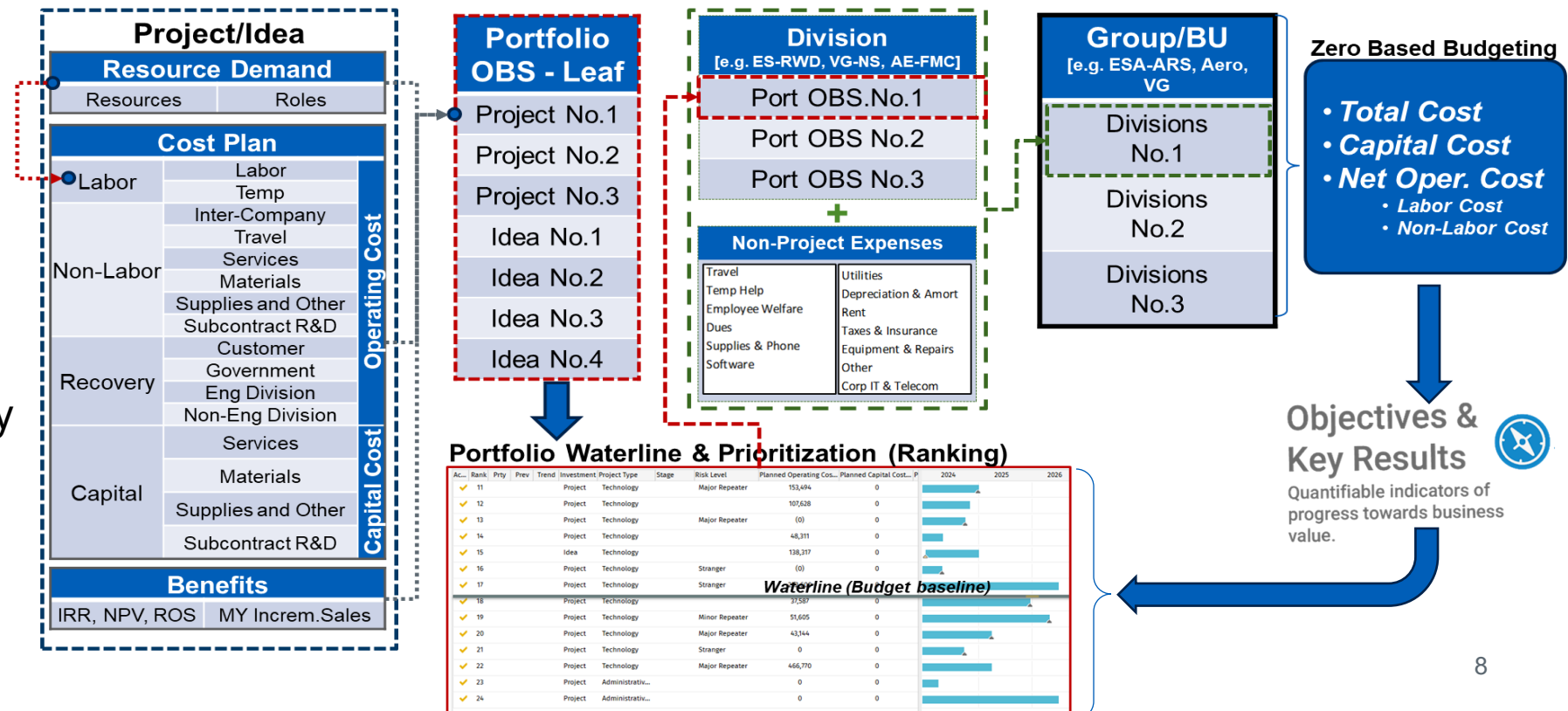
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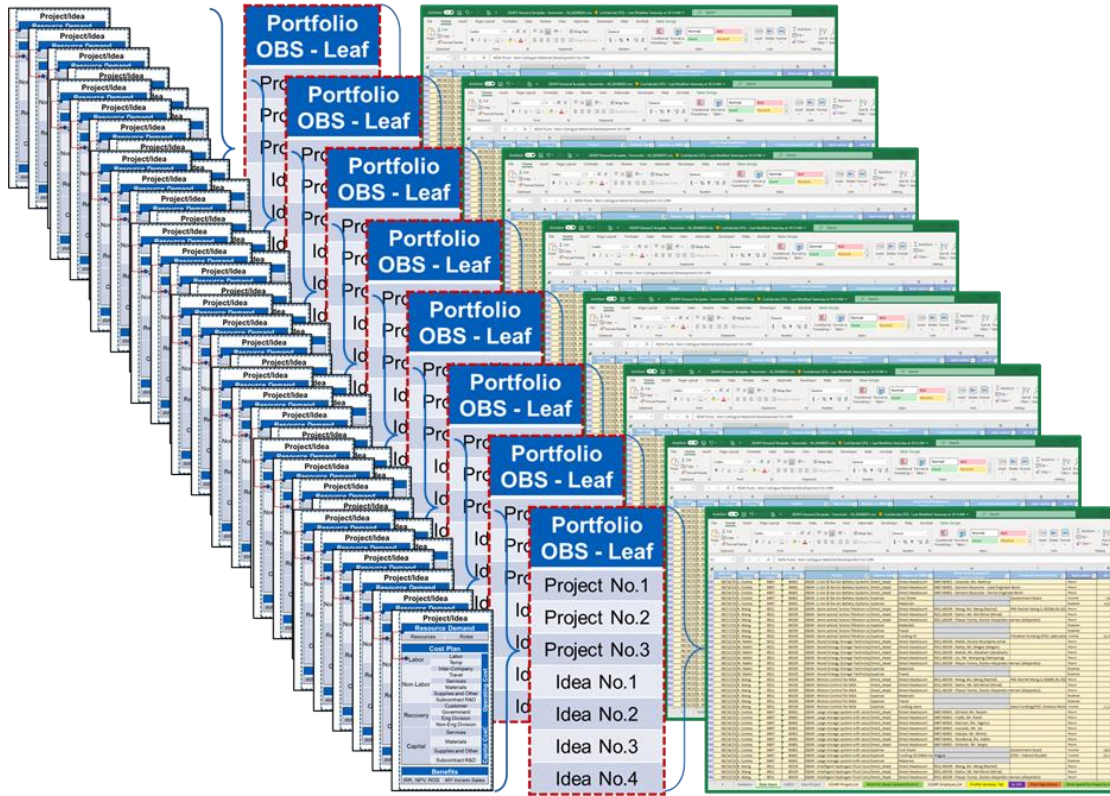
Yearly Global Engineering Portfolio Budgeting: *Bottom-Up approach*

- Creating a **precise investment budget** is crucial for effective profit planning
- The investment budget reflects the overall projected **expenses needed** to complete a proposed project within a defined period (e.g. **FY2026**), especially the **labor resources** needed:
 - What essential **technical skills** are required to accomplish the investment's deliverables?
 - Which **organization/division** has the necessary technical knowledge?
 - Who will execute the tasks and possess the **requisite technical competencies** to fulfill the investment's deliverables?

- Prioritization perform at portfolio level
- Currently more than 200 portfolios for prioritization
- Portfolio structure driven by P&L structure and product lines



Yearly Global Engineering Portfolio Budgeting: *Bottom-Up approach*



Project Engineers documents Project/Idea resources and financial details in Excel:

- *A project usually is consolidated in multiple rows (5-10 rows)*
- *Files consolidating several portfolios have thousands of rows*
- Separate files are created for portfolio prioritization (not standard formats/process across BUs), project details are extracted from initial files but not sync consistently
- Project funding/cost can be adjusted in the files based on discussions, and **not pushed back** to initial excel file
- Not centralized sync database (stored in Eng. Leaders' laptops)
- Customized KPIs/Metris used in excel by different division that are not consistent
- Once portfolio prioritization is done, information of investments (priority/ranking, above/below waterline) is transferred into Clarity® from Excel file

clarity
“Portfolio Module”
Classic Mode
EATON

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Acc.	Rank	Proj	Trend	Investment	Project Type	Stage	Risk Level	Planned Operating Cost...	Planned Capital Cost...	P	2024	2025	2026
✓	11				Project	Technology	Major Repeater	153,494	0				
✓	12				Project	Technology	Major Repeater	107,628	0				
✓	13				Project	Technology	Major Repeater	(0)	0				
✓	14				Project	Technology	Major Repeater	48,311	0				
✓	15				Idea	Technology	Major Repeater	138,317	0				
✓	16				Project	Technology	Stranger	(0)	0				
✓	17				Project	Technology	Stranger	(0)	0				
✓	18				Project	Technology	Stranger	1,159	0				
✓	19				Project	Technology	Minor Repeater	51,605	0				
✓	20				Project	Technology	Major Repeater	43,744	0				
✓	21				Project	Technology	Stranger	0	0				
✓	22				Project	Technology	Major Repeater	466,770	0				
✓	23				Project	Administrativ...	Major Repeater	0	0				
✓	24				Project	Administrativ...	Major Repeater	0	0				

Yearly Global Engineering Portfolio Budgeting: *Bottom-Up approach*

Many challenges with this approach:

- **File Locking and Conflicts:**

When multiple users try to edit the file simultaneously, it can lead to file locking or conflicts, causing some users to be unable to save their changes

- **Version Control:**

Managing different versions of the file can be challenging, especially if users are not aware of the latest version or accidentally overwrite each other's changes

- **Data Corruption:**

Simultaneous edits can sometimes lead to data corruption, where the file becomes unusable or contains incorrect data

- **Access Permissions:**

Ensuring that all users have the correct access permissions can be difficult, leading to unauthorized changes or restricted access for some users

