Tempo

The 2026 *State of SPM*

What today's data reveals about *tomorrow's strategy*

Contents
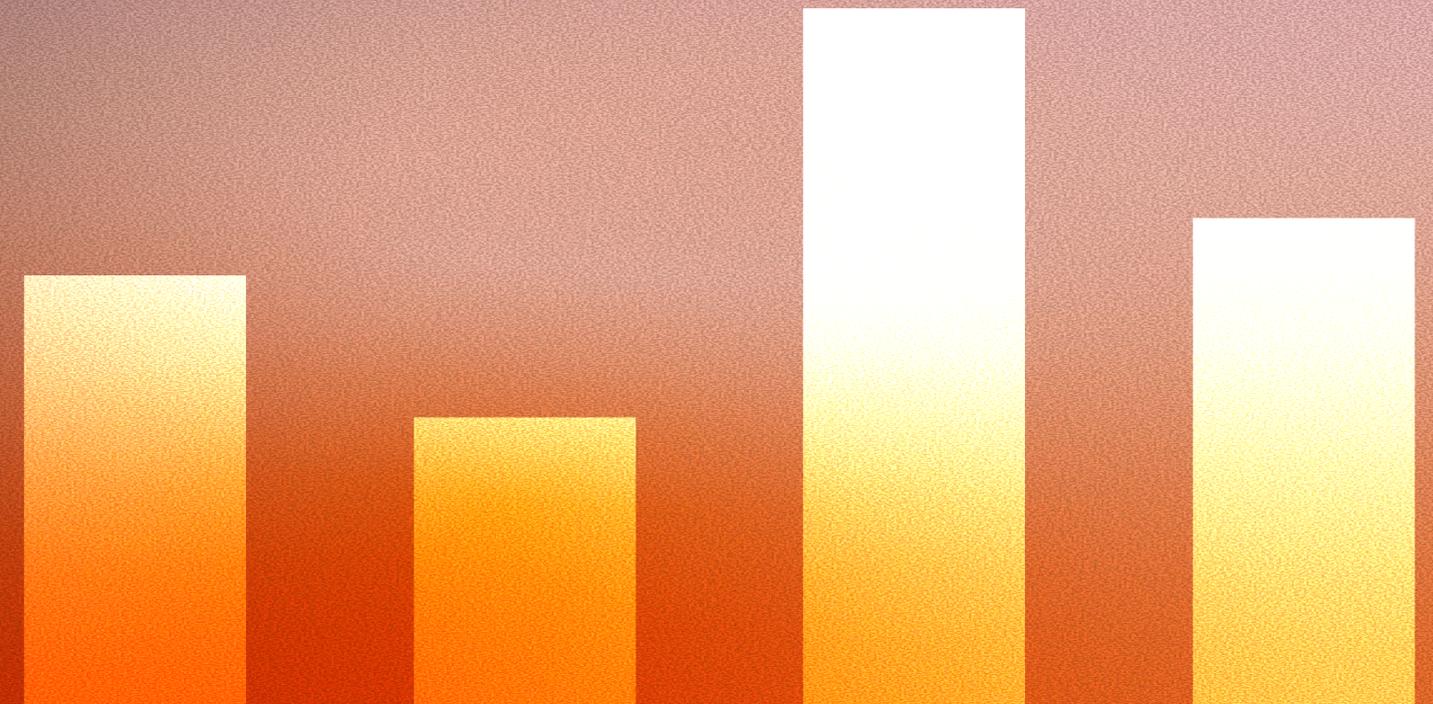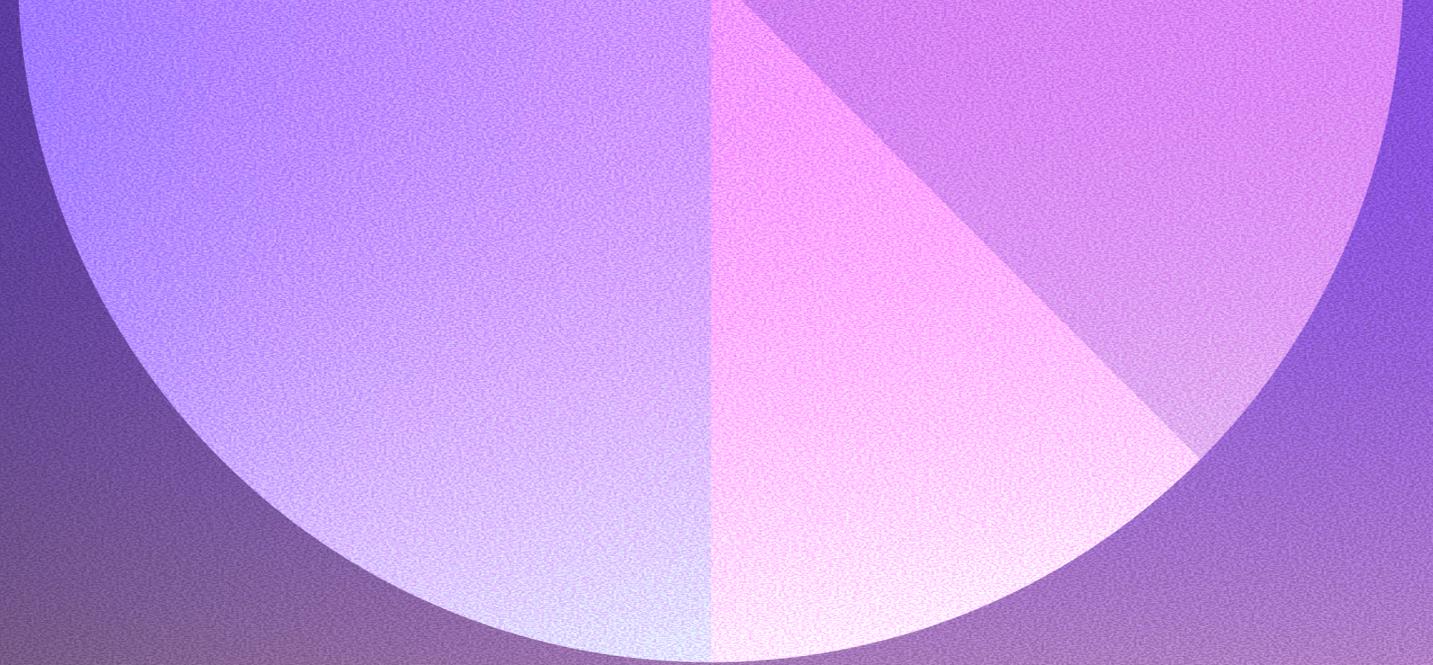
Foreword from Vic Chynoweth, CEO at Tempo Software

