

BEYOND THE LABEL

When Everything Is Strategic, Nothing Is — The Quiet Cost of Strategic Inflation

Why the portfolios that call every initiative essential are the least able to choose — and what it takes to make the word mean something again



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“A promise made to everything is a promise made to nothing.”

1. The review where everything was strategic

Every organisation of a certain size now runs the same meeting. It happens once a quarter, in a room slightly too small for the number of people who feel they must be present. The portfolio is laid out initiative by initiative — on a wall, or more often now in a projected spreadsheet — and against each one sits a rating for strategic alignment. And almost every initiative scores high. In one review I sat through not long ago, forty-three of forty-seven initiatives carried the top alignment rating. The four that did not were not the unimportant ones; they were simply the ones nobody had troubled to dress up. The committee spent the best part of two hours worrying at those four, and waved the other forty-three through with a nod.

I have come to regard that nod as one of the most expensive gestures in modern management. It is the precise moment at which a portfolio stops being a set of choices and becomes a list of hopes. Nothing has been prioritised, because prioritisation is the act of putting one thing before another, and a list on which everything is first has no order at all.

We are living, in the portfolios of large organisations, through a quiet episode of inflation. The currency being debased is the word strategic. It is printed freely, attached to almost everything, and — like any currency issued without restraint — it now buys very little. When every initiative is strategic, the label conveys no information, commands no scarcity, and, most damagingly, licenses no refusal.

2. Why the label is free and the "no" is expensive

It is worth asking honestly why this happens, because the usual explanation — that managers lack discipline — is both unkind and untrue. The people applying the label are behaving rationally inside the incentives they face.

Consider the two sides of the transaction. Calling an initiative strategic costs the person who says it almost nothing. There is no fixed budget of strategic labels, no ration card, no meter that turns red when a quota is spent. The word is free, and free things get used without limit. The opposite act — declining to call something strategic, or worse, saying plainly that it will not be done this year — is expensive in the only currency that governs a management meeting, which is political. To withhold the label is to expose a colleague's initiative, and by extension the colleague, to the cut. So everyone extends to everyone else the courtesy they hope to receive in return, and the ratings drift upward until they say nothing.

There is a second mechanism beneath the first. In an environment where budgets can be reopened, where a determined sponsor can always find a route back to the table, the

strategic label functions as armour. An initiative marked strategic is harder to stop mid-year; it has a claim on protection. Rational sponsors therefore seek the label not because it describes their initiative but because it defends it. The rating ceases to be a measurement and becomes a manoeuvre.

Both mechanisms share a root: the absence of scarcity. Nothing forces a choice, so no choice is made. And an organisation that will not choose at the portfolio level does not thereby escape choosing. It simply pushes the choosing downward and outward, to the delivery teams and the shared functions, who will make the real prioritisation decisions later — by accident, under pressure, in whatever order the loudest escalation happens to arrive.

3. "But in our business, everything really is connected"

The strongest objection to all this deserves to be put at full strength, because it is not foolish. It runs like this: in a complex, integrated enterprise a great many initiatives genuinely are strategic. The regulatory programme is not optional. The core systems replacement underpins everything else. The customer-data work enables three further efforts downstream. You are asking us to pretend important things are unimportant, and that is its own kind of dishonesty.

I have real sympathy for this, and the people who make the argument are usually the most capable in the room. They are right that much of what sits in a modern portfolio genuinely matters. The Basel II work must be done; the Sarbanes-Oxley remediation cannot be deferred by wishing; the platform that everything else depends upon really is load-bearing. Pretending otherwise would be a fantasy.

But the objection answers a question nobody useful is asking. The question is not which of these initiatives is important? Almost all of them are; that is the problem, not the solution. The question is which of them can a finite organisation actually carry at once, and in what order? Importance is a property of an initiative considered alone. Priority is a property of an initiative considered against every other initiative competing for the same scarce people, the same integration environments, the same two or three individuals who genuinely understand how the product is priced. You cannot argue a load-bearing wall out of a building by observing that it is inconvenient — and equally, you cannot fit forty-seven load-bearing walls into a house with room for fifteen by rating them all essential.