- **Network Issues:**

Slow or unstable network connections can cause delays in saving or accessing the file, leading to frustration and potential data loss

- **User Errors:**

Mistakes made by users, such as incorrect data entry or accidental deletion of important information, can affect the integrity of the shared file

- **Synchronization Problems:**

Changes made offline may not sync properly when the user reconnects, causing discrepancies between the local and shared versions

Big Problem to Solve:

- High Complexity and inefficiencies in the current profit planning process.
- Issues include difficulties in waterlining, portfolio prioritization, cost aggregation, and reporting.
- Challenges lead to a cumbersome and time-consuming profit planning process, which affects the overall efficiency and effectiveness of the organization with an overall engineering **NVA cost of approx. \$8M~\$10M per year**

Great Opportunity:

- use of **Clarity®** has been focused on **traditional PPM**: Project tracking and reporting (“Are we doing things RIGHT?”)
- Expand its use for Portfolio Prioritization and Strategic Portfolio Planning by implementing new “Roadmap” feature



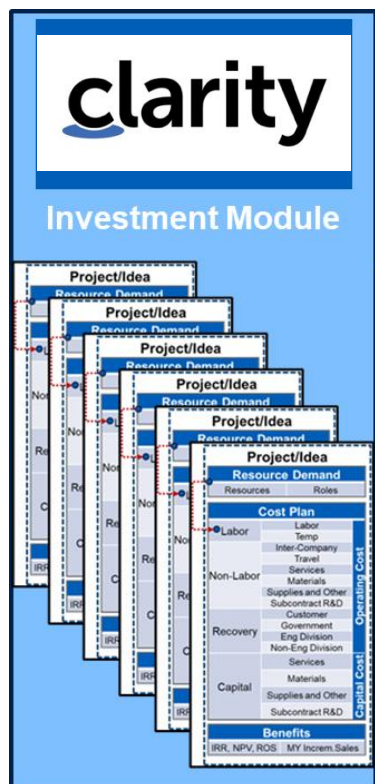
Implementing Clarity's SPM-Roadmaps

- **Eaton** and **rego consulting** partnered to streamline and enhance the profit planning process by leveraging the **Clarity® Roadmaps** functionality for strategic portfolio planning, portfolio prioritization, Waterlining and engineering expenses & resources aggregation
- Benefits of **Clarity® PPM – Roadmaps**:
 1. CENTRALIZED DATABASE – Once stop shop for all projects & portfolios information
 2. What if's, Custom Views, and Different Lenses all drive different levels of insight
 3. Decision planning from synced real-time data means content isn't stale (nor delayed)
 4. Interactive planning: Supports different levels of planning, from strategic to tactical, all in one place
- **Process change**: Documenting Projects & Ideas in **Clarity® PPM** first!
 1. **Centralize database** for all Projects & ideas with budget needs and resources
 - *Instead of working on separate spreadsheets that are housed in different departments/divisions and only merged toward the end of the budget process, everyone can access the **single version of the budget** and make changes in real time.*
 2. **Portfolio budgeting** is centralized and being updated in real time with advantage of having an **always-current big picture** view of how company is doing.

Portfolio-Based Profit Plan & Budgeting using Roadmaps

Process to implement Roadmap module: roadmap per Portfolio OBS leaf

- Clarity® Roadmap module extracts the information from each Project/idea documented in the investment modules for portfolio Prioritization
- Several Rego Innovations developed to enable:
 - Import transaction classes granularity at Roadmap scenario beyond just capital or operating cost
 - Allocations per role (in FTE or hours per year) by project beyond just Total Allocations

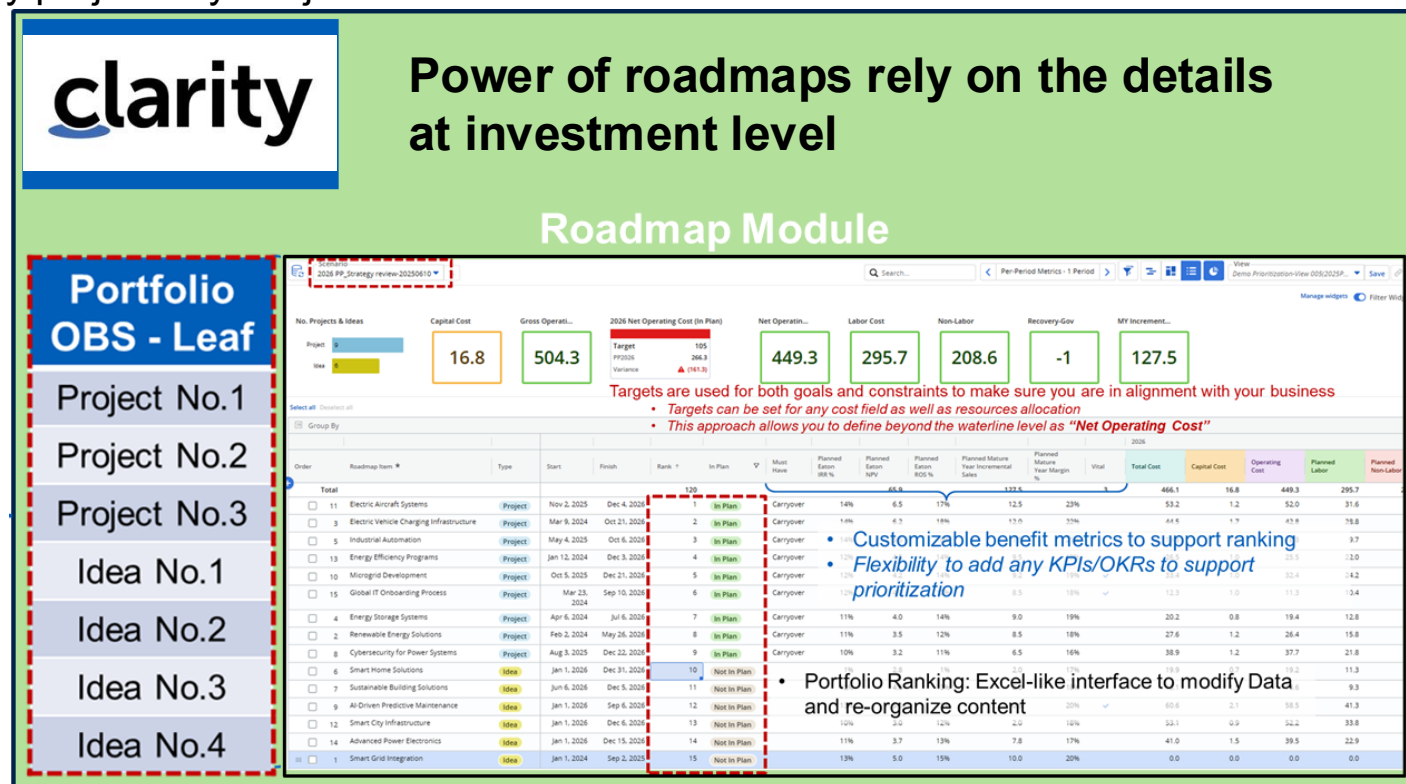


From Investment

- Categorization fields
- Resource plan (Staff)
- Financial Cost plan (POR)
- Financial Benefits

From Roadmap Scenario (POR)

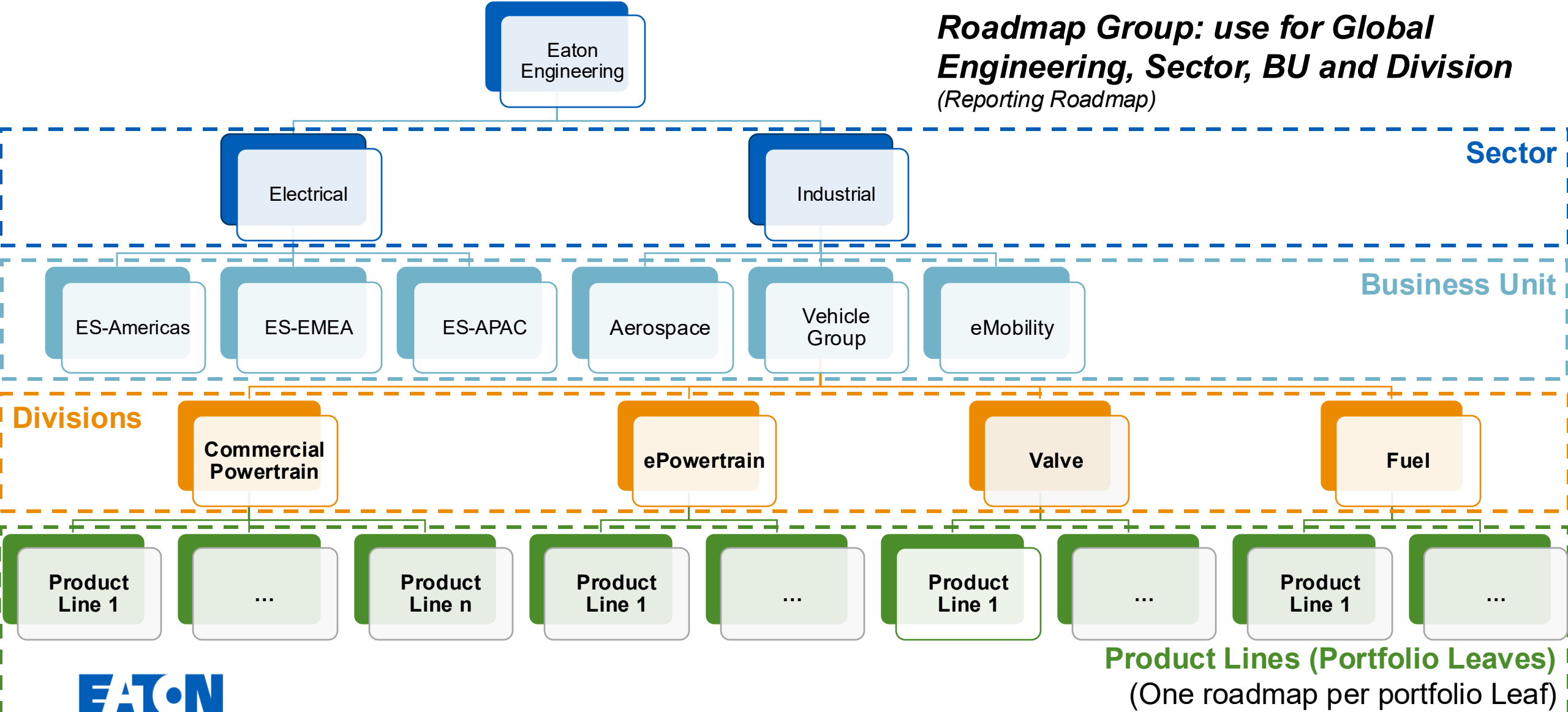
- Investment Ranking
- "In Plan" status
- Adjusted Cost plan (if applicable)