Opinions about Strategic Portfolio Management are easy to find.

Data that tells you what actually works?
That's harder to come by.

Welcome to the 2026 State of SPM report. We did this research to find out what is actually working for companies when they are trying to turn their strategic plans into strategic outcomes.

Strategic Portfolio Management is fundamentally about resource allocation: Are you dedicating money, people, and time to the work that drives measurable value?

Simple concept. Hard execution.

Without a mature SPM stance, strategic drift ends up costing $260M annually per $880M in strategic spend, as this report reveals.

This year's data is clear: Organizations practicing real SPM principles have a 32-percentage-point advantage in the share of projects delivering measurable ROI or strategic value compared to those stuck in annual planning cycles.

They pivot away from under-performing projects, adapt faster, and make harder decisions earlier. That's not failure – that's discipline.

This report separates what's working from what's wishful thinking. My hope is that it helps you identify where your organization actually stands, what's holding you back, and what separates confidence from results.

Thank you for taking the time to explore the State of SPM with Tempo.

Vic Chynoweth
CEO at Tempo Software
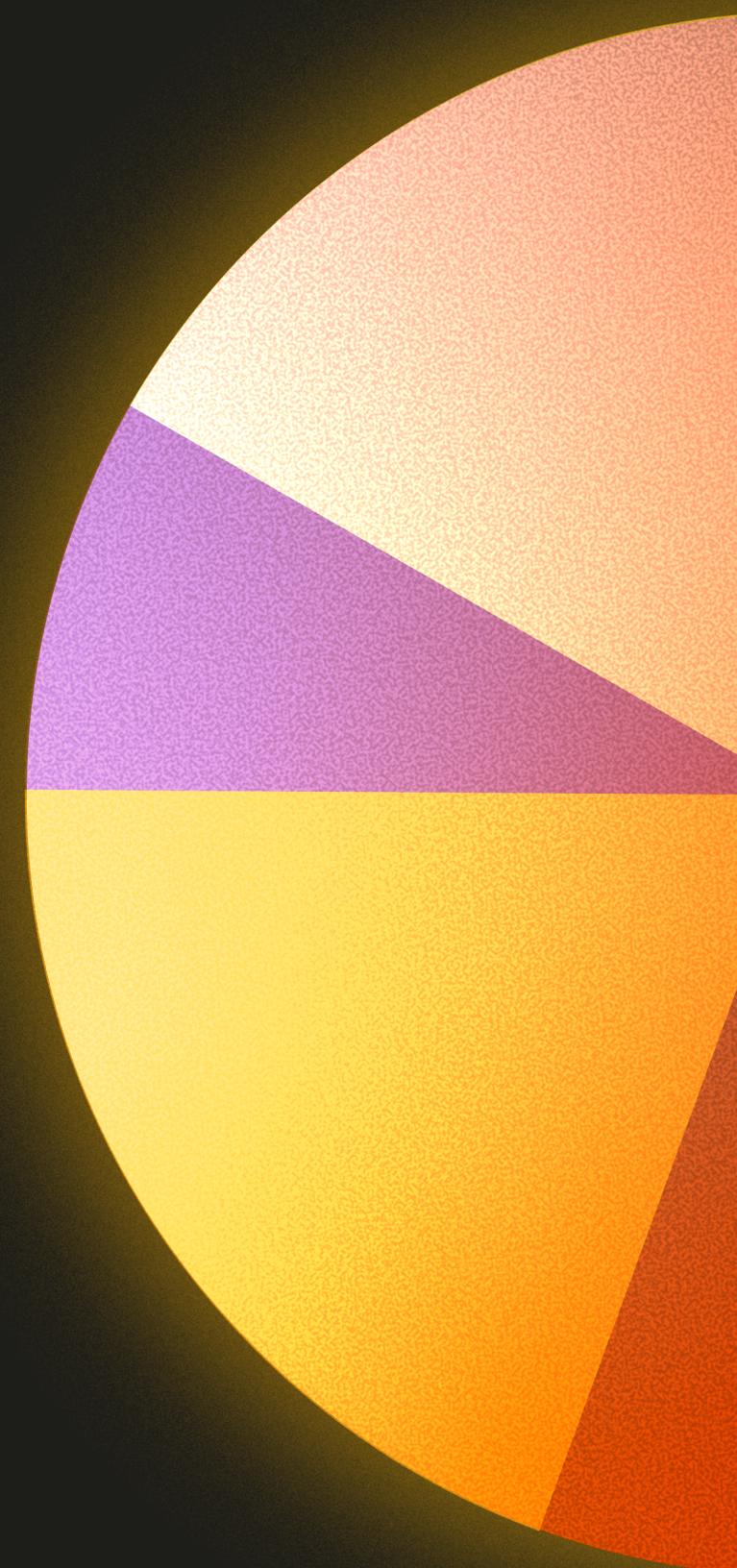
Methodology

