

BEYOND THE ENDLESS YES

The Inflation of the Strategic

How portfolios lost the power to say no



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Portfolio · No. 23

Originally written May 2007 | Re-edited and re-rendered for the WhereBeyond Edition, 2025

“The test of a strategy is not the length of the list of things it endorses, but the honesty of the list of things it declines.”

1. Executive Summary

Every portfolio review reaches the same impasse. On the screen is a register in which every initiative is marked strategic, essential, high priority — and around the table a leadership team that, having agreed that everything matters, has quietly lost the ability to decide what matters most. This essay is about that impasse, and about the process that produces it: strategic inflation, the slow debasement of the word strategic until it no longer names a select few initiatives but describes the entire body of work an organisation happens to be doing.

The argument is that the inflation is not a failure of intelligence or of intent. It is the predictable output of the machinery we have built around our portfolios — scoring models that reward the label rather than measure the priority, governance designed only to admit and never to expel, funding rules that make the word strategic the price of entry, and a politics in which no sponsor will accept the word no. The result is a portfolio that can add but cannot subtract, and that therefore cannot prioritise, because prioritisation is subtraction and nothing else.

Having given the strongest case for breadth its due — that in an uncertain world a wide portfolio is a prudent hedge — the essay concludes that the true product of a portfolio process is its refusals. An organisation that cannot say no has not chosen a strategy. It has merely catalogued its activity and called the catalogue a plan.

2. The Register With No Rejections

Sit in enough portfolio reviews and they begin to blur into a single meeting. The room is booked for two hours. On the screen is a register — forty initiatives, or ninety, or in one case I remember too well, a hundred and forty — each with a status colour, a sponsor, and a column, usually somewhere near the right-hand edge, headed Strategic Alignment. Every row in that column says the same thing. High. High. High. A thin scattering of Medium survives near the bottom, attached to the initiatives that no one is willing to defend but no one is willing to kill. Nothing is rated low, because anything rated low would not have reached the register; the low-rated die earlier, in the private editing that precedes every public list.

The review proceeds initiative by initiative. Each sponsor speaks well. Each initiative is, on its own terms, entirely sensible — a compliance obligation, a system that must be replaced, a market that must be entered, a cost that must be taken out. And at the end, having spent two hours confirming that everything is important, the group disperses without having removed anything, deferred anything, or sequenced anything. The portfolio is exactly as long leaving the room as it was entering it. Everyone agrees it is too large. No one can say

which part of it should not exist.

I have watched a leadership team spend a whole morning agreeing that a hundred and forty concurrent initiatives was unmanageable, and then decline, one by one, every specific proposal to reduce the number — because each specific cut had a face, a sponsor, and a plausible case. The abstraction, too much, commanded unanimous assent. The particular, not this one, commanded none. That gap between the agreed abstraction and the impossible particular is the whole of the problem, and it is worth understanding why it is so stable, because it does not feel like a problem anyone chose.

3. How a Word Lost Its Meaning

A word earns its value from contrast. Strategic did useful work for a generation precisely because it drew a line: on one side, the few initiatives that would change the shape of the organisation; on the other, the many that kept it running. The word let a board spend its scarce attention on the handful of things that would still matter in five years, and delegate the rest. Its power was entirely a power of exclusion. It meant these, and by implication not those.

That power survives only as long as the word is scarce. The moment it becomes the condition of survival — the moment an initiative must be called strategic in order to be funded, staffed, or spared the axe — every initiative acquires the label, not through deception but through ordinary self-preservation. A manager who declines to describe their project as strategic is not being modest; they are volunteering it for cancellation. And so the word migrates, initiative by reasonable initiative, until it sits in every row of the register. At which point it means everything, and a word that means everything means nothing at all.

This is inflation in the exact sense the economists give it. When everyone is permitted to print the currency, the currency buys nothing, and the printing does not stop — it accelerates, because each actor must print faster merely to keep pace. Strategic has become a word we spend freely and can no longer redeem.

The debasement is quiet because no single act of it looks wrong. Each business case that reaches for the word is defensible. The damage is entirely in the aggregate, and the aggregate is nobody's job. This is the signature of the whole phenomenon: it is assembled from sensible decisions and arrives at a senseless place, and because every step was reasonable, no step is ever revisited.

4. The Machinery That Rewards Inflation

If inflation were merely a linguistic habit we could correct it with a memo. It persists because we have built machinery that rewards it, and the machinery outlasts any individual's good intentions.