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Portfolio-Based Profit Plan & Budgeting using Clarity® Roadmaps

Use of Clarity® Roadmaps to replicate Organization Breakdown Structure



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Portfolio-Based Profit Plan & Budgeting using Clarity® Roadmaps

Example Hierarchy: Roadmap and Roadmap group

Roadmaps

New Roadmap

Search...

1

View

(Copy) Roadmap Standard View

Save

Select all

Deselect all

Group By

Roadmap Name *	Portfolio OBS	Genre * ↓
<input type="checkbox"/> Industrial-Vehicle-VG Global Products-EAM (R)	Eaton/Industrial/Vehicle-R/VG Global Products-R/EAM-R/Valve Actuation-CV-W	Roadmap Group
<input type="checkbox"/> Industrial-Vehicle-VG Global Products (R)	Eaton/Industrial/Vehicle-R/VG Global Products-R/Commercial Powertrain-R/Clutch-W	Roadmap Group
<input type="checkbox"/> Industrial-Vehicle-VG Global Products-Fuel-Boosting (R)	Eaton/Industrial/Vehicle-R/VG Global Products-R/Fuel-Boosting-R/Boosting-W	Roadmap Group
<input type="checkbox"/> Industrial-Vehicle-VG Global Products-Commercial Powertrain (R)	Eaton/Industrial/Vehicle-R/VG Global Products-R/Commercial Powertrain-R/Clutch-W	Roadmap Group
<input type="checkbox"/> Industrial-Vehicle-VG Global Products-ePowertrain (R)	Eaton/Industrial/Vehicle-R/VG Global Products-R/ePowertrain-R/EV Gearing-W	Roadmap Group

Roadmaps

New Roadmap

Search...

1

View

(Copy) Roadmap Standard View

Save

Select all

Deselect all

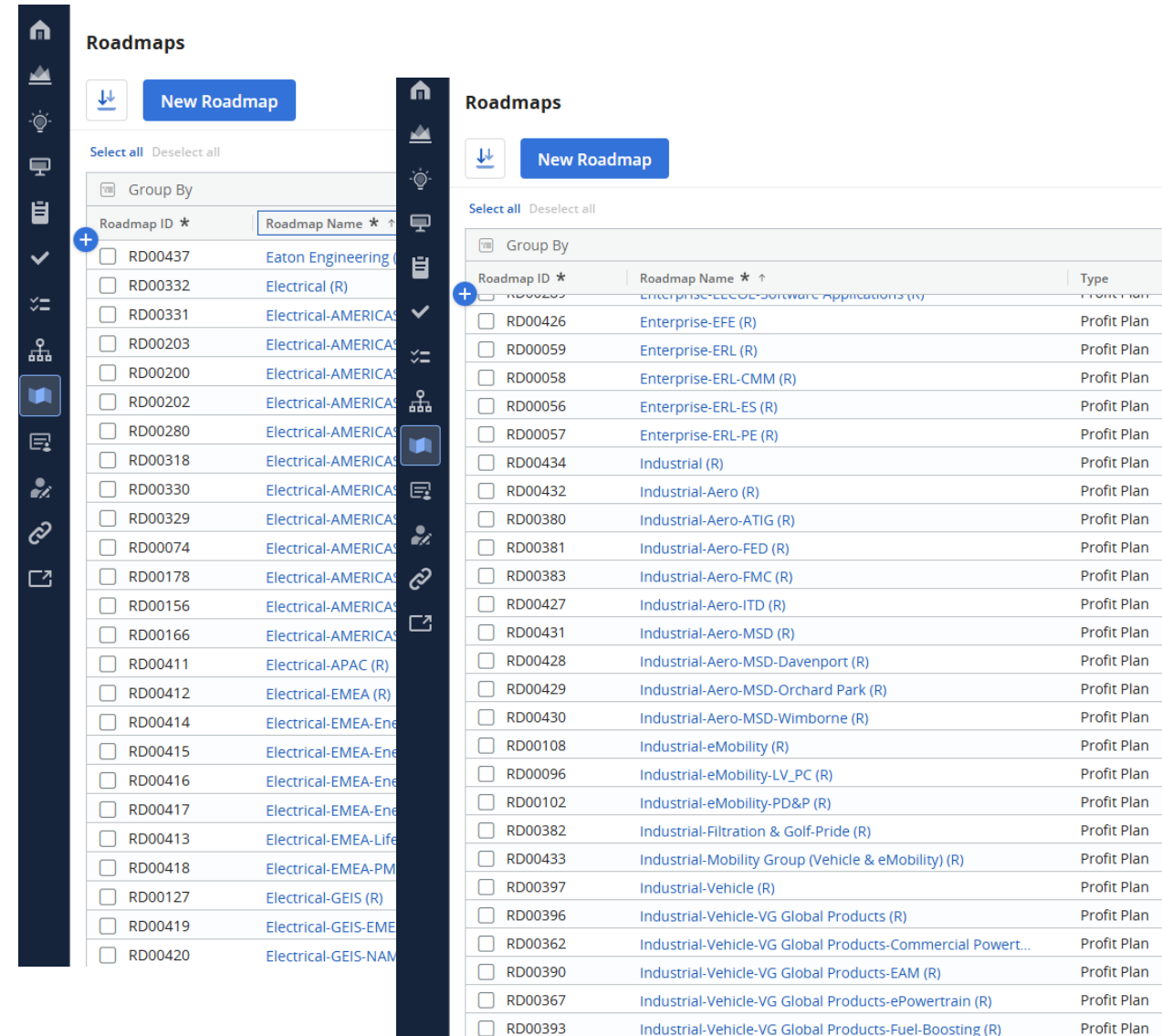
Group By

Roadmap Name *	Portfolio OBS	Genre * ↑
<input type="checkbox"/> Industrial-Vehicle-VG Global Products-Commercial Powertrain-CPT Transmission	Eaton/Industrial/Vehicle-R/VG Global Products-R/Commercial Powertrain-R/CPT Transmission-W	Roadmap
<input type="checkbox"/> Industrial-Vehicle-VG Global Products-ePowertrain-EV Transmissions	Eaton/Industrial/Vehicle-R/VG Global Products-R/ePowertrain-R/EV Transmissions-W	Roadmap
<input type="checkbox"/> Industrial-Vehicle-VG Global Products-ePowertrain-ICE Torque	Eaton/Industrial/Vehicle-R/VG Global Products-R/ePowertrain-R/ICE Torque-W	Roadmap
<input type="checkbox"/> Industrial-Vehicle-VG Global Products-EAM-Valve Actuation-CV	Eaton/Industrial/Vehicle-R/VG Global Products-R/EAM-R/Valve Actuation-CV-W	Roadmap
<input type="checkbox"/> Industrial-Vehicle-VG Global Products-Fuel-Boosting-Boosting	Eaton/Industrial/Vehicle-R/VG Global Products-R/Fuel-Boosting-R/Boosting-W	Roadmap
<input type="checkbox"/> Industrial-Vehicle-VG Global Products-Fuel-Boosting-Fuel Vapor	Eaton/Industrial/Vehicle-R/VG Global Products-R/Fuel-Boosting-R/Fuel Vapor-W	Roadmap
<input type="checkbox"/> Industrial-Vehicle-VG Global Products-VG Eng Other Budget	Eaton/Industrial/Vehicle-R/VG Global Products-R/VG Eng Other Budget-W	Roadmap
<input type="checkbox"/> Industrial-Vehicle-VG Global Products-ePowertrain-EV Gearing	Eaton/Industrial/Vehicle-R/VG Global Products-R/ePowertrain-R/EV Gearing-W	Roadmap
<input type="checkbox"/> Industrial-Vehicle-VG Global Products-Valve	Eaton/Industrial/Vehicle-R/VG Global Products-R/Valve-W	Roadmap
<input type="checkbox"/> Industrial-Vehicle-VG Global Products-Commercial Powertrain-Clutch	Eaton/Industrial/Vehicle-R/VG Global Products-R/Commercial Powertrain-R/Clutch-W	Roadmap
<input type="checkbox"/> Industrial-Vehicle-VG Global Products-Commercial Powertrain-Contract Mfg	Eaton/Industrial/Vehicle-R/VG Global Products-R/Commercial Powertrain-R/Contract Mfg-W	Roadmap
<input type="checkbox"/> Industrial-Vehicle-VG Global Products-ePowertrain-EV Torque	Eaton/Industrial/Vehicle-R/VG Global Products-R/ePowertrain-R/EV Torque-W	Roadmap
<input type="checkbox"/> Industrial-Vehicle-VG Global Products-EAM-Valve Actuation-LV	Eaton/Industrial/Vehicle-R/VG Global Products-R/EAM-R/Valve Actuation-LV-W	Roadmap

Portfolio-Based Profit Plan & Budgeting using Clarity® Roadmaps

Implementation of Clarity® Roadmaps

- To ease the transition and enable faster adoption of the new process and the Roadmaps module, all ongoing projects and ideas with their details were pre-uploaded into Clarity® for all existing portfolios.
- Each roadmap was created using a predefined template with a set of views including a set of columns and widgets for data visualization
- Additionally, a set of Dashboards views were created to provide a common data visualization across all divisions and business units
- This will significantly reduce the onboarding effort and ensure a proper consolidation of the existing engineering budget.



