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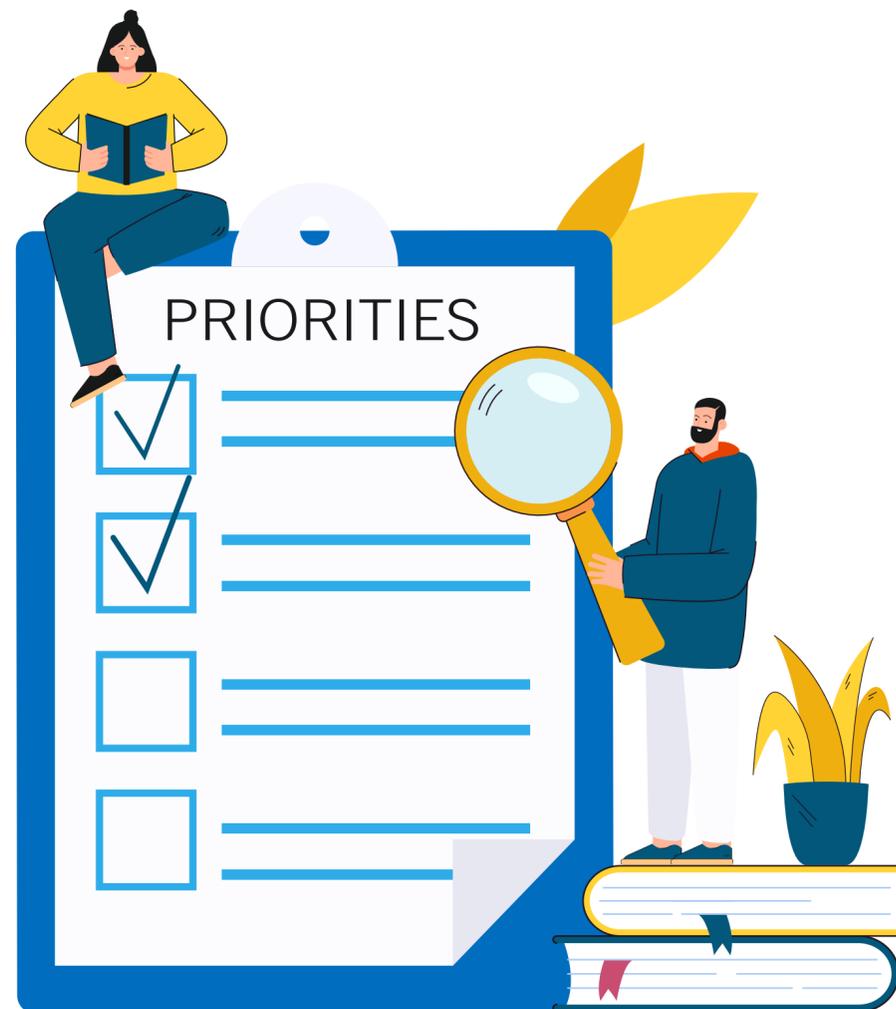
Portfolio and Product Prioritization for Modern Organizations

One Platform to integrate all workstreams and projects from Azure DevOps, Jira Software and other Project Management platforms.



Overview

Prioritizing projects and initiatives can be challenging. Everything seems necessary, and all requests from stakeholders are always high-priority.



Teams constantly face issues, including:

- How do we figure out what to do first?
- Are we saying yes to all work?
- Are we sure that we are working on the most valuable initiatives?
- Should we give priority to work-in-progress or start new high-priority projects?

Even if your current work selection process is effective and you have answers to these questions, there's always an opportunity to improve how your organization responds to changes.



Organizations must be able to look at all projects and initiatives and answer one question: **"What should we focus on to win?"**

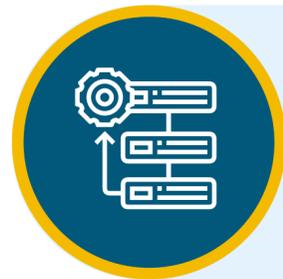
Set-up

Effective prioritization requires a well-documented prioritization process and governance.

