

BEYOND RATING TO RANKING

When Everything Is Strategic, Nothing Is Prioritised

How the inflation of a single word quietly dismantles portfolio discipline — and what it takes to restore it



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“There is always an answer; the difficulty is never knowledge, only nerve.”

1. The Slide on Which Everything Was Red

Every portfolio review arrives, eventually, at the same slide. Forty initiatives down the left-hand column, a tidy traffic-light matrix beside them, and a final column headed "Priority" that reads, almost without exception, "High." Someone has taken real trouble over it — the greens for strategic alignment, the ambers for delivery confidence, the reds for urgency — and the net effect is a document that manages to say a great deal about activity and almost nothing about choice. The room nods. The initiatives are, after all, strategic; each has a sponsor who can explain, persuasively, why it cannot be the one that waits. And so the list is approved more or less as presented, which is to say it is not a portfolio at all. It is an inventory with ambitions.

We have grown fluent in the language of strategy and lost much of the discipline the language was meant to describe. The word strategic now attaches to nearly everything an organisation does. The ERP upgrade is strategic. The office consolidation is strategic. The Sarbanes-Oxley remediation is strategic. The offshoring of the testing function is strategic, and so is the small pilot that one determined director has grown fond of. When a label is fixed to everything, it distinguishes nothing. The pattern that recurs across organisations struggling under too much change is rarely a shortage of strategy. It is a surplus of the word.

2. The Inflation of a Word

There is a useful parallel in the one thing every finance director understands instinctively. A currency holds its value only while it remains scarce; print enough of it and each note buys less, until the figure printed on the note means nothing and people quietly revert to barter. Strategic has been printed without restraint. A decade ago the term still carried weight, because it was spent sparingly — a strategic initiative was one of the few things the enterprise had decided, deliberately and against alternatives, to bet on. Today it is merely the ante required to enter the planning conversation. No one puts a proposal forward by describing it as tactical, marginal, or frankly optional, even when that is exactly what it is. The result is a slow and invisible inflation in which the currency of prioritisation loses all its purchasing power, and the annual plan swells accordingly.

The consequence is not that the organisation does nothing. It is that it attempts everything, thinly, at the same time.

Prioritisation is not the act of identifying what matters. Almost everything matters to someone. It is the harder act of deciding what matters more – and therefore what will wait, what will be starved, and what will stop.

3. Why We Reach for the Label

If the inflation were merely a habit of language it could be corrected with a memo. It persists because it is useful. To call an initiative strategic is, in most organisations, a political act before it is an analytical one. The label is armour: it protects a budget line through the cutting season, it elevates a sponsor's standing, and it spares everyone the discomfort of the sentence that ought to follow – and therefore something else will not be done. A rating of "high" commits no one to a trade-off. A ranking would.

It persists, too, because the binding constraint is kept carefully out of view. Every planning cycle I have watched begins with ambition and ends with a list, and almost none of them place capacity – the genuine, finite supply of the scarce people who actually finish things – on the same page as the ambition. The two or three change leads who can be trusted with a difficult programme, the handful of architects the whole estate depends upon: these are the real limits, and they are rarely drawn. When the constraint is invisible, there is no arithmetic to force the choice, and so the choice is never made.

And it persists because the ritual of planning is a ritual of addition. Each year brings new initiatives; each year, remarkably few old ones are declared finished, folded away, or simply stopped. The portfolio grows by accretion, like sediment, and calling every new layer strategic is the polite convention that lets it settle without argument.

4. The Objection Worth Taking Seriously

The honest counter-argument deserves stating at its strongest, because it is not foolish. It runs like this: in a well-run organisation everything genuinely is connected to the strategy. The office move supports the operating model; the ERP upgrade underpins every future capability; the compliance work protects the licence to trade. To wave initiatives away as "non-strategic" is therefore crude – it demoralises the people doing necessary work, and it risks cutting the quiet, unglamorous thing on which the glamorous things depend.

All of that is true, and none of it rescues the label. The error is to treat "supports the strategy" and "is a strategic priority" as the same claim. Almost any activity can be argued into the first category; that is precisely why the category is useless for choosing. The test that matters is not does this support the strategy? – to which the answer is always yes, given a fluent enough advocate – but would we stop this in order to fund something we value more? The first question rates. The second ranks. Strategy, as Porter reminded us more than a decade ago, is as much about deciding what not to do as what to pursue. An organisation that has declined nothing has not expressed a strategy through its portfolio. It has merely postponed the expression.

5. Rating Is Not Ranking

Consider an organisation I have in mind — invented, but entirely ordinary. It carried sixty active initiatives, every last one classified strategic. Its realistic capacity, measured honestly against the availability of those scarce people rather than against the headcount on paper, was closer to fifteen concurrent efforts of any real weight. The arithmetic was brutal and unspoken: sixty things dividing a supply of fifteen meant that almost nothing was properly staffed. Initiatives ran at a quarter of the resource their plans assumed, slipped a quarter at a time, and were then reported — with a straight face — as "on track, amber." Had anyone troubled to draw the curve, perhaps a dozen of the sixty accounted for four-fifths of the expected benefit. The other forty-eight were not merely low-value; they were actively consuming the capacity the vital dozen needed to succeed.

The correction was not a cleverer scoring model. It was a single, uncomfortable instruction: produce one ordered list, top to bottom, no ties. Where two initiatives were both "priority one," the question was put plainly — if you could fund only one this quarter, which? There is always an answer; the difficulty is never knowledge, only nerve. A line was drawn after the fifteenth. Below it, work was stopped or explicitly parked, with the parking made visible rather than disguised as slow progress. Within two planning cycles the dozen that mattered were finishing, because for the first time they were not being quietly bled to keep forty-eight others technically alive.

What that organisation recovered was not analytical capability — it had scoring spreadsheets and a balanced scorecard all along. It recovered the scarcity of the word. A few practical disciplines make that scarcity real:

- Fix the number, not only the criteria. Decide in advance how many initiatives may be called strategic priorities — a portfolio of the few — and hold the count. A cap forces comparison in a way that criteria never do, because criteria can be met by everything.
- Rank, do not rate. Replace the column of "high / medium / low" with a single sequence. Ratings let everything cluster at the top; a sequence has exactly one first place and one last.
- Put capacity on the page beside ambition. Show the binding constraint — the scarce people — in the same view as the wish-list, so the line between what is funded and what is not is drawn by arithmetic, not rhetoric.
- Defend the line politically. Expect the sponsor to return with a better adjective, and be ready to say that a more strategic-sounding case does not move the line; only displacing something above it does.

6. The Deficit Is Temperamental

The striking thing, across every version of this I have seen, is that the failure is almost never one of method. We are fluent in method. Stage gates, scoring models, capacity planning, the scorecard — the instruments of portfolio discipline have been on the shelf for years and are not in serious dispute. We are far less fluent in the temperament that method demands: the willingness to choose, to be seen to choose, and to tell a respected colleague that their strategic initiative is not among the fifteen this year.

That is why the problem is so durable, and why no new framework will dissolve it. The word strategic inflates for the same reason any currency inflates — because it is easier, in the moment, to print more than to make the thing scarce cost something. A portfolio in which everything is strategic is not the sign of an ambitious organisation. It is the sign of one that has not yet found the nerve to prioritise, and is using a word to postpone the day it must.