Category

Enterprise Transformation

Digital Transformation Funding, Portfolio & Investment Governance Playbook

Funding transformation like a portfolio of bets with different risk profiles, not one big undifferentiated budget line

- Executive
- Advanced
- Template Included

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- 4 minute(s)

Overview

A framework for digital transformation funding and portfolio investment governance that allocates capital differently across initiatives based on their genuine risk and maturity profile — proven efficiency plays, promising pilots, and exploratory bets — rather than treating transformation funding as one undifferentiated budget subject to uniform approval and review processes.

Isn't uniform funding governance simpler and fairer across

transformation initiatives? Uniform governance is simpler to administer, but it mismatches risk — applying the same rigorous ROI-proof standard to an exploratory pilot as to a proven

efficiency initiative either kills promising exploration prematurely or under-scrutinizes initiatives that should be held to a higher evidentiary bar.

How should exploratory, higher-risk initiatives be funded and

governed differently? With smaller initial funding tranches, shorter review cycles, and explicit tolerance for a higher failure rate — evaluated on learning velocity and option value, not the same ROI certainty standard applied to mature initiatives.

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