

Portfolio Triage – Managing Through Disruption

The need to periodically reassess an organization's initiative portfolio is now more important than ever. COVID-19 and the resulting economic and customer disruption have given all organizations pause and posed some important questions for portfolio owners and managers. What is now a (new) priority? What are the (new) criteria for evaluating initiatives? Which initiatives should we pause, and which should we accelerate? We have had many conversations with our clients and have developed some insights into what steps organizations need to take for portfolio assessment, rebalancing and triage.

1

Review Your Current Portfolio

The reality is that most organizations' portfolios only get reviewed annually to align with budget allocations. In this current state of disruption, it is imperative to review portfolios now. Each initiative needs to be categorized (Run, Grow, Transform), with costs and benefits, durations and resources clearly understood.

2

Develop Assessment Criteria

Previous initiative assessment criteria you may have used such as strategic alignment, risk and ROI at a minimum, need to be enhanced to include (new) criteria such as digitization, customer and workforce retention, security, ability to execute (work from home) and agility (incremental and responsive).

3

Reassess, Rebalance and Triage

With a detailed understanding of the initiatives in your portfolio and additional assessment criteria an organization's portfolio can be reassessed, rebalanced and in many cases triaged. There is no doubt that the environment in which the portfolio was created has changed significantly and that the portfolio needs to change to reflect that reality. If a portfolio owner or manager fails to do this periodically, they are only doing portfolio administration.

4

Develop Scenario Plans

There is no guarantee that the new normal is in fact normal. Significant changes to our environment continue to occur and an organization's ability to respond in an agile fashion is being tested. We recommend a 75/50/25 scenario planning approach. In this simple approach, an organization has at least three portfolio responses ready based on 75, 50 or 25 percent of budget or portfolio initiatives continuing. Additional scenario details can be added to this approach. Forcing these hard choices to create scenario plans will prove insightful.

5

Execute Incrementally

Given the uncertainty of our current environment, incremental execution and value is essential. What was not even on the radar yesterday may be critical tomorrow – a robust work from home infrastructure is one such recent example. All portfolio initiatives need to be executed and deliver incremental (quarterly) business value so they can be paused or stopped at any time and potentially restarted later.

6

Focus on the Few

Focus is everything in this environment. The scenario plans above will help to focus on furthering fewer initiatives to deliver targeted business value. Portfolio owners and managers need to ask: "What are the few initiatives that must be executed successfully?" and "What are the initiatives that failing to execute will sink the ship?" This will also reduce portfolio interdependences, and complexity and elevate portfolio execution.

7

Communicate

It is essential that organizations communicate portfolio priorities and constraints to all employees. A shared understanding of the basis for change—and that that basis may itself change – is important for motivating and reducing the stress of employees to deliver a reassessed, rebalanced and triaged portfolio.

About the Author

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