Roadmaps

Select all Deselect all

Group By

Roadmap ID *	Roadmap Name *	Type
<input type="checkbox"/> RD00437	Eaton Engineering (R)	Profit Plan
<input type="checkbox"/> RD00332	Electrical (R)	Profit Plan
<input type="checkbox"/> RD00331	Electrical-AMERICAS (R)	Profit Plan
<input type="checkbox"/> RD00203	Electrical-AMERICAS (R)	Profit Plan
<input type="checkbox"/> RD00200	Electrical-AMERICAS (R)	Profit Plan
<input type="checkbox"/> RD00202	Electrical-AMERICAS (R)	Profit Plan
<input type="checkbox"/> RD00280	Electrical-AMERICAS (R)	Profit Plan
<input type="checkbox"/> RD00318	Electrical-AMERICAS (R)	Profit Plan
<input type="checkbox"/> RD00330	Electrical-AMERICAS (R)	Profit Plan
<input type="checkbox"/> RD00329	Electrical-AMERICAS (R)	Profit Plan
<input type="checkbox"/> RD00074	Electrical-AMERICAS (R)	Profit Plan
<input type="checkbox"/> RD00178	Electrical-AMERICAS (R)	Profit Plan
<input type="checkbox"/> RD00156	Electrical-AMERICAS (R)	Profit Plan
<input type="checkbox"/> RD00166	Electrical-AMERICAS (R)	Profit Plan
<input type="checkbox"/> RD00411	Electrical-APAC (R)	Profit Plan
<input type="checkbox"/> RD00412	Electrical-EMEA (R)	Profit Plan
<input type="checkbox"/> RD00414	Electrical-EMEA-En... (R)	Profit Plan
<input type="checkbox"/> RD00415	Electrical-EMEA-En... (R)	Profit Plan
<input type="checkbox"/> RD00416	Electrical-EMEA-En... (R)	Profit Plan
<input type="checkbox"/> RD00417	Electrical-EMEA-En... (R)	Profit Plan
<input type="checkbox"/> RD00413	Electrical-EMEA-Life... (R)	Profit Plan
<input type="checkbox"/> RD00418	Electrical-EMEA-PM... (R)	Profit Plan
<input type="checkbox"/> RD00127	Electrical-GEIS (R)	Profit Plan
<input type="checkbox"/> RD00419	Electrical-GEIS-EME... (R)	Profit Plan
<input type="checkbox"/> RD00420	Electrical-GEIS-NAM... (R)	Profit Plan

Roadmaps

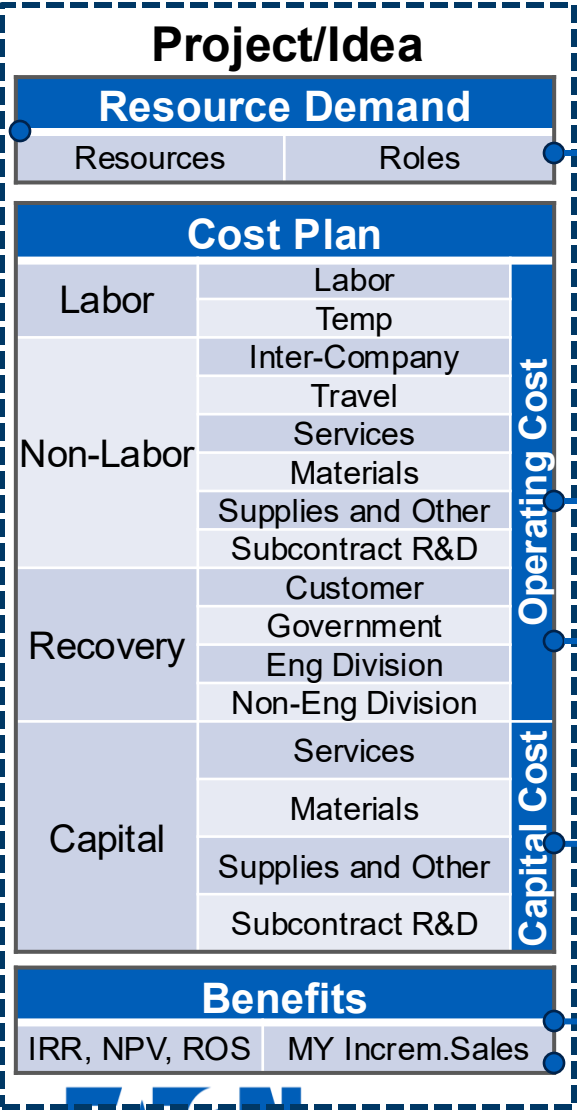
Select all Deselect all

Group By

Roadmap ID *	Roadmap Name *	Type
<input type="checkbox"/> RD00426	Enterprise-EFE (R)	Profit Plan
<input type="checkbox"/> RD00059	Enterprise-ERL (R)	Profit Plan
<input type="checkbox"/> RD00058	Enterprise-ERL-CMM (R)	Profit Plan
<input type="checkbox"/> RD00056	Enterprise-ERL-ES (R)	Profit Plan
<input type="checkbox"/> RD00057	Enterprise-ERL-PE (R)	Profit Plan
<input type="checkbox"/> RD00434	Industrial (R)	Profit Plan
<input type="checkbox"/> RD00432	Industrial-Aero (R)	Profit Plan
<input type="checkbox"/> RD00380	Industrial-Aero-ATIG (R)	Profit Plan
<input type="checkbox"/> RD00381	Industrial-Aero-FED (R)	Profit Plan
<input type="checkbox"/> RD00383	Industrial-Aero-FMC (R)	Profit Plan
<input type="checkbox"/> RD00427	Industrial-Aero-ITD (R)	Profit Plan
<input type="checkbox"/> RD00431	Industrial-Aero-MSD (R)	Profit Plan
<input type="checkbox"/> RD00428	Industrial-Aero-MSD-Davenport (R)	Profit Plan
<input type="checkbox"/> RD00429	Industrial-Aero-MSD-Orchard Park (R)	Profit Plan
<input type="checkbox"/> RD00430	Industrial-Aero-MSD-Wimborne (R)	Profit Plan
<input type="checkbox"/> RD00108	Industrial-eMobility (R)	Profit Plan
<input type="checkbox"/> RD00096	Industrial-eMobility-LV_PC (R)	Profit Plan
<input type="checkbox"/> RD00102	Industrial-eMobility-PD&P (R)	Profit Plan
<input type="checkbox"/> RD00382	Industrial-Filtration & Golf-Pride (R)	Profit Plan
<input type="checkbox"/> RD00433	Industrial-Mobility Group (Vehicle & eMobility) (R)	Profit Plan
<input type="checkbox"/> RD00397	Industrial-Vehicle (R)	Profit Plan
<input type="checkbox"/> RD00396	Industrial-Vehicle-VG Global Products (R)	Profit Plan
<input type="checkbox"/> RD00362	Industrial-Vehicle-VG Global Products-Commercial Powert... (R)	Profit Plan
<input type="checkbox"/> RD00390	Industrial-Vehicle-VG Global Products-EAM (R)	Profit Plan
<input type="checkbox"/> RD00367	Industrial-Vehicle-VG Global Products-ePowertrain (R)	Profit Plan
<input type="checkbox"/> RD00393	Industrial-Vehicle-VG Global Products-Fuel-Boosting (R)	Profit Plan

Portfolio-Based Profit Plan & Budgeting using Roadmaps

Process to document projects/ideas into Clarity®



Every initiative (Project and/or Idea) that will be part of the portfolio prioritization and Waterlining for next Fiscal Year needs to be documented in Clarity®:

- *Project Categorization*
- *Resource Allocation*
- *Financial cost plan and Benefit plan*

clarity

Investment Module
[Centralize Database]