For effective prioritization, you need to:



Gather the right group of stakeholders and decision-makers

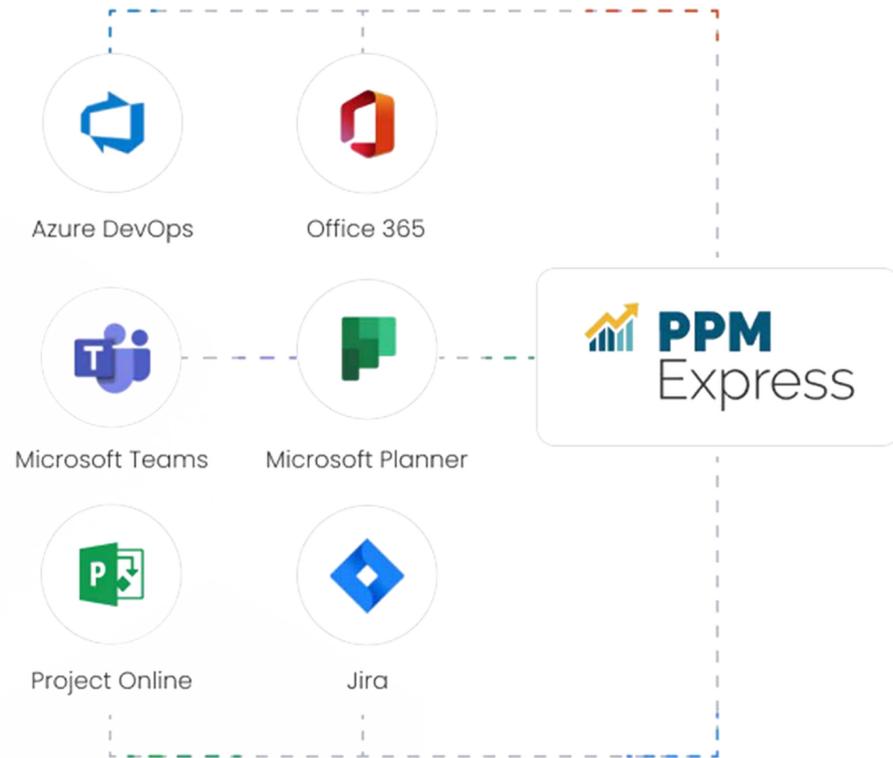


Define factors and model for prioritization



Decide when and how often you will prioritize initiatives





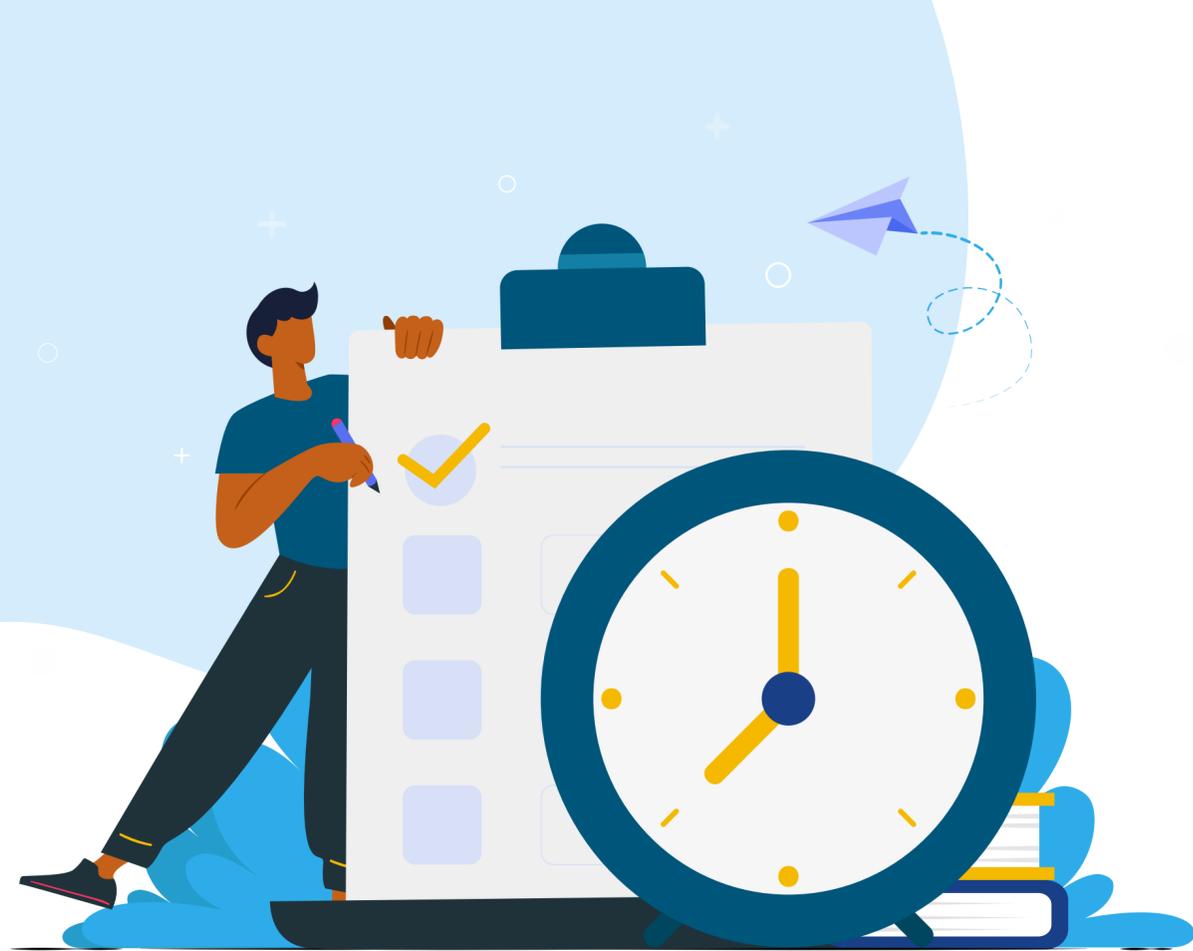
Stakeholders

Identify teams that will prioritize – typically, you want to have onboard people who have the expertise to properly evaluate initiatives against prioritization factors.

Prioritization Factors

Select prioritization factors based on your company objectives. Those factors can be from existing prioritization models such as Priority, Strategic Alignment, or weighted score models like WSJF, RICE, ICE, etc. or a strategic business objectives such as financial, business transformation or expansion, or complexity.

You can use many objectives such as strategic alignment, risk management, innovation drivers, service improvement, customer satisfaction, ROI, revenue growth, market share, risk reduction, etc.



Timing

Once-a-year prioritization unfortunately doesn't cut it anymore. You need to use a mix of prioritization sessions, depending on the speed of change in the organization and the size of initiatives.

Some more significant initiatives require quarterly sessions, while many organizations opt in for monthly prioritization where they can review both work-in-progress and pipeline, and make any necessary adjustments.

Some organizations constantly review new work based on their capacity and new work pipelines. This approach enables the organization to adapt quickly to market changes and new opportunities.

Prioritization Models and Factors

You can use various frameworks and factors for prioritization. You cannot prioritize multi-billion projects against small work orders. Group your initiatives by category/team/type/size and prioritize against each other using selected factors.

Prioritization focuses on maximizing the value of the work-in-progress and planned work based on one or multiple aggregate factors that are calculated based on the combination of factors. Some advanced models can also include one or several constraints (for example, resource capacity and budget limitations) for prioritization.

You can, but don't have to, choose a single prioritization model for all of your projects. Organizations use different models, or a combination of models, to prioritize different work.

Weighted Shorted Job First Model

When **SAFe** (short for **Scaled Agile Framework**) was first introduced to assist big organizations in implementing Agile and quickly adapting changes, it naturally had its way of prioritizing. The **Weighted Shortest Work First (WSJF)** priority model helps calculate and understand the financial impact of not completing tasks or not implementing a solution sooner. It is what is known as the **Cost of Delay**. This framework is designed to accelerate the delivery of value, especially in large projects and initiatives, where the problem is more and more in large queues and waiting



