BEYOND EQUAL CUTS

The Crisis Is Exposing Portfolios That Never Learned to Choose

Why equal budget cuts preserve activity while destroying genuine priorities

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> *“When everything could be funded, prioritisation was often ceremonial. Now that it cannot be, leadership must become real.”*

The Fifteen Per Cent Instruction

The portfolio meeting begins with a number: fifteen per cent.

Every division must remove fifteen per cent from its change budget. Every programme must return with a revised plan. No exceptions will be considered until the total is achieved.

Ten days later, the portfolio still contains fifty-eight initiatives. Most have reduced contractor numbers, deferred testing, extended milestones or cut training. The spreadsheet shows the required saving. The organisation has not chosen to do less. It has chosen to do everything more slowly and with less chance of success.

This is the uncomfortable opportunity inside the present crisis. Scarce capital and falling demand are forcing organisations to confront a discipline that many portfolios practised only in name: genuine prioritisation.

A crisis can be a catalyst, but only if leaders use it to choose. If they use it merely to spread pain evenly, it becomes an accelerator of failure.

Why the Old Portfolio Model Survived

In more generous conditions, portfolios could avoid hard choices. New initiatives were approved because each had a plausible business case. Existing programmes continued because stopping them would crystallise sunk cost, disappoint sponsors and invite questions about the original decision. Strategic labels multiplied until almost every proposal could claim alignment.

The portfolio process therefore became an aggregation mechanism. It assembled forecasts, dependencies and red-amber-green reports. It did not necessarily decide which work mattered most.

That distinction was concealed by growth. When the investment envelope expanded, weak prioritisation appeared as ambition. Overcommitted specialists moved between programmes. Benefits slipped into later years. Contingency absorbed inefficiency. The organisation remained busy enough to mistake activity for choice.

The events of the past year have removed that cover. Credit is constrained, revenue forecasts are uncertain and boards are demanding cash discipline. Programmes now compete not only for money, but for the same architects, finance specialists, operational managers and test environments. Every additional priority weakens the word.

The portfolio can no longer be a list of approved intentions. It must become a system for making and sustaining trade-offs.

The Case for Equal Cuts

Across-the-board reductions have a serious logic.

They are fast. They appear fair. They avoid a prolonged political contest in which the most influential sponsors protect their own work. They preserve options in an uncertain economy: if every initiative remains alive, the organisation can accelerate whichever proves most useful when conditions improve.

There are also limits to any ranking exercise. Business cases prepared in better times may no longer be reliable. Demand forecasts are moving. The true value of regulatory, operational and technology work is difficult to compare on one scale. A central portfolio board can easily overstate its knowledge and cancel an initiative whose importance becomes clear too late.

These are real objections. But equal cuts do not avoid judgement; they conceal it inside delivery teams. A programme director told to remove fifteen per cent will protect the headline milestone and reduce whatever is easiest to remove—often integration testing, process redesign, data cleansing, training or local implementation support. The result preserves the name of the initiative while hollowing out the mechanism by which it was meant to produce value.

Keeping every option alive is also more expensive than it appears. Each programme retains management attention, governance effort, supplier commitments and scarce specialists. The option portfolio consumes the very capacity needed to make any one option succeed.

> *An equal cut is not neutral. It transfers the prioritisation decision from the portfolio board to the least visible line in each programme plan.*

What Real Prioritisation Looks Like

Genuine prioritisation begins by separating commitments that are often bundled together.

- Protect: work essential to legal obligation, financial control, operational continuity or near-term cash generation.
- Accelerate: a small number of initiatives whose value increases in the current conditions and whose delivery can be completed with concentrated resources.
- Reshape: work with a valid outcome but an unaffordable or overcomplicated route.
- Pause: work whose value may remain, but whose timing or evidence is too uncertain to justify current capacity.
- Stop: work that no longer clears the strategic, economic or delivery threshold.

The important words are small number. A portfolio that protects most work, accelerates much of the rest and stops nothing has performed classification, not prioritisation.

I have seen the difference become visible in the numbers. In a composite portfolio of fifty-eight initiatives with an annual change envelope of £96 million, the first fifteen per cent exercise preserved all fifty-eight and extended average delivery by four months. Eight critical specialists remained allocated across five or more programmes.

A second review started from enterprise outcomes and capacity. Twelve initiatives were stopped, seven paused, nine protected, four accelerated and the remainder reshaped. The immediate cash reduction was slightly larger than the original target. More importantly, the protected and accelerated work received named operational owners and access to the specialists it needed.

The decisive change was not the ranking score. It was the willingness to remove work from the portfolio.

The Tests That Matter Now

The crisis has made several traditional business-case assumptions unreliable. That does not excuse arbitrary choice. It requires more direct tests.

A portfolio board should ask of every initiative:

1. What consequence follows if this work stops for twelve months? Distinguish inconvenience from material exposure.
2. Which current outcome does it protect or create? Use cash, control, continuity, customer retention or strategic position—not broad claims of alignment.
3. What scarce capacity does it consume? Money is only one constraint.
4. Can the outcome be achieved through a smaller or simpler route? Challenge the solution before abandoning the need.
5. What evidence would cause us to reverse the decision? A pause should have conditions for restart; an acceleration should have conditions for withdrawal.

6. Who will own the benefit after delivery? A crisis is no time to fund work whose value belongs to nobody.

These questions do not produce mathematical certainty. They produce accountable judgement. That is the proper work of portfolio leadership.

The Politics of Stopping

Stopping work is difficult because every initiative has a history. It has a sponsor, a team, a supplier, an approved case and a constituency that interprets cancellation as failure. Portfolio leaders therefore reach for delay, rescoping and efficiency language when the honest decision is withdrawal.

The stronger discipline is to separate the quality of the original decision from the quality of the current one. An initiative may have been sensible when approved and wrong to continue under changed conditions. Treating continuation as proof of consistency only converts yesterday's judgement into today's constraint.

A credible stop decision should record:

- why the initiative no longer clears the threshold;
- which obligations or assets must be preserved;
- what costs are avoided and incurred;
- where people and capacity will move;
- what conditions, if any, would justify restart;
- who communicates the decision and closes commitments.

This is not administrative tidiness. Without disciplined closure, paused work remains alive through residual contracts, part-time teams and executive expectation.

The Opportunity Inside Constraint

Cost pressure can force transformation, but it does not create transformation automatically. The outcome depends on where leaders place the decision.

If reductions are delegated as percentages, the organisation will optimise locally and weaken broadly. If choices are made at portfolio level, against explicit outcomes and capacity, constraint can finally align resources with intent.

The immediate prize is affordability. The deeper prize is institutional: a portfolio that learns how to stop, concentrate and revisit decisions may retain that discipline when conditions become less severe.

We should not romanticise the crisis. It is destroying confidence, constraining investment and placing real pressure on people. Nor should we waste the clarity it imposes.

When everything could be funded, prioritisation was often ceremonial. Now that it cannot be, leadership must become real.