

BEYOND CONTINUATION BIAS

Killing Projects — The Hardest Skill in Portfolio Management

A Practitioner's Exploration of Why Organisations Cannot Stop What They Should Never Have Started



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1. The Persistence of the Failing Programme

There is a particular moment in the life of a struggling programme that reveals more about an organisation's real governance culture than any terms of reference or assurance framework. It is the moment when the evidence is clear – when the business case is no longer viable, the delivery confidence is low, the benefits have eroded or migrated elsewhere – and the organisation chooses to continue anyway.

This is not a rare event. It is, in my observation, the default behaviour. Across sectors and across decades, the pattern repeats: programmes that should be stopped are instead restructured, re-baselined, given additional funding, or simply allowed to drift into a state of diminished ambition where they consume resources without delivering meaningful outcomes. The language shifts from "transformational" to "foundational" to "enabling" – each step a quiet retreat from the original promise, each step making termination seem less necessary because the expectations have been lowered to match the reality.

The question worth asking is not why individual programmes fail. That is well understood. The question is why organisations, having recognised that a programme is failing, so consistently choose not to act on that recognition. The answer lies not in irrational behaviour but in deeply rational responses to structural incentives that reward continuation and punish termination.

2. The Structural Case for Continuation

Several forces conspire to make continuation the path of least resistance, and each is worth examining because they operate simultaneously and reinforce one another.

The sunk cost is political, not financial. The economic argument against sunk cost reasoning is well rehearsed: money already spent is irrelevant to the decision about whether to spend more. But in organisational life, the sunk cost is not primarily financial. It is the accumulated political capital of the sponsors, the steering committee members, and the senior leaders who approved the business case, defended the programme in board meetings, and attached their credibility to its success. Terminating the programme means writing off that political investment. It means someone has to stand in front of the board and explain why the organisation committed significant resources to something that did not work. The incentive to avoid that conversation is powerful, and it operates at every level of the governance chain.

Termination creates an immediate, visible loss; continuation distributes the loss over time. A programme that is killed today produces a write-off that appears in this quarter's accounts, this year's annual report, this leadership team's tenure. A programme that is allowed to continue bleeds resources gradually — the cost is real but diffuse, spread across budgets and financial years in ways that are harder to attribute. From a pure career-risk perspective, the rational choice for any individual decision-maker is to defer the visible loss. This is not cowardice; it is a logical response to how organisations measure and reward performance.

The business case has become an article of faith. By the time a programme is deep enough into delivery for its viability to be in serious question, the business case has typically been through multiple rounds of approval, challenge, and refinement. It has been endorsed by senior committees. It has been used to justify budget allocation and resource commitment. Challenging the business case at this stage is not merely a technical exercise — it is an implicit challenge to the judgement of everyone who approved it. The business case, in other words, has ceased to be an analytical tool and become a political artefact. And political artefacts are remarkably resistant to analytical challenge.

Dependencies create hostage situations. In a complex portfolio, a struggling programme is rarely isolated. Other programmes depend on its deliverables, either directly or through shared infrastructure, data, or capabilities. Terminating the programme means confronting those dependencies — finding alternative delivery routes, re-planning dependent programmes, or accepting that their benefits too will be compromised. The more interconnected the portfolio, the harder it becomes to kill any single programme without triggering a cascade of replanning. This interconnection, ironically, is often cited as a reason for continuation: "We cannot stop this programme because too much else depends on it." The dependency that was a risk when the programme was healthy becomes an argument for its preservation when it is failing.

3. The Governance Gap

Portfolio governance frameworks typically include mechanisms for stage-gate reviews, investment committee challenge, and delivery confidence assessments. These mechanisms are adequate for scrutinising programmes that are performing broadly as expected. They are conspicuously inadequate for the harder task of recommending termination.

The reason is structural. Stage-gate reviews are designed to ask "should this programme proceed to the next stage?" — a question that implicitly assumes continuation as the default. The burden of proof falls on those arguing for termination, not on those arguing for continuation. This is precisely the wrong way round. In a well-governed portfolio, the burden should fall on the programme to demonstrate, at each gate, that it still merits the resources it consumes. The question should be "does this programme still deserve its place in the portfolio?" rather than "has this programme failed badly enough to justify stopping it?"

