

# Strategic Portfolio Management: Surviving and Thriving in the Midst of Emergent Disruptions

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# Disruption Is a Certainty ...

**90%** suffered a disruption  
in the last four years

... and Can Make Enterprises **Weaker**

- Attracting the right talent
- Launching new initiatives
- Funding new initiatives
- Delivering new initiatives

# External Disruption of Business Environment

**Adverse Regulatory Intervention**

**Severe Operating Cost Pressure**

**Product/Service Failure**

**Organizational Disruption**

**Funding Shortfall**

**Labor Disruption**

**IT Service Failure**

**Cybersecurity Issue**

**Shifting Consumer Demand**



# Key Issues

1. What should business leaders do immediately when a significant business disruption occurs?
2. What key enterprise fitness characteristics should be leveraged to address a significant business disruption?
3. What key strategic portfolio management steps should be applied to survive and thrive in the midst of business disruption?

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# When a Disruption Occurs ...



**Assume Your Current Strategy Is Compromised**

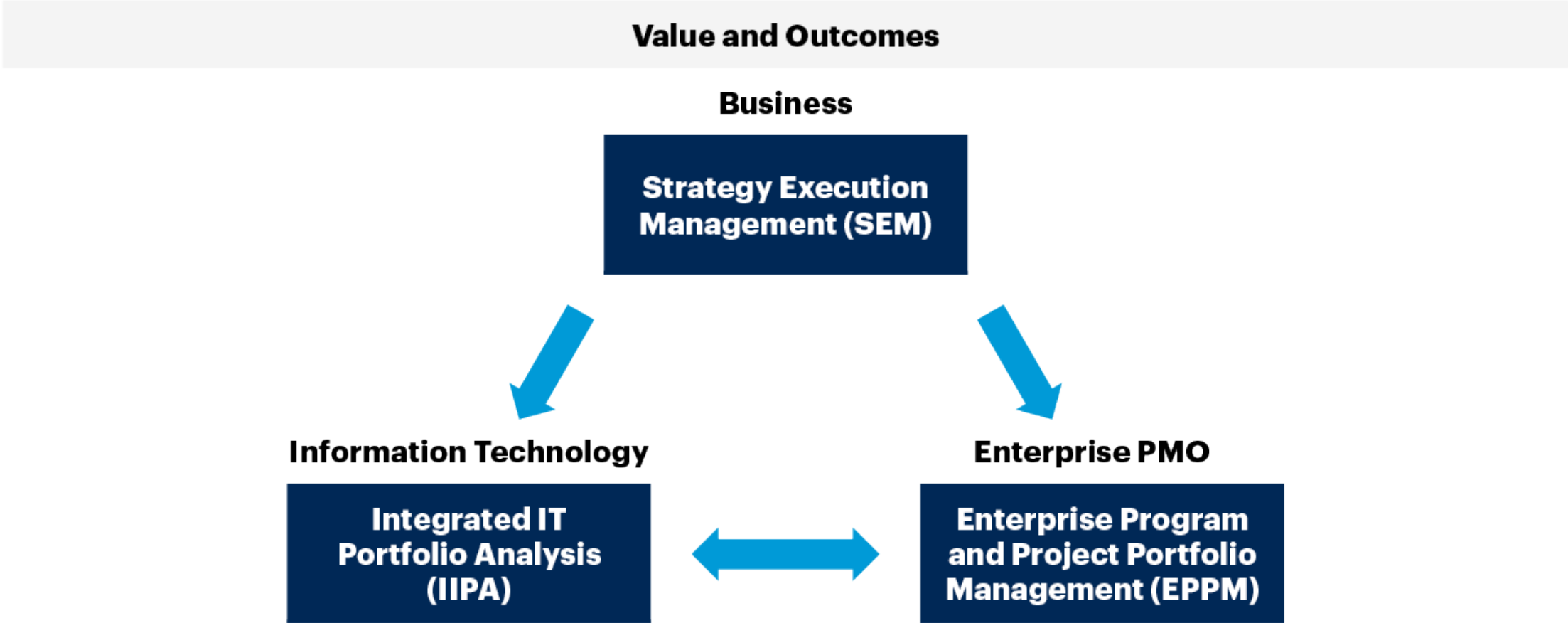


**Leverage Relationship-Based Fitness Characteristics**



**Identify Critical Resources and Form a Portfolio Team**

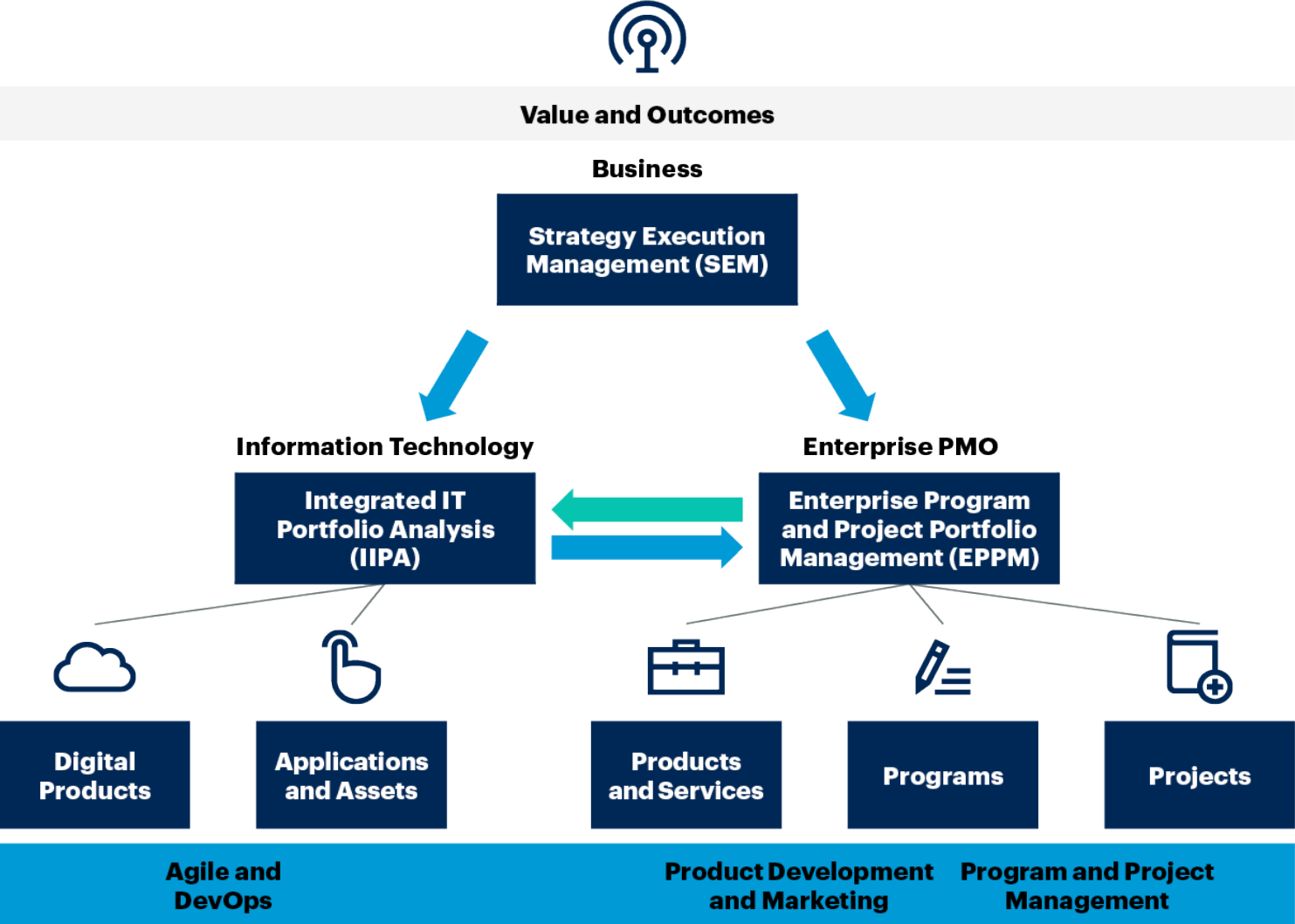
# Use SPM to Overcome Disruption



Source: Gartner

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# Use SPM to Ensure Strategic Execution



Source: Gartner  
727188\_C



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# Enterprise Fitness Can Help Overcome Disruption