Project/Idea

Properties

Financials

Staff

Project Summary

Cost Plans

Budgets

Benefit Plans

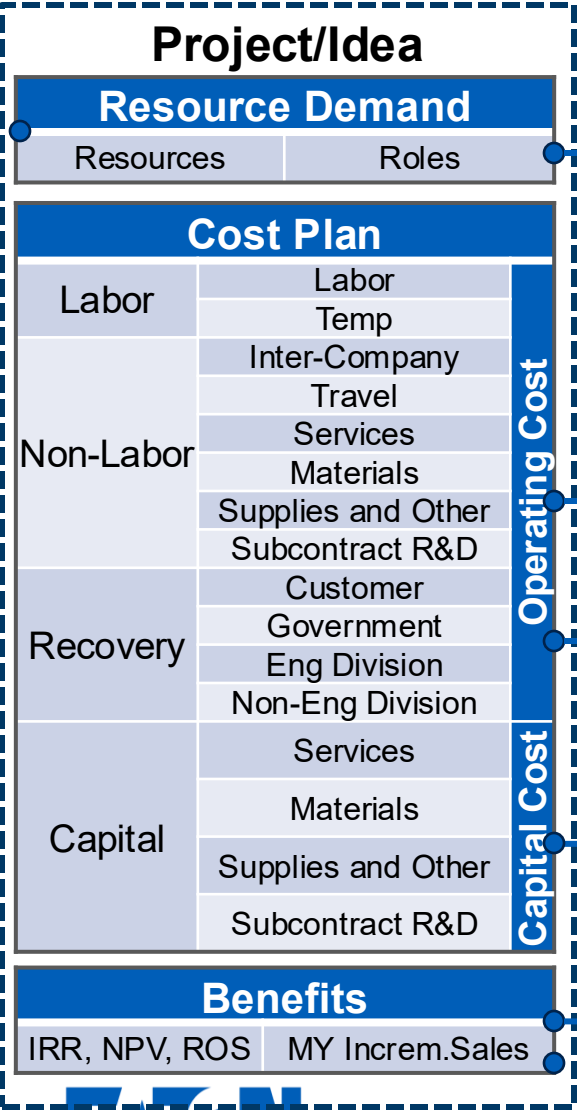
Actual Transactions

Group	Allocation
Total	3,409.78
> Eng - Chief (1)	597.33
> Eng - Manager (1)	65.60
> Project Manager (1)	77.26
> RDE.AI and Data Sc (1)	1,600.00
> RDE.Electrical (2)	225.91
> RDE.Mechanical (1)	0.77

Portfolio-Based Profit Plan & Budgeting using Roadmaps

Process to document projects/ideas into Clarity®

- **Project/ideas Categorization:**
 - Well-organized projects can help management see the bigger picture of everyone’s involvement much more easily, making delegation simpler.
 - Categorization also improves decision-making and external reporting

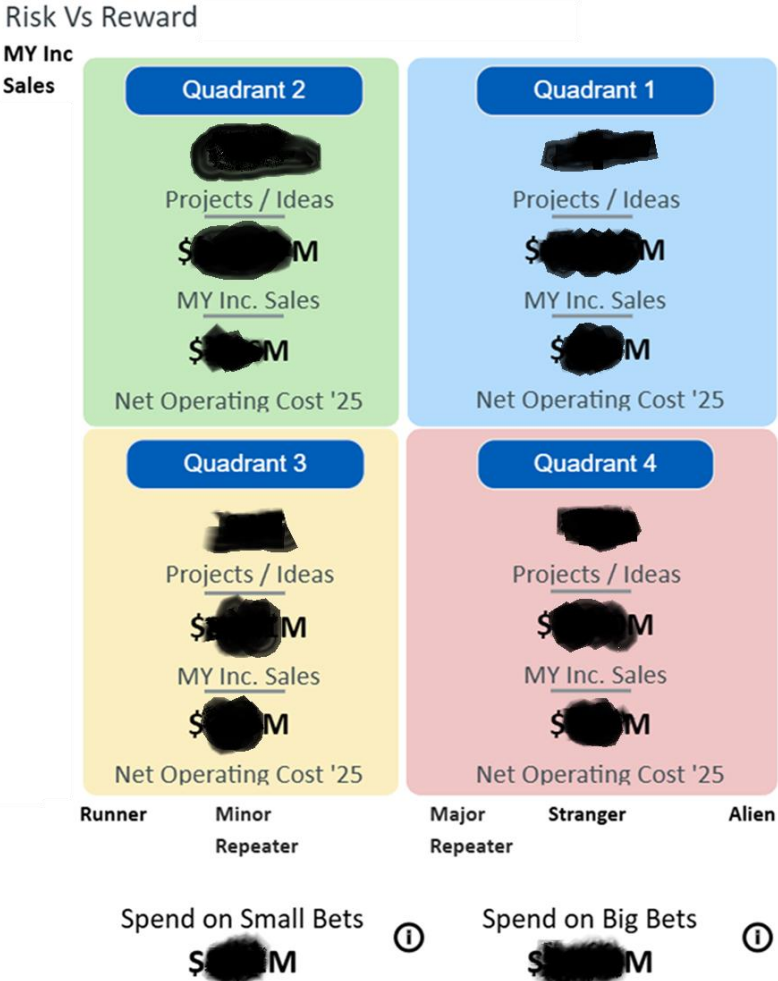


Project/Idea

Properties

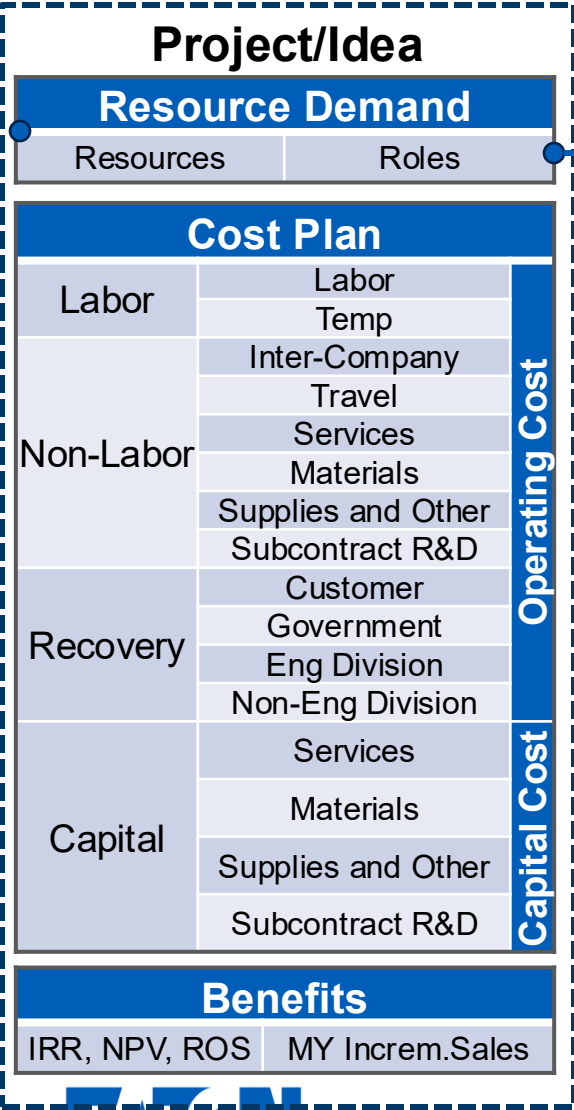
Project Summary

- Portfolio OBS
- Department OBS (financial responsibility)
- Short Description
- Project Type & subtype
- Sustainability Category
- Strategic Alignment
- Technology Domain
- Risk




Portfolio-Based Profit Plan & Budgeting using Roadmaps

Process to document projects/ideas into Clarity®



- **Project/ideas Resources plan*:**
 - **Roles** (*Technical skills*) required to accomplish the investment's deliverables and the *organization/division* with such technical skills
 - **Resource(s)** who possess the *required technical skills* to fulfill the investment's deliverables



Project/Idea
Staff

**Hours allocated are used to calculate labor cost.*

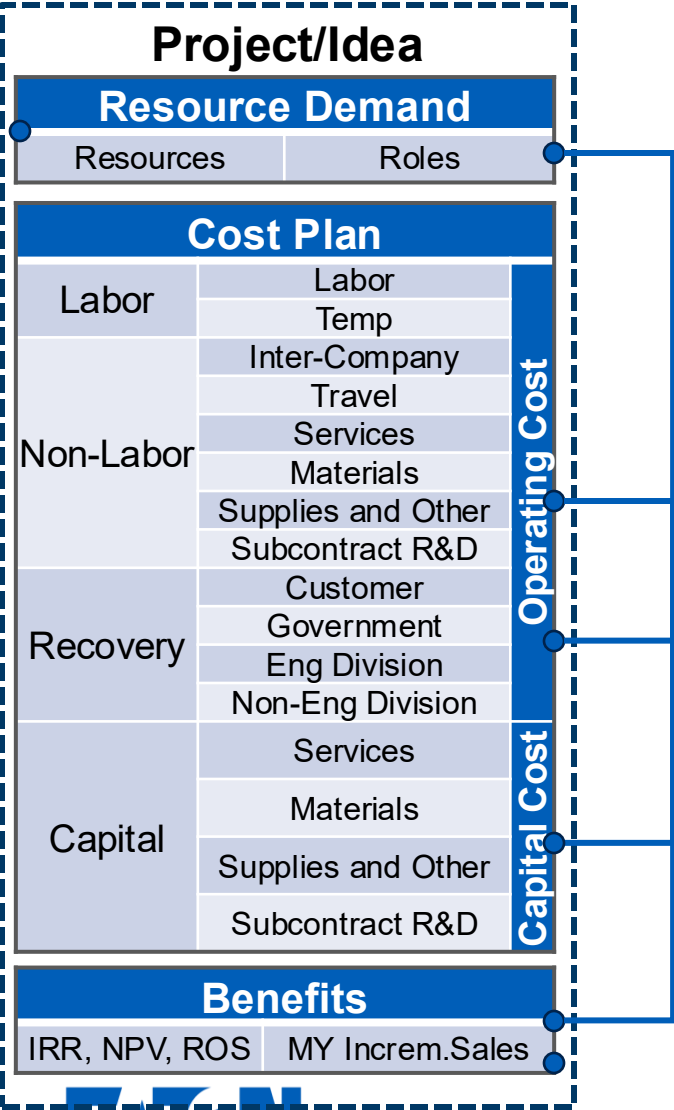
- calculate from allocation in Clarity® using defined labor rate matrix by Department OBS