The distinction matters because it changes the standard of evidence. Under the first formulation, a programme that is merely underperforming — delivering late, over budget, but still notionally viable — continues by default. Under the second, it must make an affirmative case for the resources it will consume in the next stage, weighed against what else the portfolio could do with those resources.

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4. The Opportunity Cost Nobody Calculates

Perhaps the most significant failure in portfolio governance is the consistent inability to account for opportunity cost. Every pound, every person, every month of leadership attention devoted to a struggling programme is a pound, a person, and a month not available for something else. Yet opportunity cost is almost never surfaced in programme continuation decisions. The governance conversation focuses on what will be lost if the programme is stopped — the sunk investment, the unrealised benefits, the reputational damage. It almost never asks what could be gained if the resources were redirected.

This asymmetry is not accidental. Opportunity cost is inherently speculative — it requires imagining what the organisation could do with freed-up resources, which is always less concrete than what the organisation will lose by writing off an existing investment. But the fact that opportunity cost is harder to quantify does not make it less real. In my experience, the most significant damage done by failing programmes is not the direct cost of their failure but the indirect cost of the better work that was never initiated because the resources were trapped.

5. What It Takes to Kill Well

The organisations that do manage to terminate programmes effectively — and they are a minority — share certain characteristics that are worth noting because they are almost entirely cultural rather than procedural.

They separate the decision from the individuals. Where termination is treated as an indictment of those who initiated or sponsored the programme, it will always be resisted. Where it is treated as a normal portfolio management decision — a reallocation of resources in response to new information — it becomes possible. This requires a leadership culture that genuinely distinguishes between poor decision-making (which should be examined) and decisions that were reasonable at the time but have been overtaken by events (which should be accepted without blame).

They maintain a live view of alternatives. If the only choice available is "continue" or "stop," continuation will almost always win because it is the less painful option. If the choice is "continue this programme or redirect the resources to these three specific opportunities," the conversation changes entirely. The organisations that terminate well are the ones that always have a clear view of what else they could be doing — not as a theoretical exercise but as a costed, scoped set of alternatives ready to absorb freed resources.

They build termination into their governance rhythm. Rather than treating programme termination as an exceptional event requiring a special process, they make portfolio rebalancing a regular governance activity. Every quarter, every programme is assessed not just on its own terms but against the portfolio's overall capacity and priorities. This normalises the idea that some programmes will be stopped — not because they have catastrophically failed, but because the portfolio's needs have changed.

They act early. The cost of termination rises exponentially with time. A programme killed at the end of its definition phase wastes relatively little. A programme killed two years into delivery wastes a great deal more — not just in direct cost but in the organisational disruption and political fallout. The organisations that manage this well have a bias toward early termination, accepting that they will occasionally kill programmes that might have succeeded rather than systematically preserving programmes that will probably fail.

6. The Deeper Problem

Beneath all of these structural and cultural factors lies a more fundamental issue. Most organisations do not, in practice, treat their portfolio as a portfolio. They treat it as a collection of commitments. Once a programme is approved, it acquires a kind of institutional momentum — a presumption of continuation that must be actively overcome rather than actively earned. This presumption is the root of the problem.

A genuine portfolio approach would treat every programme as a hypothesis: this initiative, at this cost, will deliver these outcomes, and those outcomes are worth more to the organisation than the alternatives. Hypotheses are tested, revised, and sometimes abandoned. Commitments are honoured. As long as organisations treat programme approval as a commitment rather than a hypothesis, they will continue to find it almost impossible to stop what they should never have started — or what, having been reasonably started, should not be continued.

The hardest skill in portfolio management is not the analysis. It is the willingness to act on what the analysis reveals, even when acting means admitting that the original decision, made in good faith with the information available at the time, has been overtaken by reality. That willingness is not a process. It is a culture. And it is, in my experience, vanishingly rare.