Tempo Software conducted a survey of 667 planning and PMO leaders across 43 countries between October 28 and November 21, 2025.

The survey captures perspectives on portfolio management maturity, project visibility, resource and budget agility, decision cadence, scenario planning adoption, value realization, and AI usage in enterprise planning.

Key findings

81% vs. 45% execution gap between organizations practicing advanced portfolio management techniques and traditional organizations

Capacity planning (29.5%) is the *#1 struggle in project execution*, followed closely by prioritization and resource allocation

Teams that are *canceling more projects* overall are delivering ROI more efficiently

Almost *one out of every three* projects (30%) isn't delivering meaningful ROI or strategic value

Teams that use scenario planning report that *17% more projects* are delivering measurable ROI or strategic value than the average respondent

01

Strategic *drift*
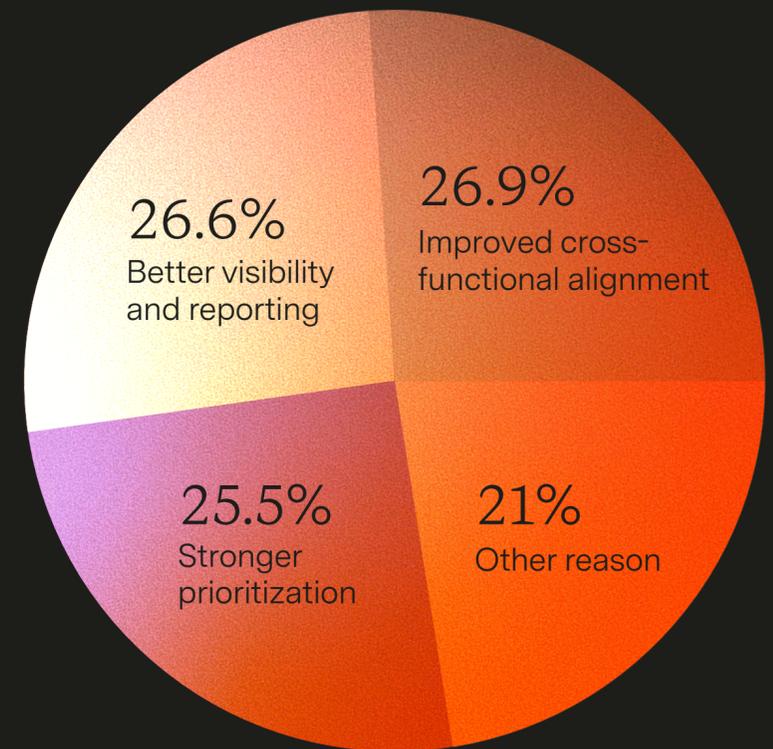
You're not even aligned on being aligned

90%

say their organization encourages adaptability and alignment across all teams.

What happens when strategic plans gradually misalign with reality? It's known as *strategic drift*, and it's a true killer of enterprise value – costing hundreds of millions per year.

This report offers a snapshot of how it happens. The vast majority of organizations claim that they encourage alignment across teams – they want to believe high-level strategy is linked to the work being done on the ground.

However, strategy starts to drift. Planning leaders crave cross-functional alignment, as this year's survey reveals. When asked about the biggest barriers to executing their plans, the top culprits include resource allocation, and – yes – cross-team alignment.