“Prioritisation is not the ranking of things by how much they matter. It is the sequencing of things by when a finite organisation can actually do them.”

Put the question that way and the interconnectedness the objection leans on begins to cut against it. If everything is genuinely connected, then overloading the portfolio does not spread progress evenly across every front; it stalls every front together, because the shared dependencies are precisely what saturate first.

4. What it costs, precisely

It is tempting to assume the cost of strategic inflation is that the wrong things get funded. In my experience it is worse and more insidious than that: the right things get funded too, along with everything else, and then nothing gets finished.

Watch where the load actually falls. In most large organisations the binding constraint is not money — capital, in the middle of this decade, has rarely been easier to raise. The constraint is a small set of scarce, non-substitutable resources: the enterprise architects who must touch every integration, the handful of business experts who carry the real product knowledge in their heads, the single shared environment through which every release must pass. Approve forty-three initiatives and you have not given each of them a share of these people. You have oversubscribed them — routinely by a factor of three or more — and condemned them to a working life of switching context between programmes, none of which they can give enough of themselves to move.

The symptoms are wearily familiar. A programme slips a quarter, then slips again, not because of any decision that anyone made or defended, but because the people it relied upon were quietly drawn toward whichever other strategic initiative was shouting loudest that month. A steering committee reviews a portfolio that is uniformly amber and cannot see why, because on paper every initiative is funded, staffed and aligned. The honest answer is that the portfolio was never a plan. It was a wish list with a governance process wrapped around it, and wishes do not respect capacity.

5. Making the word mean something again

The remedy is not a better scoring model. A more elaborate alignment rubric, with more criteria and finer gradations, merely gives inflation more decimal places in which to hide. The remedy is scarcity — deliberately and structurally reintroduced.

- Fix the capacity before ranking the demand. Establish honestly how much change the organisation's real constraints can absorb in a year — measured in the scarce resources, not in pounds — and treat that as a hard ceiling. Prioritisation only becomes real when there is a line, and the initiatives below it are genuinely not funded this year.
- Rank ordinally, not by score. A list of initiatives each rated "high" is not a ranking. Force a strict order — first, second, third — with no ties allowed. The discipline lies exactly in the discomfort of being made to say that this initiative comes before that one, when both are important.
- Separate the important from the funded-now. Give the organisation a legitimate way to say "this genuinely matters, and it is not starting this year." The lack of that sentence is what drives the inflation: sponsors reach for the strategic label because the only alternative on offer is oblivion. A holding category — acknowledged, sequenced, not yet resourced — takes the fear out of an honest no.
- Make the no explicit, attributed, and survivable. Someone must own each decision not to proceed, by name, and must be protected for having made it. An organisation that punishes the person who said no will always drift back to a portfolio in which no one ever does.

None of this demands new tooling, and none of it is technically hard. What it demands is the willingness to let the ceiling do its work — to allow a fixed capacity to force the choices that a room full of reasonable, conflict-averse people will otherwise spend two hours avoiding.

A portfolio in which everything is approved has not made a decision. It has deferred every decision to the delivery teams, who will make them by accident, under pressure, in the order that shouting arrives.

6. The courage the word requires

Beneath the mechanics, this is not really a problem of process. It is a problem of nerve. Prioritisation is the organisational form of courage: the willingness to decide, in advance and in the open, that some good things will wait so that other good things can actually happen. Strategic inflation is what an organisation does instead of finding that nerve. It lets everyone keep their initiative, spares everyone the discomfort of the ranking, and postpones the reckoning to delivery — where it arrives anyway, later, more expensively, and with no one's name attached to it.

The word strategic, used properly, is a promise: that this, above the other things we might have done, is where we will put our scarce and finite effort. A promise made to everything is a promise made to nothing. If we want the word to mean something again — if we want our portfolios to be plans rather than hopes — we will have to do the one thing the quarterly nod exists to avoid. We will have to choose.