

Reimagining Project Management for a New Era

Why Portfolio Management Has Become the Real Strategy Function ¹

Antonio Nieto-Rodriguez²

For decades, strategy lived in documents.

Carefully crafted plans, often developed during annual off-sites, would define an organization's ambition for the next three to five years. These documents were structured, analytical, and intellectually robust. They outlined markets to enter, capabilities to build, and financial targets to achieve.

And then, almost inevitably, they were handed over for execution.

That handover is where things started to break.

Because in today's environment, strategy rarely fails in its design. Most executive teams are capable of defining compelling strategic directions. The real failure occurs in the translation—from intention to action.

And that translation happens in one place: the project portfolio.

The Most Important Metric Nobody Is Tracking

Let me start with a simple question I often ask executive teams:

What percentage of your current revenue comes from running the business—and what percentage comes from changing it?

Very few organizations can answer it.

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And yet, this is arguably the most important metric for any portfolio manager—and increasingly, for any leadership team.

Because it reveals how much of the organization's value is driven by:

- **Operations** (running today's business)
- **Projects** (building tomorrow's business)

In most established companies, 90-100% of revenue still comes from operations. That is expected. Operations provide scale, efficiency, and stability.

But that is not the strategic question.

The real question is:

How is that balance evolving over time?

Because the organization's future is not hidden in its current operations. It is embedded in its project portfolio.

From Revenue Mix to Strategic Reality

Every new product, platform, capability, or business model starts as a project.

Consider Amazon.

A significant share of its growth over the past decade has come from businesses that did not exist 15 years ago—AWS, Prime, and advertising. Each of these began as a project within a broader portfolio.

The same applies to Microsoft with Azure, or to many energy companies now investing heavily in renewables and digital platforms. These were not just good ideas. They were portfolio decisions:

- to prioritize them over other initiatives
- to allocate top talent
- to protect them from short-term performance pressures
- to scale them aggressively once signals were positive

This is strategy in action.

Not the document.

Not the narrative.

The allocation of resources.

The Project-Driven Organization Perspective

In my recent work on the Project-Driven Organization (PDO), I argue that we are witnessing a fundamental shift in how organizations create value.

For more than a century, operations were the center of gravity. Organizations were designed to optimize efficiency, scale, and repeatability. Today, that center of gravity is shifting.

Projects are no longer temporary efforts. They are the primary mechanism through which organizations adapt, innovate, and grow.

In a PDO:

- Strategy is expressed as a portfolio of initiatives
- Talent flows dynamically to projects, not functions
- Governance enables decisions, not delays
- Value is measured through outcomes, not outputs

Within this model, portfolio management is no longer a support function. It becomes the core of strategy execution—and increasingly, strategy itself.

From Planning to Portfolio Design

Traditional strategy processes focus on planning. They answer the question: *What should we do?*

But in a project-driven environment, the more important question is:

What will we do—and what will we deliberately not do?

This is where portfolio design comes in. Portfolio design is not about listing initiatives. It is about making explicit trade-offs under constraints:

- limited capital
- limited talent
- limited attention

And those constraints are tightening.

A PMI report³ estimates that organizations waste close to 10% of their investment due to poor alignment and execution inefficiencies. A significant portion of that waste is not due to delivery issues—but to overloaded portfolios with insufficient prioritization.

When everything is a priority, nothing is. And when nothing is truly prioritized, strategy becomes diluted.

The Role of the Chief Project Officer

This shift raises a fundamental question:

Who owns the portfolio?

In many organizations, the answer is unclear.

Strategy defines direction. Finance allocates budgets. Functions control resources. PMOs report on progress.

But no single role fully integrates these elements into a coherent portfolio view.

This is where a new role is emerging:

The Chief Project Officer (CPO).

As discussed in my HBR work⁴, the CPO is not simply a senior project manager. It is a strategic role responsible for:

- translating strategy into a coherent portfolio
- ensuring prioritization across the enterprise
- aligning resources with strategic intent
- enabling dynamic reallocation
- driving value realization

In essence, the CPO becomes the architect of execution.

Not replacing the CEO or CFO—but complementing them.

The CEO defines direction.

The CFO manages capital.

The CPO ensures that both are translated into **focused, executable portfolios**.

³ <https://www.pmi.org/about/press-media/2025/new-pmi-research-reveals-strategy-execution-gap-is-undermining-transformation-and-how-to-close-it>

⁴ <https://hbr.org/2022/04/the-rise-of-the-chief-project-officer>

Without this integrative role, portfolios tend to fragment.

With it, they become a powerful engine of transformation.

Three Disciplines of Portfolio Leadership

If portfolio management is the real strategy function, it requires a different level of discipline.

1. Radical Focus

The most effective organizations can clearly articulate their top three to five strategic initiatives. Not twenty. This level of focus enables:

- faster decision-making
- clearer accountability
- stronger alignment

It also requires difficult choices. Because prioritization is not about selecting what to do. It is about deciding what not to do.

2. Dynamic Reallocation

In a volatile environment, static portfolios quickly become obsolete. High-performing organizations continuously reassess their initiatives and reallocate resources accordingly. This requires:

- real-time visibility across projects
- governance mechanisms that enable fast decisions
- leadership willingness to shift resources

Projects are not fixed commitments. They are evolving investments.