Something is going wrong.

26.6%
Better visibility and reporting

26.9%
Improved cross-functional alignment

25.5%
Stronger prioritization

21%
Other reason

Which area would most improve your ability to deliver strategic outcomes? ↑

The difference in ROI between mature vs siloed portfolio management

While our perceptions can be flawed, you can't run from the numbers. The survey found a significant difference in results between the teams with more mature processes and those operating in silos.

By this – we mean companies that have adopted capacity planning tools, measure resources against availability, and use scenario planning.

Around 70% of projects across the organizations we surveyed are delivering measurable ROI or strategic value – *meaning almost one out of every three projects isn't delivering.*

>70%

Delivering measurable ROI   *Isn't delivering*

02

The *true cost* of poor planning
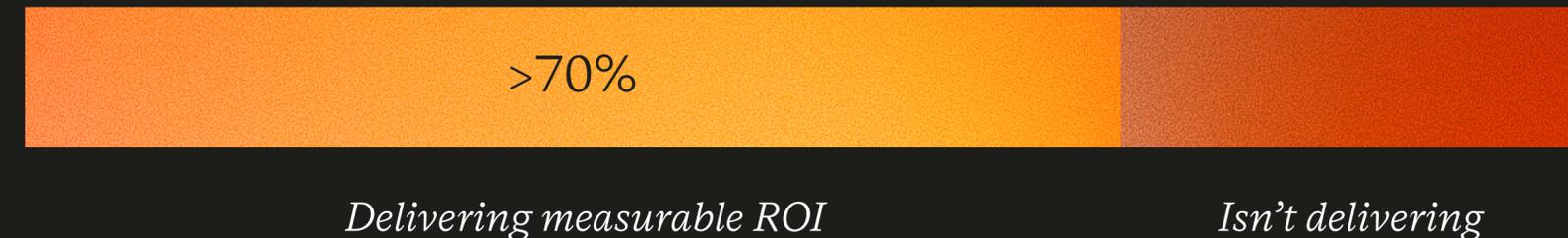
Key takeaway ↗

Those teams that use scenario planning see a *17-percentage-point advantage* in ROI delivery compared to those who aren't using any scenario planning software.

What is scenario planning?

This is the use of tools that do "what-if" simulations – allowing you to model outcomes based on changes in scope, capacity, timing, and problems that can arise.

When we asked what factors are holding teams back, it became clear why scenario planning is such an advantage: The top three challenges are around which projects to prioritize and how to allocate people.

We'll return to those cancelled plans later in chapter four – as the *cancellation paradox* arises with an interesting finding.

1. Capacity planning

2. Prioritization

3. Resource allocation

4. Cross-team alignment

5. Budget management

*Where do you see the biggest struggle in execution today?*

The scenario planning *gap*

We continued exploring the benefits of scenario planning and found that 85% of companies using it are extremely or very confident about adapting to change, vs just 46.3% of non-users – a nearly 2x difference on the top reported issue for successful execution.

Additionally, scenario planning users are 3x more likely to use AI extensively in planning (36.3% vs 11.6%).

Because the teams that cancel more projects are delivering more ROI, it is hard proof that the most ambitious goals don't drive success – rather, success comes from goals that adapt to reality and keep people's capacity and resources in mind.

Over 33% of projects are canceled or stopped early due to misalignment or lack of ROI.

>33%
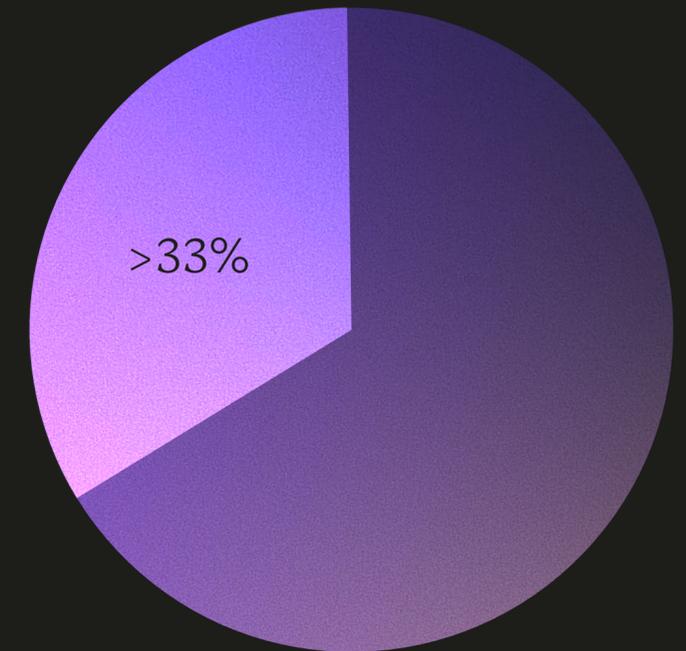
03

The silo situation and how to *fix it*

What leaders are doing to succeed

When asked about what they see as their greatest concern for portfolio success in 2026, it wasn't AI that brought the most stress.