Consider the prioritisation scoring model, the instrument most organisations reach for to impose discipline. It is usually a matrix: rate each initiative one to five on strategic alignment, on value, on risk, on feasibility, and rank by the weighted total. In principle it forces choice. In practice it is scored by the very sponsors whose initiatives are being

rated, or by a committee that must face them afterwards, and everyone quickly learns to write the business case that scores a five. The model does not measure priority. It measures the persuasiveness of the paperwork, and the paperwork converges, because its authors are intelligent people responding rationally to a scoring scheme. Within a year the alignment column reads five, five, five, and the tool built to differentiate has become another engine of sameness.

Consider, too, the shape of our governance. We have invested heavily, across the last decade, in the disciplines of entry — the stage gate, the business case, the investment committee, the approval to proceed. Every initiative must pass through a turnstile to get in. But almost nowhere have we built the equivalent discipline of exit. No committee owns the question what should we stop? with the seriousness that several committees own the question what should we start? A stage gate that only ever opens inward is not a control. It is an accumulator. And the heightened appetite for documented justification that has followed the tightening of financial control has, perversely, made the label matter more, not less: if every commitment must be defensible on paper, then the defensible word — strategic — becomes the universal password, printed onto everything that seeks to survive an audit.

Behind both sits the portfolio office, and here the failure is one of role. The typical office of this kind is staffed to aggregate and to report — to collect the returns, colour the statuses, and produce the pack. It behaves as an accountant of the portfolio. What almost none is mandated to be is an editor of the portfolio: the function that curates, that holds a view on the whole, that is empowered and expected to say that two initiatives are the same initiative, or that a third should never have been begun. We asked for a scorekeeper and are surprised that it does not referee.

The cost of all this is not abstract. Picture a composite that will be familiar to anyone who has run a large change budget in recent years: roughly a hundred and forty initiatives, some one hundred and eighty million pounds committed across them, spanning an ERP consolidation, an offshoring programme, a clutch of regulatory obligations, and a long tail of local improvements. Run the numbers against the scoring model and a hundred and thirty of the hundred and forty rate four or five out of five on strategic alignment. Now run them against reality — against the two or three measures the board actually watches — and you find that a dozen initiatives move those measures and the rest, whatever their merits, do not. On the scoresheet those twelve are indistinguishable from the hundred that surround them. The instrument that was supposed to find them has hidden them, in a crowd it certified as uniformly essential.

5. The Comfort of Not Choosing

None of this would be stable if the people in the room wanted to cut and were merely lacking a method. They are not. The deeper reason the register never shortens is that a mature portfolio is a treaty, and a treaty is held together by not reopening it.

Each initiative is someone's territory — a sponsor's commitment, a division's promise to itself, a leader's visible answer to a problem they were asked to own. To propose cutting it is not, socially, to make an analytical point. It is to move against a colleague, in front of other colleagues, each of whom holds territory of their own and can read the precedent instantly: if that one falls, mine is next. The portfolio review is therefore governed by an unspoken pact of mutual non-aggression. I will not attack your initiative; you will not attack mine; and together we will lament, in the abstract, that there are too many initiatives. Everyone keeps their project. Everyone keeps the peace. The register grows.

“No one has ever been promoted for the initiative they cancelled. The sponsor of a killed project carries a gap where an achievement should be; the sponsor of a limping one still has a project, a team, and a story. We reward the keeping and punish the stopping, and then wonder why nothing stops.”

There is a cognitive current running beneath the political one, and it pulls the same way. Addition is a visible virtue — a new initiative is energy, ambition, a response. Subtraction is a visible loss, and losses weigh heavier than equivalent gains in every human ledger. To start something is to be seen to act. To stop something is to admit that starting it, or continuing it, was a mistake. Faced with that asymmetry, a rational and decent person adds. The portfolio is the sum of a thousand such rational, decent additions, and no one ever set out to build the thing it became.

6. The Case for Breadth, in Its Strongest Form

It would be too easy to stop here, with inflation condemned and discipline vindicated, and the argument would be weaker for stopping. There is a serious case on the other side, and it deserves its strongest statement rather than a straw one.

