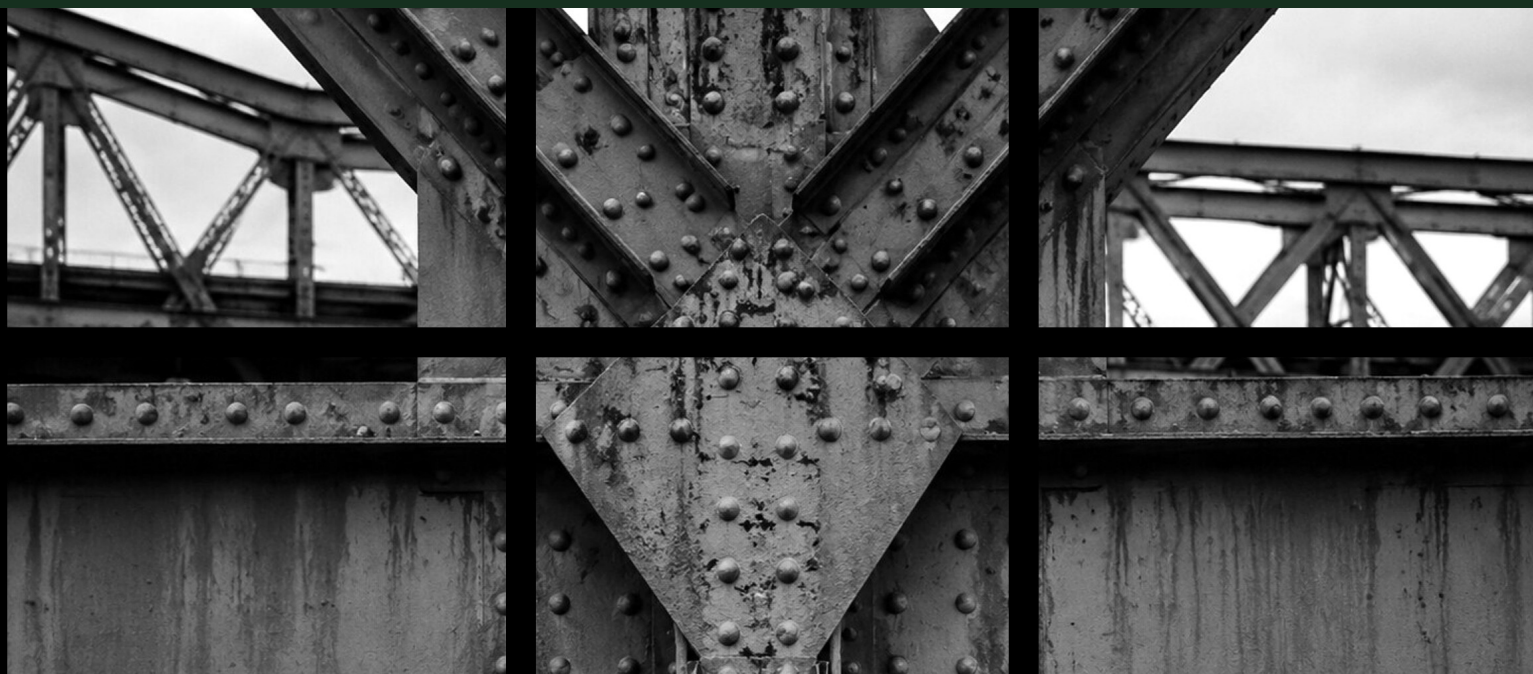


BEYOND ACROSS-THE-BOARD CUTS

Emergency Programme Triage — Deciding What Survives the Budget Axe

A Practitioner's Perspective on Programme Prioritisation in Crisis Conditions



Emergency Programme Triage – Deciding What Survives the Budget Axe

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1. Executive Summary

The collapse of the technology market in 2000 has forced organisations across sectors into an unprecedented position: technology programme portfolios built on assumptions of sustained growth must now be cut by forty to sixty per cent, often within a single budget cycle. Programme managers are being asked to make decisions that will shape their organisations for years – which programmes survive, which are deferred, and which are killed outright – with no established frameworks to guide them.

This paper argues that the prevailing approach to budget-driven programme cuts – across-the-board reductions, political negotiation, and last-in-first-out cancellation – is not merely inefficient but actively destructive. It sets out an alternative: a structured triage methodology that separates programmes into categories based on strategic irreversibility, operational dependency, and sunk-cost recoverability, rather than on political weight or headline cost.

The recommendation is direct: organisations that treat programme triage as a financial exercise will cut the wrong things. Those that treat it as a strategic exercise – one that forces clarity about what the organisation actually needs technology to do – will emerge from this contraction in a stronger competitive position than they entered it.

2. The Scale of the Problem

What distinguishes the current budget crisis from previous downturns is not its severity alone but the nature of what must be cut. Through the late 1990s, organisations committed to technology programmes of a scale and ambition that had no historical precedent. Enterprise resource planning implementations spanning multiple continents. Customer relationship management platforms intended to unify decades of fragmented data. E-commerce platforms built on the assumption that digital channels would grow at thirty per cent annually for the foreseeable future.