This paints a picture of nervous markets – where leaders are worried that changes that are out of their control are going to rock their way of working.

What are your top concerns for portfolio success over the next 12 months? →

1. Speed of change
2. Market volatility
3. Budget constraints / resource allocation
4. Talent shortages
5. Lack of visibility
6. Technology adoption / AI integration

Anxiety meter

However, when we asked which factors are most important for making portfolio decisions, external factors fell to the bottom. Ultimately, serving customers and delivering against the bottom line tops the list.

Our data shows that portfolio management tools and strategy are being implemented effectively within teams – however, these initiatives clash with other departments that have different demands, different tools, different processes, and are aligned to different goals.

Customer impact

Financial metrics

Resource capacity

External timelines

External factors*

"While external forces create real disruption, most organizations still make portfolio decisions based on what they can control: Delivering the most value to clients and driving bottom-line results.

The most resilient companies aren't ignoring external risk, they're aligning strategy with execution and client impact, all backed by clear metrics."

Thad West
CEO at Isos Technology

isōs
technology

Key takeaway →

Organizations with *integrated portfolio processes* report that 14% more projects deliver ROI than those operating in silos.

* (tariffs, supply chain disruptions, geopolitical factors)

Silos *strike back*

We asked respondents to characterize their organization's portfolio management processes. Around 10% said they're siloed, with 23.3% saying they're lightly integrated across product pillars.

However – 34.1% report that their portfolio management processes are fully integrated within their team, but not across the business. Almost the definition of siloing.

If you look specifically at companies that feel their company doesn't prioritize alignment, the problem is even more pronounced: They're much more siloed (41.5%) than the overall sample (10%).

Siloed portfolio processes are a disadvantage across the board, as the results show:

Just 37% say they have good or complete visibility across projects, compared to 82% of those with fully integrated processes.

Only 40% are confident their company can adapt quickly to market or business changes, compared to 81% of those with integrated processes.

Less than half can reallocate resources in <2 weeks when pivoting plans, compared to 62% of integrated companies.

TL;DR: Silos really do hold you back.

Good or complete visibility across projects

Siloed processes

Integrated processes

Confidence in adapting quickly to market or business changes

Siloed processes

Integrated processes

Can reallocate resources in <2 weeks when pivoting plans

Siloed processes

Integrated processes

*Mama should have
raised more quitters*

While scenario planning was one of the strongest individual issue gaps for success, there was a strong runner-up as an indicator for team success: Review cadence and re-evaluation.

As we shared earlier, 70% of projects across the business are delivering measurable ROI or strategic value – that, of course, means 30%, or nearly one in every three projects, isn't delivering.

One of the top difference-makers, the data shows, is when teams frequently review their work and plans – changing (or even canceling) them – and pivoting to new ideas.