**23%**

**Suffered Severe  
Disruption, Yet  
Came Out Stronger**

**24%**

**Suffered Severe  
Disruption, and  
Came Out Weaker**

**1.5%, 5%**

**Fitness Drives  
Success, Despite  
Disruption**

Source: 2020 Gartner CIO Agenda Survey

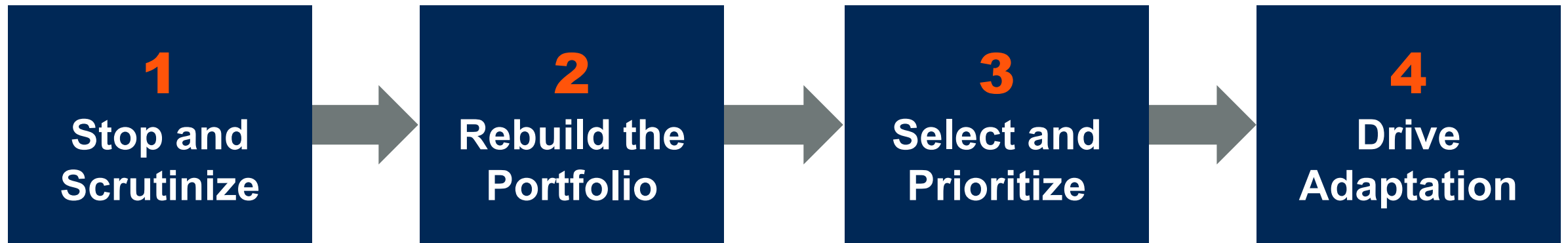
# Use Fitness to Drive Strategic Portfolio Management

Fitness Characteristic	Benefit
<b>CIO Relationship With CEO</b>	Establishes a partnership aligning overall business strategy with focused IT-based strategy execution.
<b>Clear and Effective Leadership</b>	Ensures strategy execution through clear direction and communication, while exercising empathy.
<b>Clear and Consistent Overall Business Strategy</b>	Articulates what the business wants to achieve, driving portfolio decisions based on value and strategy realization.
<b>Clearly Communicated and Consistent Vision to Employees, Consumers, and Partners</b>	Maintains alignment of key contributors with what the business wants to achieve.
<b>Disciplined IT Investment Decisions</b>	Drives strategic portfolio planning and focused execution.

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# Four Key Steps for Strategic Portfolio Management



# Step 1: Stop ...



**Enact Swift Cost Optimization Measures**



**Freeze Execution of Existing Portfolio**



**Activate and Engage the Portfolio Team**

# ... and Scrutinize

Portfolio Element	Pressure Test	New Portfolio Action
<b>Planning Assumption</b>	Is the assumption still valid and reliable in the midst of the disruption?	<ul style="list-style-type: none"><li>• If yes, include the assumption</li><li>• If no, exclude the assumption</li></ul>
<b>Goal or Outcome</b>	Is the achievement of the goal/outcome severely impacted by the disruption?	<ul style="list-style-type: none"><li>• If yes, exclude the goal/outcome</li><li>• If no, include the goal/outcome</li></ul>
<b>Dependent Business Capability</b>	Is the business capability severely impacted by the disruption?	<ul style="list-style-type: none"><li>• If yes, exclude the business capability</li><li>• If no, include the business capability</li></ul>
<b>Investment</b>	Is the investment supporting a goal/outcome severely impacted by the disruption?	<ul style="list-style-type: none"><li>• If yes, exclude the investment</li><li>• If no, include the investment</li></ul>
<b>Program, Project, Product</b>	Is the program, project, or product supporting a goal, outcome, or investment severely impacted by the disruption?	<ul style="list-style-type: none"><li>• If yes, exclude program, project, product</li><li>• If no, include program, project, product</li></ul>

