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Five Ways to Say “No” in Strategic Portfolio

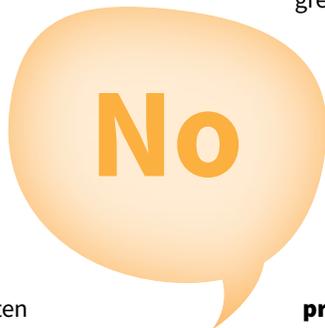
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At its core, Strategic Portfolio Management (SPM) is comparing competing proposals for selection so a company can drive the most growth from its investments. But this means some proposals get left behind. The hardest part of SPM is saying “no” and making it stick.

Saying “no” to a project carries all kinds of social implications to the proposer. Have they failed? Will they be dinged in their performance review? Has all the effort of the project so far going to waste? The stakes are high for the project team, creating anxiety and activating many human and organizational biases that drive people to find a way to proceed. For example, often people want to validate their past efforts (“sunk cost”) and feel misunderstood, which creates tremendous energy to convince executives to reconsider or even to go underground with their project.

Given the stakes, executives are reluctant to say “no” and teams are reluctant to hear it. And when executives do say “no”, there is usually sufficient ambiguity that the champion can legitimately find a way to get the project back on the table.

A clear and unambiguous “no” can be a healthy and productive step to get an organization to de-clutter, to focus in the right places, and to drive the upside of the best opportunities. But to address the organizational issues, you must distinguish between different types of “no”. I’ve found these five types important in most portfolio situations:



Cancel with prejudice “Stop all work. Do not reconsider; do not repropose. We wish to exit this area completely. We hear all the good aspects of this proposal and general area, and we are completely not interested.” This type of “no” is the one people are most afraid of, so even if an executive doesn’t mean this, anxiety about it can create dysfunction. It has the

greatest implications for teams. It might even imply obsolescence of skills or people. Used forcefully and clearly, it signals a real exit that reduces clutter and prevents it from reoccurring.

Stop, or Cancel without prejudice “Stop all work. We do not accept this proposal and terminate all official activity. However, we are willing to leave the door open a crack. If at a future time we discover a better way to proceed in this area, we are willing to reconsider.” This “no” represents a kind of commitment to a larger capability, market or other business area, even if we don’t want to pursue it as proposed. The idea falls into the background of the organization’s idea generation process, grist for the mill for future proposals. In an R&D or innovation organization, this is a very common type of “no”, and it leaves future refinements up to the routine processes and norms for generating and proposing ideas.

Reframe “We do not accept this proposal. However, we think there is a valuable idea in this area that we want to actively explore. Invest in a scouting project or similar low-level

“When I use a word,’ Humpty Dumpty said in rather a scornful tone, ‘it means just what I choose it to mean—neither more nor less.’

‘The question is,’ said Alice, ‘whether you can make words mean so many different things.’

‘The question is,’ said Humpty Dumpty, ‘which is to be master—that’s all.

— Lewis Carroll

effort to further develop this idea, radically reconsider it, and propose something related at a future date.” If an executive team is really interested in an area, even though it is a “no”, it is important to say so and resource the reframing of the proposal. This type of “no” is essential and common in an agile or learning environment in which pivots are expected. It also sets expectations of some continuity of the participants in the proposal or project, although it explicitly demands deep rethinking and a fairly significant change of direction.

Case not made “We do not accept this proposal now, but maybe you can get there. We like the idea, but the evidence for it isn’t really in place. Please respond to a punch list of issues, sharpen the argument and evidence, and come back with a better version.” Like “reframe” type, there is an implication of continuity, but in the “case not made” type, we don’t anticipate a major rethink or change of direction. This type of “no” is what project champions usually hear, and therefore they will often continue pushing for projects even when executives want something different. So if you mean “case not made”, say it; and if you mean something else, say that. It will have a huge impact on the behavior of the organization.



Shelve “We like this idea, but for reasons of priority or constraints or timing, we do not want to pursue it now. No need to strengthen the argument or case, we get it and agree. We want the team to take time to wind it down, document learnings and otherwise package the proposal so that we can pick it up again when the time is right.” This type of “no” isn’t really about the merits of the project, it’s about the rest of the portfolio or external circumstances. So it is a kind of success for the team: they have done good work and proposed something solid that

we’d like to pursue. This makes it easier for the team to focus on the immediate priorities without hanging on to the proposal, and provides a graceful transition to something else. If you use this type of “no”, just be sure to do it with integrity, picking things up off the shelf when it makes sense (and since time will have passed, typically improving the shelved proposals also).



Whether you use this particular lexicon or create terms of your own, these five types of “no” represent critical distinctions in making portfolio choices and communicating effectively to your organization. Imprecision or timidity in saying “no” on the part of the decision makers can have significant organizational implications and contribute to the difficulty of killing projects. Clarity on these distinctions can contribute to decluttering your portfolio and driving the upside of your project and portfolio.

If you mean “no”, say it. Just say it the way you mean it.

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