Project A

Project B

Project D

Project C

04

The cancellation
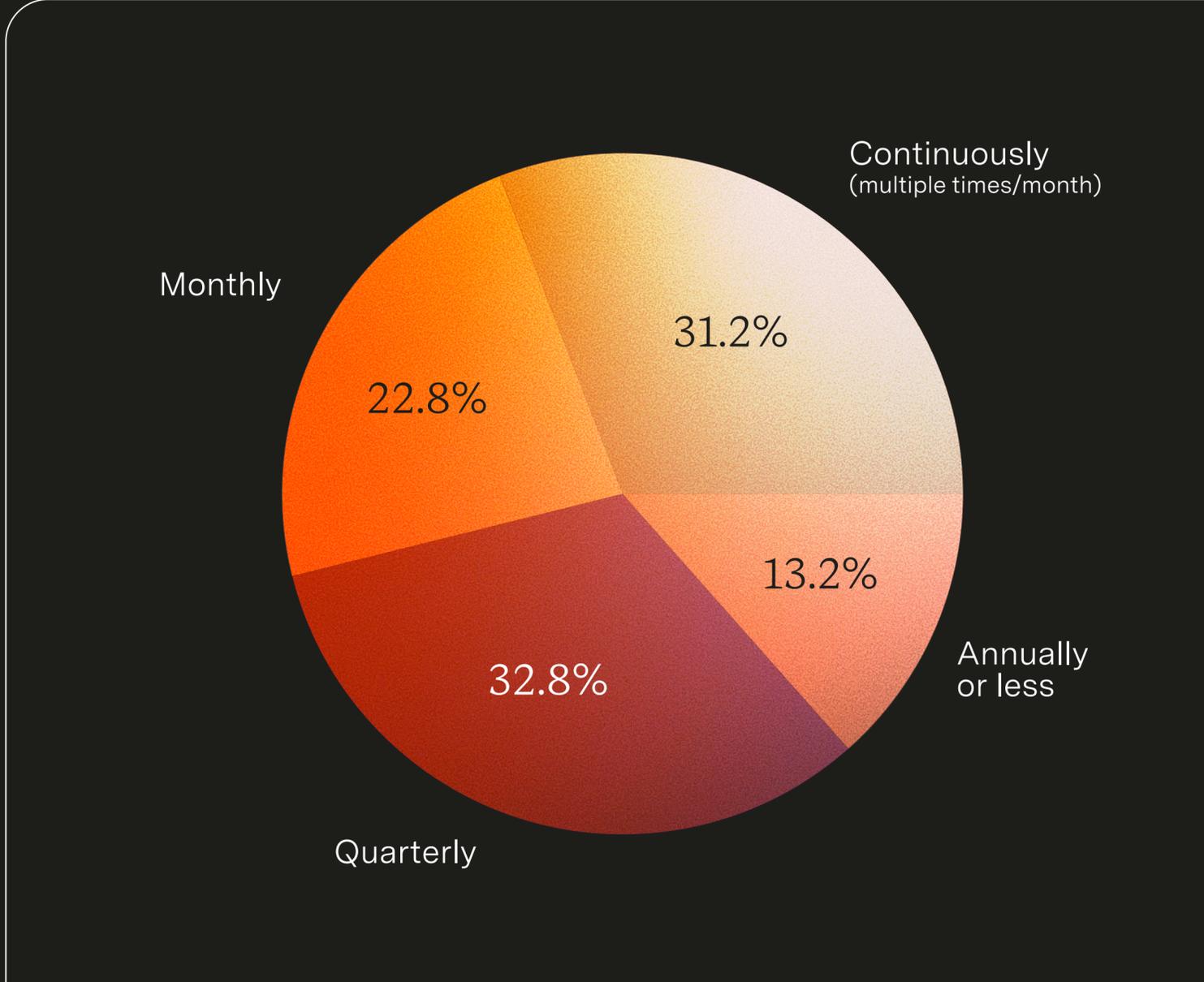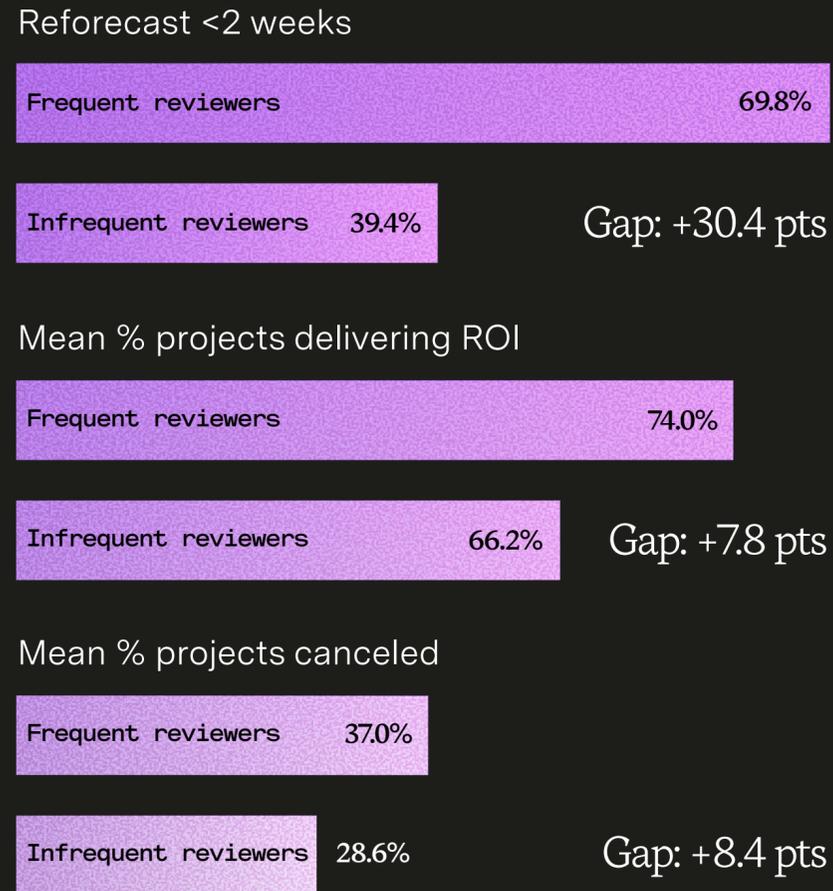*paradox*
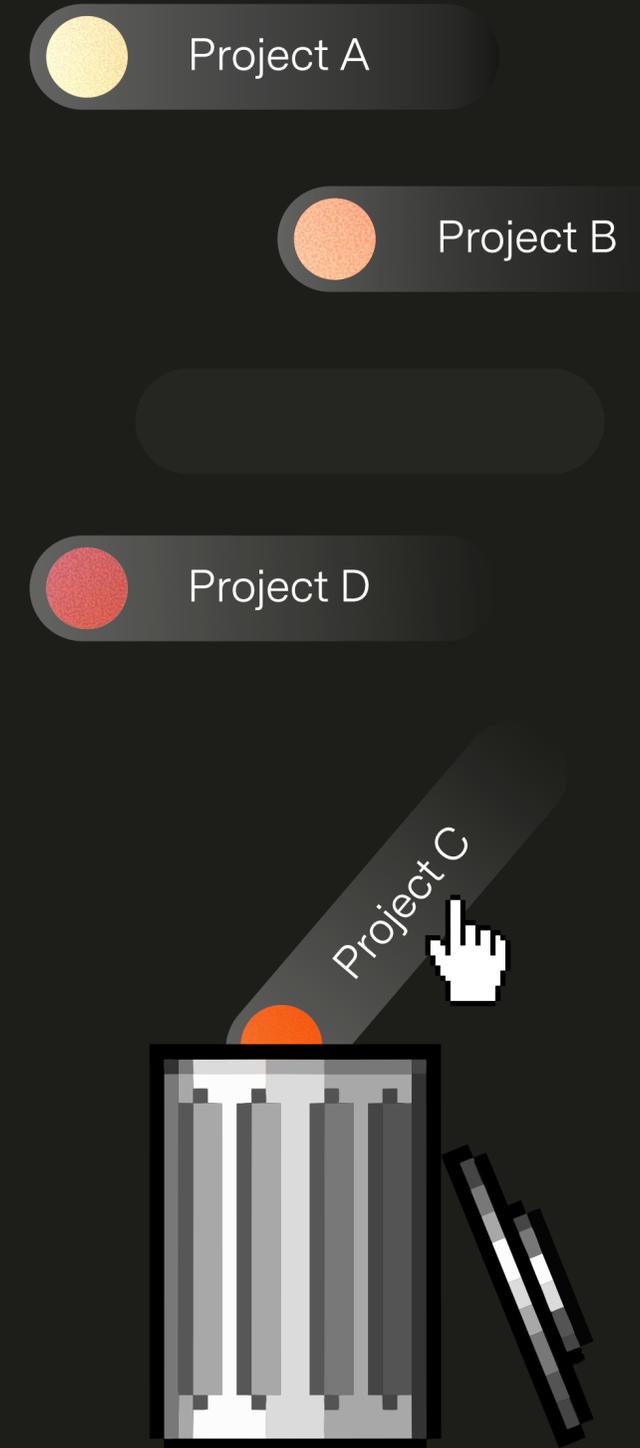
The cancellation *paradox*