These were not discretionary investments in the way that a new office fit-out or a marketing campaign might be. Many of them are deeply embedded in operational processes that have already been redesigned around the assumption that the technology would be delivered. Cutting a programme that is sixty per cent complete is not the same as deciding not to start it. The organisation has already absorbed disruption, retrained staff, decommissioned legacy processes, and made commitments to customers and regulators on the basis of the new capability arriving.

The scale is stark. In my experience across financial services, telecommunications, and the public sector, the typical large organisation entered 2000 with a technology programme portfolio worth between fifty and two hundred million pounds. By the fourth quarter, boards are demanding reductions of forty to sixty per cent — not over three years, but within the next budget cycle. The programmes that survive this process will define the organisation's capability for the next decade. The ones that are cut will leave behind operational gaps, stranded investments, and demoralised teams.

Yet the tools available to programme managers making these decisions are almost entirely inadequate. Standard portfolio management frameworks treat prioritisation as a rational exercise in comparing net present value or strategic alignment scores. They assume stable conditions, reliable forecasts, and the luxury of time. None of those assumptions hold in the current environment.

3. Why the Default Approaches Fail

The pattern I have observed across organisations facing sudden budget contraction is remarkably consistent. Three approaches dominate, and all three produce poor outcomes.

Across-the-board cuts are the most common first instinct. Every programme loses twenty per cent of its budget. This feels fair and avoids the political difficulty of choosing winners and losers. In practice, it is the worst possible approach. A programme that loses twenty per cent of its budget does not deliver eighty per cent of its value. It delivers a compromised version that often fails to meet the minimum threshold for operational viability. The organisation spends eighty per cent of the money and gets, in many cases, none of the benefit.

Political negotiation is the second default. Senior sponsors argue for their programmes based on personal relationships, departmental power, and the persuasiveness of their business cases — business cases that were, in many instances, constructed during a period of irrational optimism and have not been revisited since. The programmes that survive this process are not the ones the organisation most needs; they are the ones with the most powerful sponsors. The correlation between sponsorship strength and strategic value is, at best, weak.

Last-in-first-out cancellation is the third pattern. Programmes that started most recently are cut on the logic that less has been invested and therefore less is wasted. This ignores the possibility — indeed the likelihood — that the most recently commissioned programmes were commissioned precisely because they addressed gaps that the earlier programmes had exposed. Cutting them may leave the earlier programmes unable to deliver their intended benefits even if they complete on time and on budget.

Each of these approaches shares a fundamental flaw: they treat programme triage as a cost reduction exercise. They ask "where can we spend less?" rather than "what must the organisation be able to do?"

4. The Case for Strategic Triage

The alternative is not complicated in principle, though it is demanding in execution. It requires programme managers and their boards to answer three questions about every programme in the portfolio, and to make decisions based on the answers rather than on budget arithmetic.

4.1 What Is the Cost of Not Completing This Programme?

This is not the same as asking what the programme costs. It asks what happens to the organisation if this capability never arrives. For some programmes, the answer is significant but manageable — a competitive disadvantage that can be worked around, a manual process that continues for longer than planned. For others, the answer is existential — a regulatory obligation that cannot be met, an operational dependency that has no fallback, a customer commitment that will be breached.

The distinction matters because it separates programmes that are genuinely critical from those that merely appear important because of their size, their visibility, or the seniority of their sponsor.

4.2 What Has Already Been Irreversibly Changed?

Every major programme changes the organisation around it as it progresses. Staff are retrained or redeployed. Legacy systems are partially decommissioned. Business processes are redesigned in anticipation of new capabilities. Contracts are signed with external parties.

Some of these changes can be reversed if the programme is cancelled. Others cannot — or can only be reversed at a cost that approaches the cost of completing the programme. A programme that has already caused the decommissioning of a legacy system it was intended to replace is in a fundamentally different position from one that has not yet touched the operational environment. Cutting the former does not save money; it creates a crisis.

4.3 What Value Can Be Recovered from a Partial Delivery?

Not every programme is all-or-nothing. Some can be descoped to a smaller but still useful deliverable. An enterprise resource planning implementation that was intended to cover twelve business units might deliver genuine value if it covers four. A customer relationship management platform that was designed for full integration with every channel might still be useful as a standalone system for the highest-value customer segment.

The programmes that offer this flexibility — that can be cut back to a viable minimum without being killed outright — are in a different triage category from those that must either be completed in full or abandoned entirely.

5. A Practical Triage Framework

Based on these three questions, programmes can be sorted into four categories. The categories are not equally sized, and the boundaries between them require judgement rather than formulaic calculation — but they provide a structure for decisions that is vastly superior to across-the-board cuts or political negotiation.

