Commentary on *Budgets Kill Projects*[1]

LETTER TO THE EDITOR

16 August 2026

Ref: Walenta, T. (2026). Budgets Kill Projects: Challenging the common belief that all Projects benefit from budgets, PM World Journal, Voll. XV, Issue VIII, August. Available online at https://pmworldjournal.com/wp-content/uploads/2026/08/pmwj167-Aug2026-Walenta-Budgets-Kill-Projects.pdf

Dear David,

Thomas Walenta's article delivers a clear and necessary challenge to a long-standing governance assumption: that budgets are reliable anchors for decision-making in complex, uncertain, or benefit-driven initiatives. His central argument is not merely that budgets are often inaccurate—it is that they are **epistemologically incompatible** with the environments in which major programs operate.

Three contributions from Walentas's article are particularly relevant for boards.

1. Budgets are predictions, not commitments

Walenta's framing is exact: a **budget** is a forecast derived from assumptions made at the moment of least knowledge. As uncertainty increases, the budget shifts from a representation of future reality to an expression of early belief. Boards that treat budgets as fixed commitments risk governing to outdated assumptions rather than emerging truth.

2. Complex programs succeed through adaptive funding

The article's examples—Apollo, Manhattan Project, COVID-19 vaccines, Olympic Games—demonstrate that large, high-uncertainty initiatives are not governed by adherence to a single baseline. They are governed by **adaptive funding**, continuous resource mobilization, and strategic recalibration. Walenta's insight is direct: projects are rarely terminated because they stop creating value; they are terminated because they exceed predictions made before the project's true nature was known.

[1] How to cite this work: Prieto, R. (2026). Commentary on *Budgets Kill Projects*, Letter to the Editor, *PM World Journal*, Vol. XV, Issue IX, September.

3. Governance must shift from prediction protection to value-based resource commitment

Walenta argues that improving forecasting techniques—Monte Carlo, RCF, Bayesian methods—does not solve the deeper problem. Even perfect prediction cannot anticipate the learning, scope evolution, and strategic opportunity creation inherent in complex programs. Boards must therefore govern through **continuing investment decisions** rather than through the defense of an initial estimate.

4. Budgets remain necessary—but not dominant

The article does not dismiss budgets. It reframes them. Budgets remain essential for accountability, comparability, and financial stewardship. But they should inform governance, not dominate it. As uncertainty increases, boards should progressively shift toward adaptive funding, milestone-based value assessment, and dynamic resource allocation.

Board Implication

Walenta's thesis aligns with modern governance thinking: complex initiatives require **living financial systems**, not static predictions. Boards that continue to privilege budget conformance over strategic value risk terminating the very programs most capable of delivering long-term benefit. The article is a constructive call for boards to evolve from budget guardianship to value stewardship. Boards need to "Govern at the Speed of Reality".

Governing at the Speed of Reality

Walenta's thesis aligns strongly with the governance architecture in **Governing at the Speed of Reality**[2], particularly its argument that modern initiatives must be governed as *living systems* rather than through static financial predictions. His commentary reinforces several of the core principles laid out in the book, with each supporting the other:

- **Budgets Are Predictions, Not Reality -** Deterministic budgeting collapses under complexity because it treats uncertainty as noise rather than structure. Walenta's paper supports this directly. As uncertainty increases, budgets shift from representations of reality to expressions of early assumptions. Static baselines create governance fragility by anchoring decision-making to outdated information.
- **Adaptive Funding Outperforms Fixed Baselines –** The book's governance model emphasizes continuous resource calibration—funding that adapts as knowledge increases.

[2] Prieto, R. (2026) **Governing at the Speed of Reality**: *A Quantum Governance Playbook for Flow, Entanglement, and Fragility in Large Complex Projects* (ISBN 978-1-105-07120-1)

Walenta's article reinforces this through multiple examples concluding *"projects succeed through adaptive funding, not adherence to prediction"*. This is fully aligned with the flow-linked, real-time resource governance called out in the book and supports the argument that value creation requires dynamic investment decisions rather than protection of early estimates.

- **Governance Must Prioritize Value Over Budget Conformance -** In Governing at the Speed of Reality I reframe governance as value stewardship, not budget guardianship. Walenta echoes this. Both recognize that governance must operate on current truth, not historical prediction.
- **Complexity Makes Fixed Budgets Epistemologically Invalid -** The book's quantum framing asserts that complex systems cannot be governed through single-point forecasts. Walenta reinforces this with an epistemological critique:
    - Programs generate new knowledge, evolve objectives, and transform their environment—making early budgets structurally incompatible with their eventual reality.
    - He demonstrates that complexity invalidates the assumption that future conditions can be reliably predicted.

  I applaud this. Governance must treat uncertainty as a first-class structural property.

- **Resource Commitment Is a Continuous Decision, Not a One-Time Approval -** Where the book emphasizes continuous sensing, continuous calibration, and continuous commitment. Walenta's article supports this through:
    - His distinction between *resource commitment*, *funding*, and *budget*.
    - His examples showing that successful initiatives repeatedly re-commit resources as learning unfolds.

  This aligns with a redefined governance loop:
  sense → classify → escalate → intervene→ recalibrate.
- **Budgets Are Useful for Accountability, Not for Governing Complexity -** Governing at the Speed of Reality argues that budgets should inform governance but not dominate it. Walenta reinforces this, acknowledging budgets as necessary for stewardship and comparability while showing they become progressively less appropriate as uncertainty increases.
  Accountability mechanisms must not override adaptive decision-making.

Conclusion

Walenta's article challenges orthodoxy without dismissing accountability, reframes budgeting as a learning problem rather than a forecasting problem, and opens a research agenda that the field genuinely needs. Most importantly, it reminds practitioners that projects are terminated not because they stop creating value, but because they exceed predictions made before anyone understood what the project would become.

The article is a constructive call for boards to evolve from budget guardianship to value stewardship.

Bob Prieto

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