Group By				Staffing	Totals	2024-01	
Staffing	Staffing	Staffing	Staffing	Staffing	Staffing	Staffing	
Staff OBS Unit	R...	Require...	Role	Specialty	Level	Allocation	Allocation
Total						823.99	100.74
<input type="checkbox"/> Department ...	E0...	...	ENG.Electrical	Power Systems C...	Expert	132.42	5.38
<input type="checkbox"/> Department ...	E0...	...	ENG.Electrical	Power Systems C...	Expert	116.08	19.60
<input type="checkbox"/> Department ...	E0...	W...	ENG.Systems	Design	Expert	5.77	3.08
<input type="checkbox"/> Department ...	E0...	N...	ENG.Power Electr...	Controls	Expert	15.38	0.00
<input type="checkbox"/> Department ...	E0...	Cr...	ENG.Electrical	Power Systems C...	Expert	1.15	1.15
<input type="checkbox"/> Department ...	E0...	M...	ENG.Focus Tech	DERMS Controls	Special...	6.53	0.00
<input type="checkbox"/> Department ...	E0...	Li...	ENG.Electrical	Systems Enginee...	Expert	131.84	22.29
<input type="checkbox"/> Department ...	E0...	Su...	ENG.Focus Tech	DERMS Modeling...	Special...	4.23	0.00
<input type="checkbox"/> Department ...	E0...	Hc...	ENG.Focus Tech	DERMS Power Sy...	Expert	26.40	0.80
<input type="checkbox"/> Department ...	E0...	M...	ENG.Focus Tech	DERMS Controls	Expert	23.83	3.08
<input type="checkbox"/> Department ...	E0...	Su...	ENG.Electrical	Power Systems C...	Expert	39.21	6.92
<input type="checkbox"/> Department ...	E0...	Isi...	ENG.Electrical	Power Systems C...	Expert	115.31	30.75
<input type="checkbox"/> Department ...	E0...	Li...	ENG.Focus Tech	DERMS Controls	Special...	3.08	0.00
<input type="checkbox"/> Department ...	E0...	Sa...	ENG.Focus Tech	DERMS Controls	Practiti...	1.92	0.00

Portfolio-Based Profit Plan & Budgeting using Roadmaps

Process to document projects/ideas into Clarity®

- Project/ideas Financial cost plan:
 - Every Project/Idea must have a **Detail Cost plan** documented in Financial section of ProPM



Project/Idea

Financials

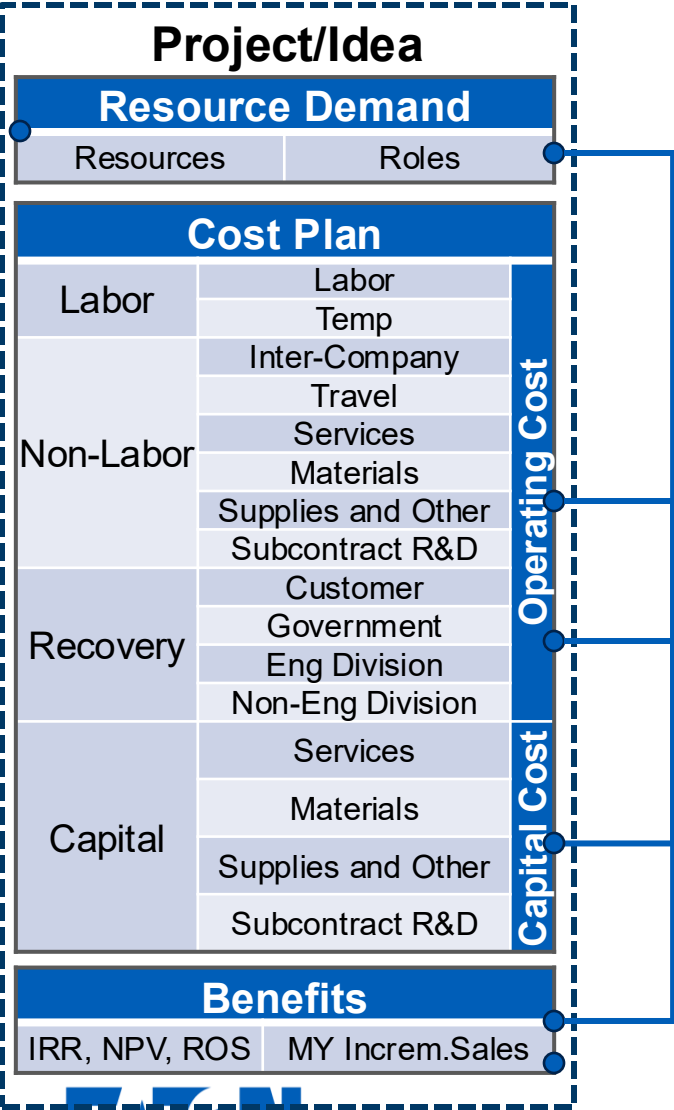
Cost Plans

Group By			Totals	2024-01	2024-02
Cost Grouping ↑	Cost Type *	Transaction Class *	Cost	Cost	Cost
Total			386,522	18,574	(72,931)
<input type="checkbox"/> Labor	Expense	Eaton Labor	354,080	28,574	36,998
<input type="checkbox"/> Non-Labor	Expense	Eaton Non Labor	95	0	72
<input type="checkbox"/> Non-Labor	Expense	Eaton Travel	1,751	0	0
<input type="checkbox"/> Non-Labor	Expense	Eaton Other	595	0	0
<input type="checkbox"/> Non-Labor	Expense	Eaton Material	50,000	0	0
<input type="checkbox"/> Non-Labor	Expense	Eaton Subcontract R&D	100,000	0	0
<input type="checkbox"/> Non-Labor	Expense	Eaton Consumables (not capital)	10,000	0	10,000
<input type="checkbox"/> Recovery	Expense	Eaton Recovery - Customer			
<input type="checkbox"/> Recovery	Expense	Eaton Recovery - Government	(100,000)	0	(100,000)
<input type="checkbox"/> Recovery	Expense	Eaton Recovery - Intercompany	(20,000)	0	(20,000)
<input type="checkbox"/> Recovery	Expense	Eaton Recovery - Internal Non-Eng	(10,000)	(10,000)	0

Portfolio-Based Profit Plan & Budgeting using Roadmaps

Process to document projects/ideas into Clarity®

- Project/ideas Sales/Benefits Summary:**
Detail benefits is crucial for project prioritization because it provides a clear understanding of the value and impact of each initiative



clarity

Project/Idea

Properties

Project Summary

Financials - Sales and Benefits

Planned Eaton NPV	\$384,653
Planned Eaton IRR %	29.00%
Planned Years to Payback	7.2
Planned Mature Year Gross Sales	\$343,788
Planned Mature Year Incremental Sales	\$343,788
Planned Launch Year Incremental Sales	
Planned Mature Year Volume	168
Planned Mature Year Margin %	35.00%
Planned Current Year Sales	\$72,908
Planned Annual Benefit	\$119,880
Planned Manufacturing Margin %	30.00%
Planned Benefit	\$4,025,784

Benefit Plans

Group By

Benefit Class	Benefit Subclass	Benefit Region	Description *	2019	2020	2021
<input type="checkbox"/> Increase Revenue	Product Sales	North America	Annual Sales Revenue	9,916	10,593	28,400

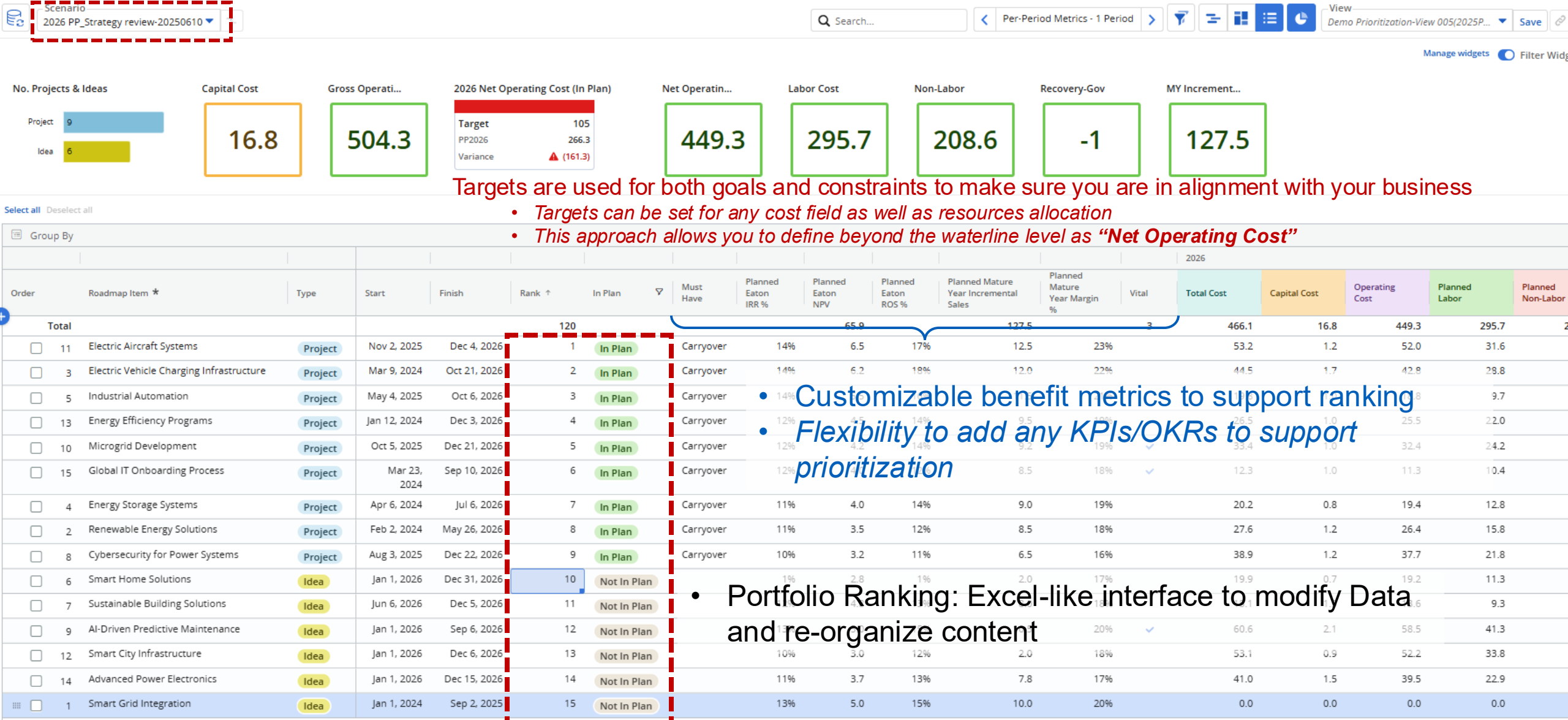
Portfolio-Based Profit Plan & Budgeting using Roadmaps