The case is this. We do not know, in advance, which initiatives will pay off. The future is genuinely uncertain; the market moves in ways no scoring model foresees; the initiative that looks marginal today is the one that matters most in three years, and the confident favourite is the one that quietly fails. In that condition, a wide portfolio is not indiscipline — it is a hedge. It is the deliberate purchase of many options, most of which will expire worthless, in the knowledge that the few that pay will more than cover the rest. To cull early and hard, on this view, is not rigour; it is false confidence dressed as rigour, the arrogance of believing you can pick winners when the honest answer is that you cannot. Concentration is fragility. Breadth is prudence. And besides, the argument continues, the proliferation you deplore may simply reflect an irreducibly complex organisation — many markets, many regulators, many ageing systems — for which a large and various portfolio is the only faithful response. You are not looking at inflation. You are looking at the true surface area of a large enterprise.

This is a good argument, and on its own terms it is right. But notice precisely what it defends. A portfolio of options — a real hedge — is defined by two features: the stakes in each bet are small, and the losers are closed ruthlessly to fund the winners. Option value exists only because options can be abandoned; a bet you cannot walk away from is not an option, it is an obligation. The hedge argument, properly understood, is therefore not an argument against prioritisation at all. It is an argument for the most disciplined prioritisation of all: many small stakes, watched closely, and killed the moment they stop earning their place.

And that is the exact opposite of what strategic inflation produces. Inflation gives us not many small, cullable bets but many large, committed, undifferentiated initiatives, each protected from the cull precisely because each wears the label that makes culling it look like a strategic retreat. The disease is not breadth. The disease is breadth that cannot be

pruned — a hedge whose every branch has been declared load-bearing. The strongest case for the wide portfolio turns out, when followed honestly, to require the very discipline whose absence created the mess.

7. Prioritisation Is Subtraction

Which returns us, with more force, to the point the whole essay has been circling. The output of a portfolio process is not the list of what is in. It is the list of what is out. A prioritisation that adds no initiative to a rejected pile has not prioritised; it has merely re-sorted the accepted one, and re-sorting is not choosing.

A portfolio's real product is its refusals. Everything else — the ranking, the roadmap, the resourcing — is bookkeeping on top of the single decision that a portfolio exists to make: this, and therefore not that. Where there is no not that, there is no portfolio, only an inventory.

The constraint that makes the refusal necessary is almost never money, though money is what we pretend to argue about. It is attention — the finite quantity of senior thought, sponsorship, and skilled delivery capacity that any organisation possesses. Money can be found; a competent programme director cannot be conjured, and the concentrated attention of the executive is the scarcest resource of all. A portfolio of a hundred and forty initiatives does not fail because a hundred and forty is expensive. It fails because a hundred and forty things cannot be led at once, and so each receives a thin, distracted supervision that would be negligent if it were directed at any one of them alone. Spread the same attention over a dozen and you have not merely tidied the register; you have changed the probability that the dozen succeed.

There is a mechanical truth here that the inflated portfolio hides. The same set of initiatives, run twelve at a time to completion and then replaced, will finish sooner and yield sooner than the same set run all at once in a permanent condition of near-completion. Starting is not delivering. A portfolio measured by how much it has begun will always look busier, and always deliver less, than one measured by how much it has finished and stopped. To prioritise is to accept the discomfort of the unstarted — to leave good initiatives explicitly on a shelf, named and waiting, rather than half-alive in the machine — and that discomfort is exactly what the inflated portfolio was constructed to avoid.

8. What a Portfolio Is For

We built this trap out of good materials. The gate, the scorecard, the investment committee, the maturing discipline of the portfolio office — each was an advance, each answered a real weakness of the era before it, when initiatives were begun on instinct and buried without an obituary. The pressure of the moment reinforces the instinct still further: asked on every side to do more with less, to justify each commitment on paper, to show that nothing is wasted, we respond by keeping everything and labelling all of it essential, which is the one response guaranteed to waste the most. The machinery of control has, by its own inner logic, produced a portfolio no one can control.

The way out is not another instrument. It is the recovery of a discipline we allowed to atrophy: the discipline of refusal, exercised openly and owned by someone senior enough to make it stick. It means governance that takes what should we stop as seriously as what should we start, and a portfolio office mandated to edit rather than merely to count. It means a scoring model whose designers understand that a model everything passes is a model that measures nothing. Above all it means restoring scarcity to the word — spending strategic as though it still cost something, so that it can once again mean these few, and by implication, honestly and out loud, not those many.

The test of a strategy is not the length of the list of things it endorses, but the honesty of the list of things it declines. By that test, most of our portfolios are not strategies at all. They are the minutes of every meeting in which we could not bring ourselves to choose — and the organisations that pull ahead from here will be the ones that learn, again, to say the word that a portfolio exists to say.