We found that the more mature your planning and portfolio management – the more projects get canceled. This isn't due to a failure of planning – it is a change in the way we view planning.

The more often you review and update your plans, the more you know when to adjust to market shifts, and make changes when roadblocks appear, or when resources and capacity shift.

The teams that struggle are the ones that don't review, so they don't change their plans and are left hammering away at failing projects that should have been shelved long ago.

Key takeaway ⬂

This means frequent reviewers *cancel more projects* – but more of those projects deliver ROI.

Reforecast <2 weeks

Frequent reviewers	69.8%
Infrequent reviewers	39.4%

Gap: +30.4 pts

Mean % projects delivering ROI

Frequent reviewers	74.0%
Infrequent reviewers	66.2%

Gap: +7.8 pts

Mean % projects canceled

Frequent reviewers	37.0%
Infrequent reviewers	28.6%

Gap: +8.4 pts

Continuously (multiple times/month) 31.2%

Monthly 22.8%

Annually or less 13.2%

Quarterly 32.8%

How frequently does your organization re-evaluate and adjust portfolio priorities?

Math time

The ROI Calculator

It can be hard to take all these numbers and stats and understand the impact on reality. To help with this, we've prepared a breakdown based on a sample enterprise company.

To start, let's crunch the numbers with real examples – based on 30 academic papers and informed by 70–80 studies around how people approach planning.

Reports often show that 30–40% of initiatives don't deliver intended benefits. So **35%** is a conservative midrange. Portfolio studies commonly find 10-30% of active work is weakly aligned, duplicative, or legacy.

So **20%** is a conservative midpoint.

Now, benchmark **$100/hr** as the default for a fully loaded employee (salary, bonus, benefits, taxes, overhead), which is conservative for an enterprise. Cost-of-delay literature often uses 1-5% per week depending on market exposure.

Let's go with **2%** as a cautious estimate.

Tallying that up:

35% of initiatives don't deliver intended benefits

20% of active work is weakly aligned / duplicative / legacy

$100 /hr per employee

2% /week cost of delay

"One of the biggest hidden costs in the enterprise is constant resource reallocation. Teams spend weeks reshuffling priorities because there isn't a clear, shared view of portfolio alignment. When that visibility improves, organizations don't just save time – they prevent millions in wasted spend and accelerate delivery of the work that actually matters."
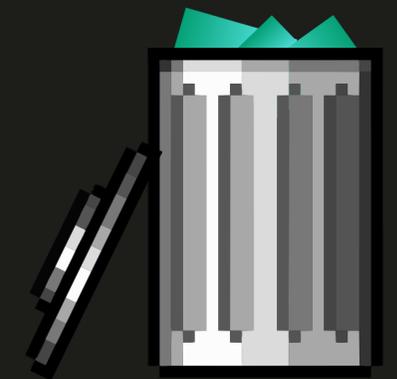
Jess Fraser-Darling
Director of Atlassian Solutions at Eficode

eficode

So what's the damage?