Portfolio Prioritization using Clarity® Roadmaps

- Each entity (BU, division, department) has its own method for prioritization using Different KPIs/OKRs* to “rank” investment in their portfolios
- Some examples of these methodologies are:
 - Use product & technology road maps and Division strategy, with ranking based on **projected revenue**, what customers want and the market needs
 - Use of **cost/benefit analysis model** use ROS, NPV, and Payback as the primary metrics
 - **Voting and ranking** using attributes like NPV, ROS, MY Gross Sales, In Profit Plan/ Strat Plan, & Risk Level.
 - **Funding source** (e.g. Customer Committed, Awarded government contract projects, confirmed business unit funding)
- Clarity® Roadmaps enables customizable metrics to support ranking as well as flexibility to add any KPIs/OKRs to support prioritization

Portfolio-Based Profit Plan & Budgeting using Roadmaps

Portfolio Prioritization using Rank and In Plan columns



Targets are used for both goals and constraints to make sure you are in alignment with your business

- Targets can be set for any cost field as well as resources allocation
- This approach allows you to define beyond the waterline level as “Net Operating Cost”

- Customizable benefit metrics to support ranking
- Flexibility to add any KPIs/OKRs to support prioritization

- Portfolio Ranking: Excel-like interface to modify Data and re-organize content

Portfolio-Based Profit Plan & Budgeting using Roadmaps

Portfolio Prioritization using Rank and In Plan columns

Scenario
2026 PP_Strategy review-20250610

Search...

Per-Period Metrics - 1 Period

View
Demo-View 006 (2025 FRSI)

Save

Net Operating Cost (In Plan)	Total Allocation (In Plan)	Resource Allocation - Electrical	Resource Allocation - Mechanical	Resource Allocation - Modeling & Simulation	Resource Allocation - Systems	Resource Allocation - Lab Operations	Resource Allocation - Mat
Target105	Target69	Target10	Target16	Target5	Target8	Target3	Target
Profit Plan266.3	Profit Plan114	Profit Plan8	Profit Plan21.5	Profit Plan4.5	Profit plan7.5	Profit Plan10	Profit Plan
Variance▲ (161.3)	Variance▲ (45)	Variance2	Variance▲ (5.5)	Variance0.5	Variance0.5	Variance▲ (7)	Variance▲

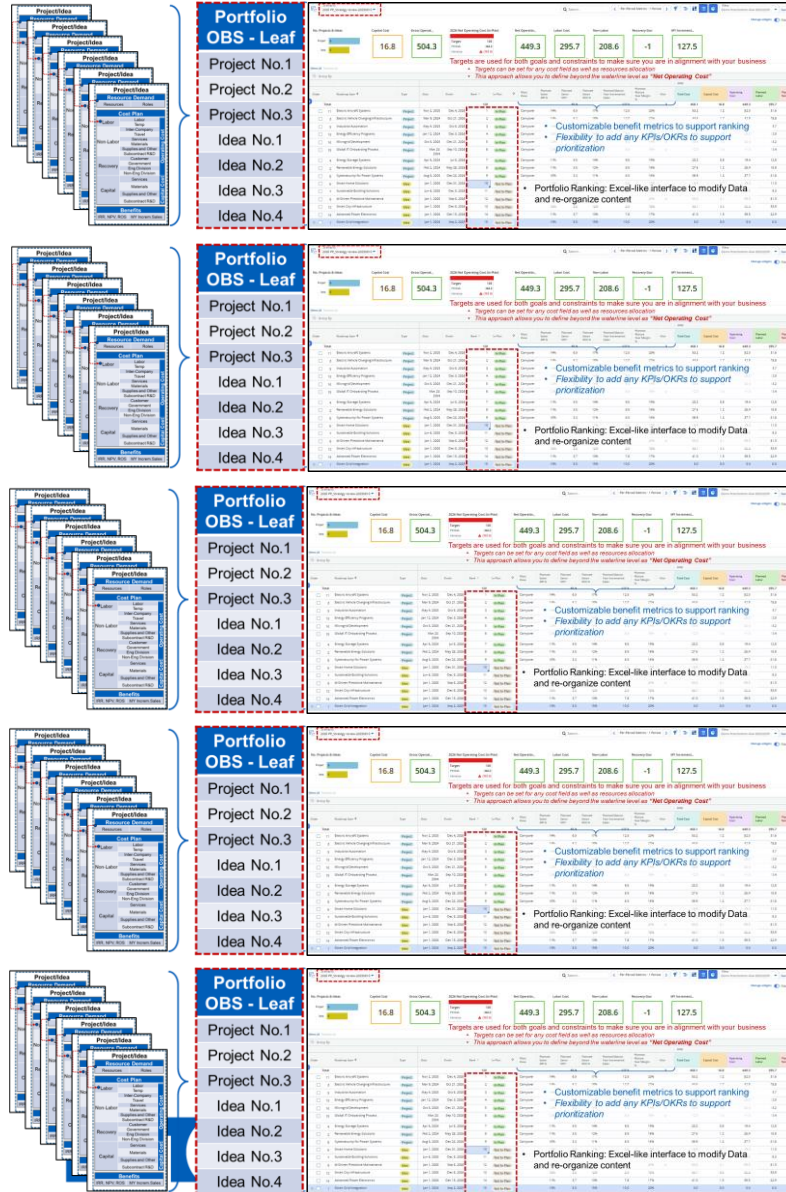
Targets allows to identify the existing capacity per Role

Group By		2026															
Order	Roadmap Item *	Type	Rank ↑	In Plan	Planned Labor	Total Allocation	AI Data Science Allocation	Electrical Allocation	Electronics Allocation	Lab Operations Allocation	Focus Tech Allocation	Material Science Allocation	Mechanical Allocation	Modeling and Simulation Allocation	Power Electronics Allocation	Software Allocation	System Allocation
Total			120		295.7	165	18	14	18	21	25	11	23	6	12	12	
<input type="checkbox"/> 11	Electric Aircraft Systems	Project	1	In Plan	31.6	20	2		2	2	2	2	2	3		5	
<input type="checkbox"/> 3	Electric Vehicle Charging Infrastructure	Project	2	In Plan	28.8	18			3		5		3	1			0
<input type="checkbox"/> 5	Industrial Automation	Project	3	In Plan	9.7	7			0		0		6	1		0	
<input type="checkbox"/> 13	Energy Efficiency Programs	Project	4	In Plan	22.0	14	2	2					3	2			
<input type="checkbox"/> 10	Microgrid Development	Project	5	In Plan	24.2	16		5	2	4	1	2				3	
<input type="checkbox"/> 15	Global IT Onboarding Process	Project	6	In Plan	10.4	7								0			7
<input type="checkbox"/> 4	Energy Storage Systems	Project	7	In Plan	12.8	8		0	1	1	2	3	2				
<input type="checkbox"/> 2	Renewable Energy Solutions	Project	8	In Plan	15.8	10		1		2		2	5	0			
<input type="checkbox"/> 8	Cybersecurity for Power Systems	Project	9	In Plan	21.8	14	5		1	1	4						3
<input type="checkbox"/> 6	Smart Home Solutions	Idea	10	Not In Plan	11.3	8	2	1	1	1	3	1	0				
<input type="checkbox"/> 7	Sustainable Building Solutions	Idea	11	Not In Plan	9.3	6	2	1	1	2			0				
<input type="checkbox"/> 9	AI-Driven Predictive Maintenance	Idea	12	Not In Plan	41.3	0	0				0		0				0
<input type="checkbox"/> 12	Smart City Infrastructure	Idea	13	Not In Plan	33.8	22	3	3	3	3	3	1	1	1	1	1	2
<input type="checkbox"/> 14	Advanced Power Electronics	Idea	14	Not In Plan	22.9	15	2	1	3	5	4						
<input type="checkbox"/> 1	Smart Grid Integration	Idea	15	Not In Plan	0.0	0	0						0				0

