

Use AI to Improve Portfolio Economics, Not Just Output

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A portfolio framework helps PMs assess software assets by value, carrying cost, and direction of travel—and apply AI only where it improves those economics. This brief also examines a sharp activation gap in a mobile launch and practical responses to a more strained, AI-shaped PM career environment.

Big Ideas

Manage software as a portfolio of economic postures

A framework from *The Beautiful Mess* places each software asset on two dimensions: **value created** and **carrying cost**. The resulting posture is to **Incubate** (low value/low cost), **Compound** (high value/low cost), **Refinance** (high value/high cost), or **Liquidate** (low value/high cost). [1]

Why it matters: static categorization is not enough. The key question is where an asset is moving, how quickly, and whether that movement is intentional. A healthy path can move from Incubate to Compound and later toward Refinance, where the team must restore the economics or eventually retire the asset. [1]

For platform work, judge success by whether dependent products gain value, lower their carrying costs, or both—not by adoption or output alone. A platform that adds coordination overhead and complexity is simply another costly asset. [1]

Treat AI as an accelerator, not a strategy

The useful question is: **which portfolio movement are we asking AI to accelerate?** AI can improve an asset's economics, but it can also accelerate

known traps: building faster without evidence of value, adding throughput to an existing constraint, or over-optimizing today's winner at the expense of future bets. [1]

Technical debt follows the same logic. It can be rational leverage for a Compounding asset, but is riskier before value is proven and becomes a restructuring problem when its carrying cost consumes returns. [1]

Tactical Playbook

Run an economics-based asset review

1. **List the assets** in the product area: customer-facing features, platforms, integrations, and aging systems.
2. **Place each one** by its current value and carrying cost, then assign the corresponding posture: Incubate, Compound, Refinance, or Liquidate. [1]
3. **Record its direction and speed.** Identify whether the asset is becoming more valuable, more costly, or both—and whether that trajectory is deliberate. [1]
4. **Choose the matching action:** prove value for Incubate bets; protect and expand Compound assets; restructure Refinance assets; retire low-value, high-cost work. [1]
5. **Apply the AI check:** before automating or accelerating work, specify the economic movement expected. If AI only lets the team produce more of an unproven or constrained activity, pause. [1]

Case Studies & Lessons

An acquisition spike that did not activate users

A mobile app offered a free lifetime subscription to drive Google Play pre-registrations. It received **111 pre-registrations** and a launch-day spike of **111 device acquisitions**, but only **two first opens**. [2]

The reported structural issue was that Google Play auto-installed the app in the background: the incentive generated intent to download, but the passive installation did not earn active attention. The app was sitting silently on 109 home screens. [2]

Lesson for launch planning: separate *device acquisition* from *activation*. Do not treat install volume as evidence that users have encountered, understood, or used the product. Evaluate whether the delivery mechanism itself creates an active moment of attention before using pre-registration acquisition as a launch-success metric.

Career Corner

AI is amplifying some PM work—and destabilizing other career expectations

In a tech-worker survey discussed on Lenny’s Podcast, 50% reported feeling amplified by AI, while 27% felt their role was being redefined, 14% destabilized, and 5% diminished; only 3% reported no professional-identity shift. [3] Significant burnout rose from **44.7% in 2025 to 54.7% in 2026**, while optimism fell from **54.8% to 48.7%**. [3]

How to respond: go deep on a small number of AI-supported tasks rather than trying to become an AI generalist; watch for an expanding scope without corresponding compensation; and recalibrate workload with your manager. The discussion also emphasizes investing in the manager relationship and seeking strong mentorship, especially earlier in a career. [3]

Make a job search an operating system

One Staff/Principal PM’s account describes a roughly four-month search with 30+ interviews that reached at least recruiter-screen stage, alongside substantial ghosting and rejection. Their response was to treat the process as a structured project: track every application and outcome in a spreadsheet, visualize the funnel in a Sankey diagram, reserve dedicated preparation time, and take occasional rest days. [4, 5]

Apply it: track the funnel rather than judging progress by any one rejection. A visible record of stages and outcomes can make the search more measurable while revealing where effort should go.

Tools & Resources

- **Portfolio economics grid:** Use the Incubate / Compound / Refinance / Liquidate model as a lightweight template for product, platform, and technical-debt discussions. [1]
- **Application-funnel tracker:** A spreadsheet paired with a Sankey-style visualization can turn a job search into a reviewable pipeline rather than an unstructured stream of applications. [5, 4]

Sources

1. TBM 430: Incubate, Compound, Refinance, Liquidate
2. r/ProductManagement post by u/Embarrassed_Spell402
3. Why the tech workforce is quietly splitting in two | Annual AI sentiment survey (Noam Segal)
4. r/prodmgmt post by u/spartan44-78
5. r/prodmgmt comment by u/spartan44-78