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Portfolio Reprioritisation Under Existential Threat — Why the Textbook Models Failed When It Mattered Most

A Practitioner's Perspective on Emergency Portfolio Triage in a Crisis
Economy

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The Myth of the Rational Portfolio

Every portfolio management framework I have encountered assumes a degree of stability that, in hindsight, looks almost quaint. The models work well enough in calm waters — weighted scoring, strategic alignment matrices, benefit realisation tracking. They provide the comforting illusion that investment decisions are being made rationally. But when the ground shifts beneath an entire economy in a matter of days, those frameworks do not bend. They shatter.

What we have witnessed over the past seven months is the most dramatic natural experiment in portfolio management that most practitioners will ever see. Entire investment portfolios — some representing hundreds of millions in committed spend — had to be reassessed not over quarterly cycles but over days. And the mechanisms that were supposed to guide those decisions were, in almost every case, useless.

What the Models Could Not Accommodate

The fundamental problem was not that the scoring models were wrong. It was that they were designed for a world of incremental change. A strategic alignment score assumes the strategy itself is stable. A benefit case assumes the market conditions under which those benefits were forecast will persist. A risk rating assumes that risk is a variable to be managed, not a condition that overwhelms everything else.

When the crisis arrived, portfolio offices discovered three things simultaneously. First, that their prioritisation criteria were anchored to a strategy that no longer applied — growth-oriented investments became irrelevant overnight when survival became the only strategy that mattered. Second, that the data feeding their models was stale; in some cases, the assumptions underpinning business cases were months or even years old, never stress-tested against a scenario this severe. Third, that the governance

mechanisms designed to approve portfolio changes were far too slow for the speed at which decisions needed to be made.

The result, in many organisations, was paralysis followed by panic. Portfolios were frozen — not through a deliberate decision to pause, but because nobody had the authority or the framework to act quickly enough. When action did come, it was often crude: across-the-board cuts, blanket deferrals, or — worst of all — the protection of politically favoured programmes regardless of their actual value in the new reality.

The Trait That Separated the Effective from the Overwhelmed

The organisations that handled this well — and they were a minority — shared a common trait that had nothing to do with the sophistication of their portfolio tools. They were ruthlessly honest about what mattered.

This sounds simple, but in practice it required something that most corporate cultures actively discourage: the willingness to admit that previous investment decisions were wrong, that sunk costs were genuinely sunk, and that some programmes needed to stop not because they had failed but because the world they were designed for no longer existed.

The organisations that reprioritised effectively did not use better models. They made faster, more honest decisions about which investments still had a reason to exist — and they had leaders willing to own those decisions publicly.

In my experience, the organisations that moved fastest shared three characteristics. They had a small, empowered group — rarely more than five or six people — with genuine authority to make portfolio-level decisions without escalating through layers of governance. They applied a brutally simple filter: does this programme protect revenue, protect people, or protect the ability to operate? Everything else was paused until further notice. And they communicated those decisions with unusual clarity, resisting the corporate instinct to hedge, caveat, and defer.

The Uncomfortable Lesson

The uncomfortable truth that this experience has exposed is not that our portfolio management frameworks are inadequate for crisis — it is that they may be inadequate in general. The same weaknesses that made them useless under pressure — stale data, slow governance, political protection of favoured investments, reluctance to admit that previous decisions were wrong — are present in normal times too. They are simply easier to ignore when the consequences unfold slowly.

What the crisis did was compress the feedback loop. In normal conditions, a poorly prioritised portfolio degrades value over years, and the connection between cause and effect is diffuse enough that no single decision is ever clearly to blame. Under existential

pressure, the consequences of poor prioritisation became visible within weeks.

This raises a question that I suspect most portfolio practitioners are not yet ready to confront: if our frameworks only work when the stakes are low enough that the answers do not really matter, what exactly are they for?

What Comes Next

The temptation now will be to return to the old models as conditions stabilise — to reinstall the weighted scoring, the quarterly reviews, the elaborate governance rituals. The organisations that learn from this experience will resist that temptation. They will retain the speed, the honesty, and the simplicity that the crisis forced upon them — not because crisis is permanent, but because those qualities were always what good portfolio management required.

The crisis did not create new portfolio management principles. It revealed which ones actually work when it matters.