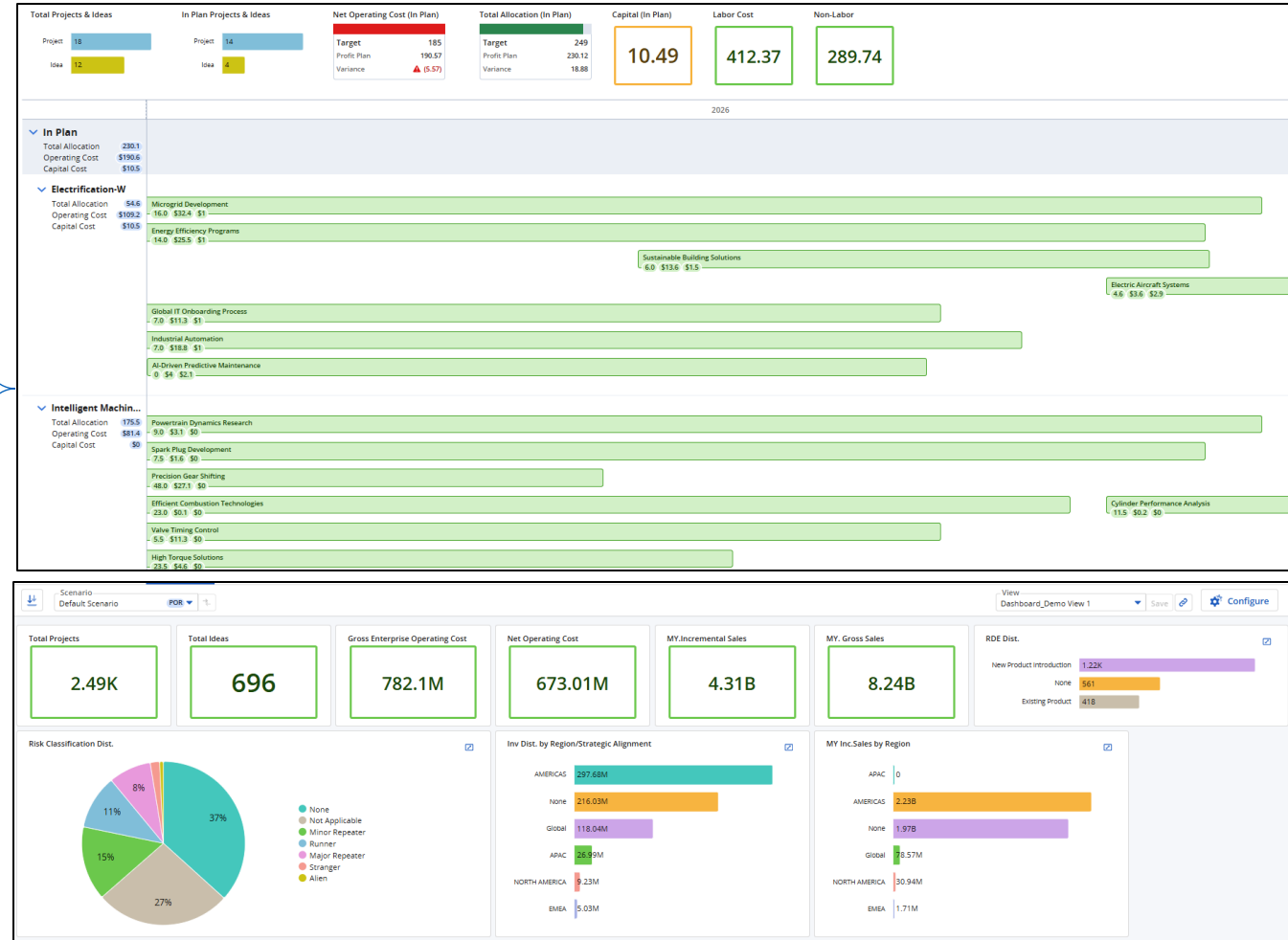
Real time assessment of “In-plan” vs “Not In Plan” in resources (per role and total allocations)

Portfolio-Based Profit Plan & Budgeting using Roadmaps

Division, Business Units, Sector Portfolio reporting using Roadmap Groups

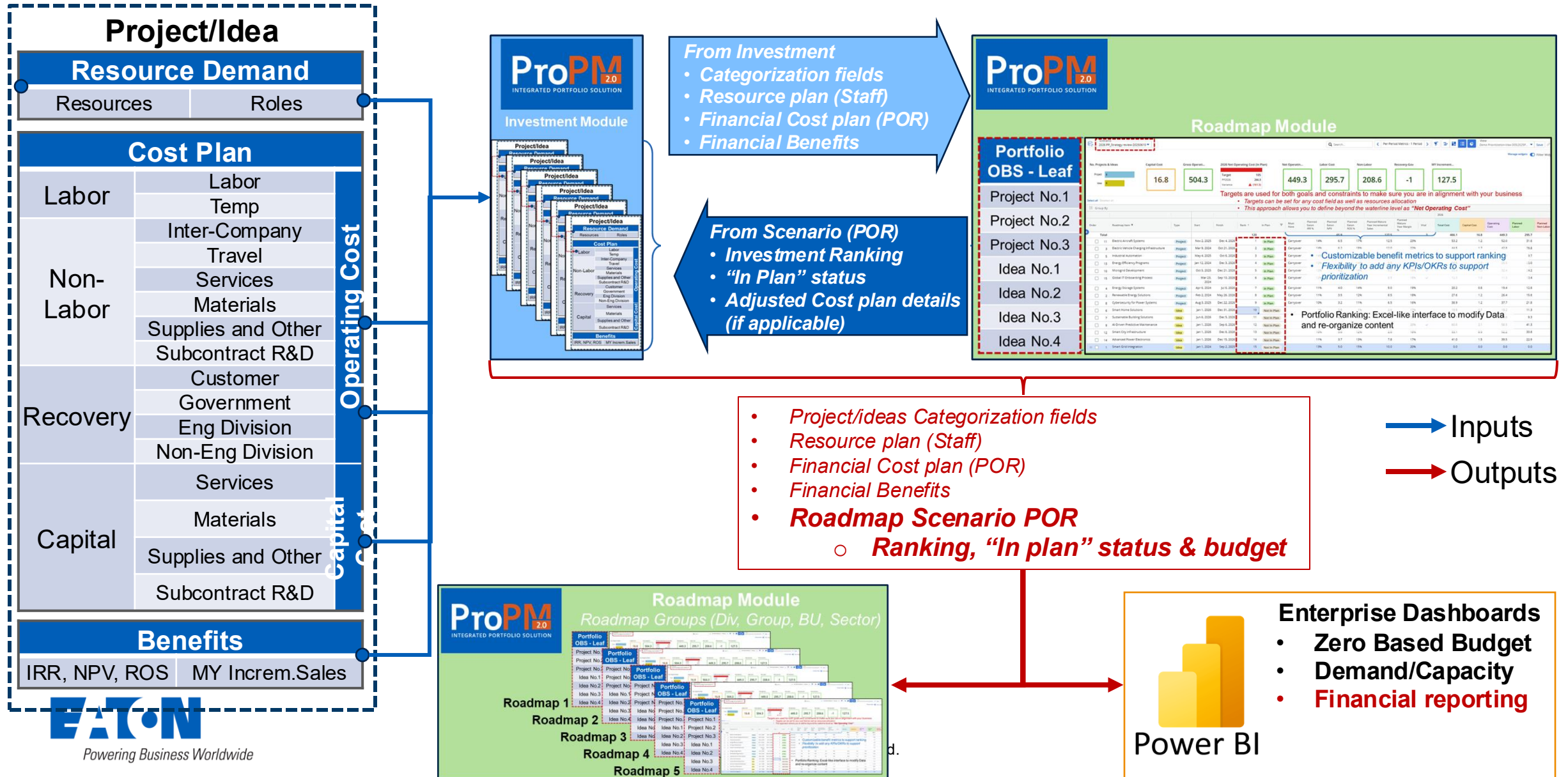


The multiple portfolios of each division can be group and reported using Roadmap Group with cost aggregation for In plan (above waterline) and not-in-plan (below waterline)



Portfolio-Based Profit Plan & Budgeting using Clarity® Roadmaps

New Strategic Portfolio Planning approach



Portfolio-Based Profit Plan & Budgeting using Clarity® Roadmaps

New Strategic Portfolio Planning approach

- **High complexity on Eaton's engineering portfolio**
 - More than 60 divisions
 - More than 200 portfolios with w/ multiple project each and different strategic alignments (~2000 investment per year)
 - >6000 resources to balance globally
 - Multiple source of funding/revenues
- Previous years' profit plan completed via excel & powerpoint
 - Challenges with consolidating information reliably with quick turn around
 - Final shared file multiple times got corrupted, copy & paste nightmare, hard to audit
 - Multiple source of truth
- With the implementation of Clarity® roadmap module and documenting all investments in Clarity® investment module respectively, it was possible to execute a bottom-up budget consolidation effectively and efficiently:
 - Centralize database of all initiatives
 - Reduction of ~\$10M "Non-value added" cost in engineering organization
 - Easy comparison with previous year budget
 - Benefit of transaction classes, labor cost calculation via labor rate/staff hours & recoveries
 - Matching between Project costing and P&L costing

Questions?





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✓ **Eligibility:** Open to all Rego University attendees



Important Reminder:

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- Click on **Maintain My Certification**
- Click on **Visit CCR's** button under the **Report PDU's**
- Click on **Report PDU's**
- Click on **Course or Training**
- Class Provider = **Rego Consulting**
- Class Name = **regoUniversity**
- Course **Description**
- Date Started = **Today's Date**
- Date Completed = **Today's Date**
- Hours Completed = **1 PDU per hour of class time**
- Training classes = **Technical**
- Click on **I agree** and **Submit**



Let us know how we can improve!
Don't forget to fill out the class survey.



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