Categ ory	Definition	Action
Critic al Path	High cost of non-completion; significant irreversible change already made; limited scope for partial delivery	Protect fully; absorb the budget from other categories

Categ ory	Definition	Action
Rescope	Moderate to high cost of non-completion; some irreversible change; genuine scope for a viable reduced deliverable	Reduce to minimum viable scope; redirect freed budget to Critical Path
Suspend	Valuable but not critical; limited irreversible change; can be paused and restarted when conditions improve	Place in structured hibernation with explicit restart criteria
Terminate	Low cost of non-completion; minimal irreversible change; or business case has fundamentally collapsed	Cancel cleanly; recover what resources and assets can be recovered

The discipline of this framework is that it forces an honest assessment of each programme's actual strategic position, not its political position or its original business case. A programme with a three-hundred-million-pound business case and a board-level sponsor goes into the Terminate category if the business case was built on assumptions that no longer hold and the organisation has not yet made irreversible changes around it. A programme with a five-million-pound budget and no senior sponsor goes into Critical Path if it is the only thing standing between the organisation and a regulatory breach.

6. The Practical Difficulties

I would not pretend that applying this framework is straightforward. Three practical difficulties consistently arise, and programme managers need to anticipate them.

The data is rarely available. Answering the three triage questions requires a level of understanding about programme interdependencies, operational impacts, and sunk-cost recoverability that most portfolio management offices simply do not have. Organisations that maintained strong architecture functions and kept their dependency maps current will find this exercise manageable. Those that did not — and in my experience, this is the majority — will need to invest time in rapid assessment before they can triage effectively. The temptation to skip this step and rely on instinct is strong. It should be resisted. Instinct in a crisis tends to protect the familiar and sacrifice the unfamiliar, regardless of strategic value.

The political resistance is intense. Telling a senior executive that their flagship programme is in the Terminate category is one of the most difficult conversations in organisational life. The framework provides an evidence base for these conversations, but evidence is not always sufficient. Programme managers need explicit board-level mandate for the triage process before they begin it, and they need the board to commit — publicly and in advance — to accepting the framework's conclusions even when those conclusions are uncomfortable.

The Suspend category is the most dangerous. Programmes placed in suspension tend to decay. Key staff are redeployed and do not return. Vendor contracts lapse. The organisational context evolves, and the programme's assumptions become stale. A programme that is suspended without a clear restart trigger, a protected core team, and a regular review cycle is, in practice, a programme that has been terminated without anyone admitting it. The Suspend category is only valid if the organisation commits to the discipline of genuine hibernation management — and that commitment must include a budget for the hibernation itself.

7. The Deeper Opportunity

There is, however, a perspective on the current crisis that most organisations are missing. The forced triage of technology programme portfolios is not merely a defensive exercise. It is an opportunity — perhaps the first real opportunity many organisations have had — to ask a question that the growth years made it possible to avoid: what does this organisation actually need technology to do?

Through the late 1990s, the prevailing logic was additive. If a technology initiative had a plausible business case, it was funded. The result, in many organisations, was a programme portfolio that had grown by accretion rather than design — a collection of individually justified investments that, taken together, lacked coherence, generated conflicts and dependencies that nobody had planned for, and consumed management attention far in excess of the value they were delivering.

The budget crisis forces a reckoning with this accumulated complexity. Organisations that approach triage purely as a cost exercise will cut programmes and hope for the best. Those that approach it as a strategic exercise will use the crisis to do something they should have done years ago: define a technology programme portfolio that is genuinely aligned with what the organisation needs to become, rather than what individual business units managed to get funded.

The organisations that will emerge strongest from this contraction are not those that cut most efficiently. They are those that used the crisis to achieve a clarity of strategic purpose that the growth years made unnecessary.

The pattern I have observed in organisations that have conducted triage most effectively is that they began not with a list of programmes and a budget target, but with a statement — often brutally concise — of the three or four things the organisation must be able to do with technology over the next five years. Everything in the portfolio is then assessed against that statement. Programmes that contribute to those priorities are in the triage; programmes that do not are candidates for termination regardless of their individual merits.

8. Recommendations

The recommendation of this paper is threefold.

1. Reject across-the-board cuts. They are politically convenient, strategically destructive, and should be resisted by every programme manager with the standing to do so. The role of the programme management function in a budget crisis is not to distribute pain evenly but to ensure that scarce resources are concentrated where they will have the greatest strategic impact.
2. Adopt a structured triage based on strategic irreversibility, not cost. The framework set out in this paper — or something like it — provides a defensible basis for decisions that would otherwise be made on political grounds. It requires investment in rapid assessment and dependency mapping, but that investment is trivial compared to the cost of cutting the wrong programmes.
3. Use the crisis to reset the portfolio. Triage is not just about deciding what survives. It is about creating a programme portfolio that is coherent, strategically aligned, and

sized for the organisation's actual capacity to deliver — something that the growth years made it possible to avoid. Organisations that seize this opportunity will find that the contraction, painful as it is, leaves them in a stronger position than the one they occupied when every programme was funded and none was questioned.

*“The budget crisis does not create the need for strategic clarity
— it removes the ability to avoid it.”*

The current environment is brutal for programme managers. Budgets are being cut faster than plans can be revised, and the pressure to act quickly works against the careful analysis that good triage requires. But the decisions being made in the next six months will determine the shape of these organisations' technology capabilities for years to come. They deserve better than across-the-board cuts and political negotiation. They deserve a framework — imperfect, demanding, but fundamentally honest — that asks the right questions and forces the right conversations.