# Step 2: Rebuild the Strategic Portfolio

**Define**

**Adapted Business Strategy and  
Apply New Assumptions**

**Advance**

**Valid Assumptions, Goals/Outcomes, Investments**

**Identify**

**New Goals/Outcomes and Combine Others**

**Map**

**Goals/Outcomes to Capabilities**

**Create**

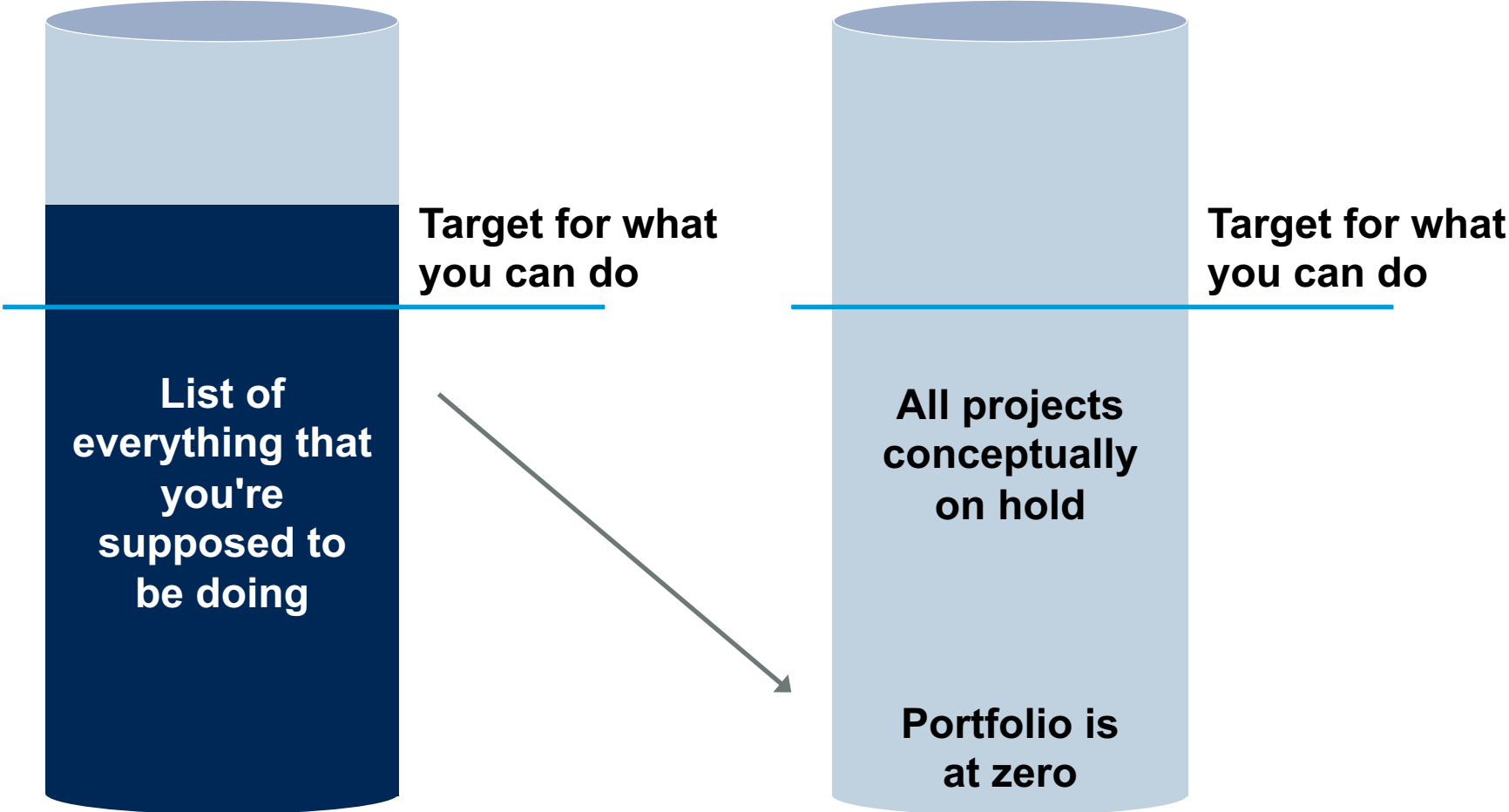
**New Portfolio Pipeline**



# Four Key Steps for Strategic Portfolio Management



# Use Zero-Based Prioritization During Disruptions



Source: [Use Zero-Based Prioritization to Refocus Portfolios on Strategic Business Initiatives](#) (G00721579)

# Zero Out the Portfolio ... Then Rebuild It

Once the target is reached, all remaining programs, projects, or products are automatically put on hold or canceled



Target for what you can do

# Four Key Steps for Strategic Portfolio Management



# Step 4: Drive Adaptation

**Apply**

**Adaptive funding and governance models**

**Increase**

**Fluid strategy-to-execution discussions**

**Shift**

**Cadence of review cycles to monthly increments**

**Monitor**

**For additional turbulent events, other disruptions**

**Explore**

**Game-changing AI and BI opportunities**

# Recommendations

- ④ Establish key partnerships to drive fluid strategy-to-execution management.
- ④ Leverage enterprise fitness characteristics when your enterprise is impacted by a business disruption.
- ④ Build an effective strategic portfolio management team.
- ④ Revisit and rebuild your strategic portfolio.
- ④ Select and prioritize your investments using zero-based prioritization.
- ④ Drive adaptability into your strategic portfolio decision making.

# Recommended Gartner Research

- 🔍 [6 Practices for Effective Portfolio Management](#)  
Anthony Henderson (G00725554)
- 🔍 [3 Priorities for the Enterprise Portfolio Management Office During Turbulent Times](#)  
Sarah Davies (G00723264)
- 🔍 [Use Zero-Based Prioritization to Refocus Portfolios on Strategic Business Initiatives](#)  
Mbula Schoen and Lee Weldon (G00721579)
- 🔍 [Use Our Decision Model to Optimize Risk, Value and Cost in Governing Portfolios](#)  
Anthony Henderson and Paul Proctor (G00721486)

For information, please contact your Gartner representative.