

BEYOND THE SPREADSHEET

Capacity Planning in a World of Competing Priorities — The Portfolio Resource Fiction

A Practitioner's Perspective on Why Resource Allocation Models Fail



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1. The Spreadsheet That Lies

Somewhere in every large organisation there is a spreadsheet – or a Clarity report, or a Primavera extract – that shows how people are allocated across the programme portfolio. It is colour-coded. It is updated monthly. It is presented to the portfolio board with confidence. And it bears almost no relation to what is actually happening.

The fiction works like this. A senior architect is allocated 25% to Programme A, 30% to Programme B, 20% to Programme C, and 25% to "business as usual." On paper, her capacity is fully utilised. In practice, she spends Monday in Programme A's design review, Tuesday and Wednesday firefighting a production issue in Programme C, Thursday in back-to-back steering committees, and Friday trying to clear the email backlog generated by all three. No programme gets the contribution the plan promises. Every programme manager complains about resource availability. The spreadsheet, meanwhile, shows green.

This is not an edge case. It is the norm. Across every portfolio I have worked with in the last decade, the gap between planned allocation and actual contribution is the single most reliable predictor of programme delay. Yet it is also the problem that organisations are least willing to confront, because confronting it would mean admitting that the portfolio contains more work than the organisation can deliver – and that admission has consequences nobody wants to own.

2. Why the Fiction Persists

2.1 The Political Economy of Commitment

Portfolio decisions are, at their core, political acts. Every programme in the portfolio exists because a senior sponsor fought for it. Budgets were approved. Business cases were signed off. Boards were told that these programmes would deliver specific benefits by specific dates. To acknowledge that the organisation lacks the capacity to deliver the full portfolio is to tell one or more sponsors that their programme will be delayed, descoped, or stopped.

This is why capacity planning degrades into fiction. It is not that organisations lack the analytical tools to model demand against supply. It is that the output of honest analysis is politically unacceptable. The spreadsheet becomes a negotiation artefact rather than a planning instrument – a way of distributing blame in advance rather than making genuine

choices about priority.

The resource allocation spreadsheet does not describe reality. It describes the set of promises the organisation has made but cannot keep — formatted neatly enough that nobody has to say so out loud.

2.2 The Granularity Illusion

The second structural failure is the belief that capacity can be meaningfully allocated in percentages. A person who is "30% allocated" to a programme does not deliver 30% of a full-time contribution. They deliver something closer to 15% — once context-switching costs, travel between meetings, communication overhead, and the cognitive load of maintaining parallel workstreams are accounted for.

Research on task-switching — Gerald Weinberg's work on this remains the clearest articulation — suggests that each additional project a person works on costs roughly 20% of their productive capacity in switching overhead alone. A person on three programmes is not delivering three lots of 33%. They are delivering three lots of perhaps 20%, with the remaining 40% lost to the friction of divided attention.

Yet portfolio resource models treat people as infinitely divisible commodities. The same logic that would never allocate a crane to three construction sites simultaneously sees no problem allocating a programme director to three transformation programmes. We understand that physical resources have indivisible constraints. We pretend that human capacity does not.

2.3 The Absence of Strategic Ruthlessness

The deepest failure is one of leadership. Effective portfolio management requires the willingness to say no — not as a theoretical principle, but as a regular, visible, consequential act. It requires stopping programmes that are consuming capacity without delivering value. It requires refusing to start new initiatives until existing ones are properly resourced. It requires telling sponsors that their programme is fourth in the queue, not running in parallel with the first three.

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Very few portfolio boards operate this way. Most function as approval bodies rather than prioritisation bodies — they evaluate individual business cases on their own merits and approve everything that clears the threshold, without asking whether the aggregate demand exceeds the organisation's delivery capacity. The result is a portfolio that is strategically incoherent: too many programmes, too thinly resourced, all competing for the same scarce specialists, all running late, all blaming resource availability for their delays.

3. What Honest Capacity Planning Looks Like

3.1 Count People, Not Percentages

The first step is brutally simple: stop allocating people in fractions. A person is either on a programme or they are not. If a programme needs an enterprise architect, it needs an enterprise architect — not a quarter of one shared with three other programmes.

This immediately forces the conversation that the percentage model is designed to avoid. If the portfolio contains six programmes and the organisation has two enterprise architects, then four programmes do not have an enterprise architect. That is a fact. The current system obscures it by writing "25%" in a cell and declaring the problem solved. Honest planning surfaces it and forces a decision: which two programmes get the architects? What happens to the other four?

Allocation Model	What the Spreadsheet Shows	What Actually Happens
25% to four programmes	Fully utilised, all covered	Context-switching destroys productivity; none get meaningful contribution
100% to one programme	Three programmes show gaps	One programme moves fast; honest conversation about the other three
Dedicated team per programme	Portfolio capacity ceiling is visible	Organisation must choose: fewer programmes, done properly

3.2 Make the Queue Visible

Once people are allocated in whole numbers, the portfolio becomes a queue rather than a matrix. Programmes are either resourced and running, or waiting for capacity. This is uncomfortable — but it is honest, and honesty is a prerequisite for effective decision-making.

The portfolio board's role shifts from approving programmes to sequencing them. The question is no longer "does this business case justify investment?" but "is this programme more important than the one it would displace?" That is a harder question, but it is the right one.

3.3 Build Capacity Buffers

No portfolio plan survives contact with reality. Production incidents, regulatory demands, key-person departures, and shifting business priorities will always disrupt the plan. Honest capacity planning builds this in rather than pretending it away.

The rule I have seen work most effectively is simple: plan to 70% of theoretical capacity. The remaining 30% is not slack — it is the buffer that allows the organisation to absorb disruption without collapsing the entire portfolio. Organisations that plan to 100% utilisation are not being efficient. They are being fragile. The first unplanned demand — and there is always unplanned demand — cascades across every programme in the portfolio.

3.4 Separate Governance from Optimism

Portfolio governance must include an independent capacity review that asks three questions every quarter:

1. How many people does the portfolio plan say are needed?
2. How many people are actually available and working?
3. What is the gap, and which programmes are most affected?

If the answer to the third question is "there is no gap," the review is not being conducted honestly. There is always a gap. The purpose of governance is not to eliminate it but to make it visible, quantify it, and ensure that the portfolio board makes conscious decisions about which programmes bear the consequences.

4. The Cost of Continuing the Fiction

The immediate cost is programme delay — every programme takes longer than planned because none has the resources the plan assumed. But the deeper cost is strategic. An organisation that cannot honestly assess its delivery capacity cannot make effective investment decisions. It approves programmes it cannot deliver. It starts initiatives it cannot finish. It spreads its best people so thin that none of them can do their best work.

The portfolio resource fiction is not a technical problem. It is not a tools problem. It is a leadership problem. It persists because honest capacity planning requires the courage to make choices, to disappoint sponsors, to stop programmes, and to admit that the organisation cannot do everything at once.

The spreadsheet will always offer a more comfortable alternative. It will always find a way to make the numbers work on paper. The question for every portfolio board is whether they want a plan that feels right or one that is true — because in my experience, they have never been the same thing.