For an example company with $880M in strategic spend, that's $260M annually lost. Recoverable waste? $75M to $85M annually.

Every day spent reallocating resources = *$200k-$500k in waste.*

"That disconnect isn't about confidence – it's about decision friction. Adaptability isn't measured by how leaders feel, but by how fast organizations can reallocate capacity when priorities shift."

Vando Gonçalves
Solutions Architecture Specialist at e-Core

e-core

05

Planners *vs* Plodders

The difference SPM makes

To fully understand the advantages of adaptivity, we see that the companies embracing all the difference makers above are seeing the best results.

We'll call this group Dynamic Planners, and they account for about 1/10 of our overall sample. These high-performing teams have four key attributes:

- Their business encourages adaptability and alignment across all teams
- They use scenario planning
- They adjust their plans monthly or even more often
- Their portfolio processes are integrated across product pillars or adopted and integrated across the business

The second group – the Plodders – have the opposite traits:

- They report that their business doesn't encourage alignment
- They don't use scenario planning, and often have no plans to implement it
- They adjust their strategy annually or quarterly at best
- Their portfolio processes are siloed or only integrated within specific business functions

It can't be overstated how differently these groups are performing.

This is where the gap between perception and reality narrows down – as the Planners actually have the data to back up the confidence

they have to adapt to change.

Planners can re-forecast budgets and resources quickly: Only 55% of our overall sample is able to reallocate in less than two weeks, but 80% of Planners can hit that two-week target.

Key takeaway ⬊

Notably, the ROI gap between these groups is substantial. *A full 81% of Planners' projects deliver measurable ROI* compared to 45% of Plodders' projects.

		Dynamic Planners	Plodders
How aligned are your project portfolio priorities with organizational goals?	Fully or mostly aligned	94.9%	36%
	Somewhat or completely misaligned	3.1%	63.6%
How would you rate your visibility across your entire product, IT, service, and customer-focused projects?	Complete or good visibility	95.3%	18.2%
	Limited or no visibility	0%	41%
How confident are you in your organization's ability to adapt quickly to market or business changes?	Very or extremely confident	89%	13.6%
	Somewhat confident, not so/not at all confident	11%	86.4%
How long does it typically take to re-forecast budgets or resources after a change?	Less than 2 weeks	80%	14%
	Over a month	9.4%	55%

Planners vs Plodders 2: *Plan Harder*

Visibility gap is dramatic: 95.3% vs 18.2% (+77.1 pts). Zero Plodders have "complete visibility" and more than four in ten have limited or no visibility across portfolio projects.

Alignment gap is dramatic: 95% vs 36% (+59 pts). Over half of Plodders (63.6%) report somewhat or complete misalignment with organizational strategy.

AI adoption: No Plodders use AI extensively (0%), while 30.3% of Planners do.

SPM was developed to tackle these problems – *and it appears to be working.*

From our findings, we are claiming that SPM is alive and truly thriving in 2026.

While there's plenty of confidence (sometimes more confidence than clarity), and not every project is a winner – those who are taking their planning in a new direction are putting a stop to strategic drift and seeing real returns.

The highest-performing teams aren't clinging to perfect plans or heroic roadmaps. They're reviewing frequently, creating alignment across teams, reallocating resources without drama, and canceling projects early when the numbers stop adding up. The "cancellation paradox" turns out to be one of SPM's biggest strengths: Fewer sunk costs, more focus, and higher ROI.

Adaptive scenario planning, integrated tools, continuous re-evaluation, and cross-functional alignment aren't nice-to-haves anymore. Together, they're the difference maker between hoping you'll adapt and actually doing it.

The organizations using these practices are delivering measurably better outcomes, with higher ROI, faster re-forecasting, and confidence grounded in reality.

So is SPM working? The data says yes. Not because it promises certainty, but because it's built for change.

After decades of making our tools for delivery the most fine-tuned machines they can be – it is about time we apply that energy to our planning. Priorities will always shift, markets wobble, and problems will arise. SPM is giving teams something far more valuable than a static roadmap:

The ability to keep choosing the right work, at the right time, *with eyes wide open.*

Conclusion

All according to plan

Tempo

Tempo Software provides an Adaptive Strategic Portfolio Management platform that helps organizations connect strategy to execution through continuous planning, real-time visibility, and better decision-making.

By unifying portfolio, capacity, and financial intelligence, Tempo enables enterprises to adapt investment and delivery as priorities evolve. Trusted by 30,000+ customers and supported by 300+ solution partners, Tempo powers portfolio transformation at scale.

Discover how to go from static to adaptive strategy at tempo.io