3. Strategic Stopping

Perhaps the most critical—and least developed—capability is the ability to stop. Too many organizations continue funding initiatives long after their strategic logic has weakened.

These “zombie projects” consume resources, delay better opportunities, and dilute focus. Mature portfolio management treats stopping as a sign of strength.

It is not about failure. It is about discipline.

Why This Matters Now

The urgency of this shift is increasing.

Artificial Intelligence is accelerating the pace of change. Markets are becoming less predictable. Transformation cycles are shortening. In this context, the key constraint is no longer ideas.

It is capacity.

- capacity of talent
- capacity of attention
- capacity to execute

Portfolio management is how that capacity is allocated. Which makes it, by definition, strategic.

A Simple Test

If you want to assess whether your portfolio is functioning as a true strategy engine, ask:

- What percentage of our revenue comes from existing operations vs. new initiatives?
- How is that ratio expected to evolve over the next three years?
- Can we clearly articulate our top strategic projects—and agree on them?
- Are our best people fully dedicated to those initiatives?
- How often do we stop projects—and how early?

If these questions are difficult to answer, then your portfolio is not driving your strategy.

It is reacting to it.

Final Reflection: Strategy Is a Flow of Decisions—and Revenue

Strategy has always been about choice. But in today's environment, those choices are not made once a year. They are made continuously—through portfolio decisions.

Every project you start is a signal.

Every project you accelerate is a commitment.

Every project you stop is a statement of discipline.

But there is an even deeper layer.

Your portfolio today determines your revenue tomorrow.

The balance between running and changing the business is not theoretical. It becomes visible—in your growth, your resilience, and your relevance. For the project management profession, this is a defining moment. If we remain focused only on delivery, we stay at the edge of strategy.

If we engage in shaping portfolios—and influencing how value shifts from operations to projects—we move to its core.

Because in the end, organizations do not execute strategies. They execute portfolios.

And those portfolios determine not only what the organization does but what it becomes.

See you in June.

Disclaimer: ChatGPT was used to support editing and formatting. All substantive content is the author's original work.

About the Author



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Antonio Nieto-Rodriguez, PMI Fellow, is one of the **world's leading experts in Project Management and Strategy Implementation**. He is the author of the "[Harvard Business Review Project Management Handbook](#)" (HBR 2021) and is the **most published author on project management matters in Harvard Business Review**. His upcoming book, [Powered by Projects: Leading Your Organization in the Transformation Age](#), will be published by Harvard Business Review Press in early 2026.

Antonio has brought Project Management to the center of executive leadership, positioning it as a critical capability for transformation in the next decade. He is the creator of influential

concepts such as the **Project Economy®**, the **Hierarchy of Purpose®**, and the **Project-Driven Organization™**, which argue that *projects have become the operating system of modern organizations—and the language of future careers*.

His global impact on management and leadership has been recognized by [Thinkers50](#), where he is **the only project management thinker included twice in a row** in the ranking of the world's most influential management thinkers. He is also the recipient of the prestigious **Thinkers50 Ideas Into Practice Award** and a member of the **Marshall Goldsmith 100 Coaches** community.

He was the global Chairman of the Project Management Institute in 2016 and has been recognized as a Fellow of PMI for his contribution to the project management profession. He led the creation of the Brightline Initiative, founded [Projects & Co](#), and co-founded the [Strategy Implementation Institute](#).

His work focuses on advising senior leaders on how to prioritize and implement strategic initiatives and lead transformational change.

Antonio is also the author of "[Lead Successful Projects](#)" (Penguin, 2019), "[The Project Revolution](#)" (LID, 2019), and "[The Focused Organization](#)" (Taylor & Francis, 2014), and has contributed to seven other books. A pioneer and leading authority in teaching and coaching senior executives the art and science of strategy execution and project management. Currently visiting professor at Duke CE, Instituto de Empresa, Solvay, Vlerick, Ecole des Ponts, and Skolkovo.

He is a much-in-demand speaker at events worldwide. Antonio has presented at more than 800 conferences around the world, regularly evaluated as the best speaker. European Business Summit, Strategy Leaders Forum, Gartner Summit, TEDx, and EU Cohesion Policy Conference; are some of the events he has delivered inspirational keynotes.

He is former Sustainability Program Director and Head of Global Program Management Office at GlaxoSmithKline Vaccines. Previously he also served as Head of Project Portfolio Management at BNP Paribas Fortis and Head of Post-Merger Integration at Fortis Bank, leading the acquisition of ABN AMBRO, the largest in financial service history. He also worked for ten years at PricewaterhouseCoopers, becoming the global lead practitioner for project and change management.

Born in Madrid, Spain, and educated in Germany, Mexico, Italy, and the United States, Antonio is fluent in five languages. He is an Economist, has an MBA from London Business School and Insead's IDP. You can follow Antonio through his [LinkedIn Newsletter - Lead Projects Successfully](#). For more information, visit his website at www.antonionietorodriguez.com. He can be reached via email: antonio.nieto.rodriquez@gmail.com