How to calculate the cost of delay?

The WSJF has a Cost of Delay. Cost of (CoD) is composed of three parts. To estimate CoD, a company should use its set scale to score the following criterias for a particular item:

User/business value: Suppose the relative worth of each job to their customer or business. For example, the project or function that the customer most often requires scores higher than the project or function that generates the most revenue.

Time Criticality: Has user/business value declined dramatically over time? If a company knows that a competitor is developing something like this, their project has a high time-critical score because they want to be the first to list their new product or feature.

Risk reduction/opportunity leads to value: What is the future impact of each job? Does a job reduce future risks and open up other business opportunities? Once all the available items are scored using the above criteria, they add a relative CoD score.

How to measure job duration?

While it sounds straightforward, the calculation of work duration can be tricky. However, it is essential for weighted shortest job priority. Using worker hours yields such large values that WSJF values become meaningless. It is, therefore, more effective to assign value based on that relative estimate of the number of workers per month. If the company is unsure how long the project will take, the scale of work can be used to calculate the WSJF value instead of the hours worked. They can use the amount of code they need for technology development projects. Remember that these values are estimates and should be relative to other items under consideration.



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What is
meant by the
WSJF ratio?

The **Weighted Shorted Job First** ratio is determined by **dividing the delay cost of an item by its duration**, and a more prominent number means a greater priority. However, the product professionals responsible for sequencing the backlog still make the final decision. Factors such as regulatory deadlines, the vulnerability of legacy systems, or the establishment of a basis for future functionality may be difficult to represent in financial terms but need to be considered.

RICE Prioritization Model

The **RICE scoring model** is a prioritization framework designed to help product managers identify which products, features, and other initiatives to place on their roadmaps, scoring these items based on four factors. The **RICE** priority evaluation benchmark is a structure developed to support product managers decide which products, functions, and initiatives are priorities in their roadmaps.

Product managers need unique methods and techniques to prioritize and achieve significant business outcomes. Intercom's team has used dozens of other priority models but still cannot find one that gives specific scoring methods to help the team determine which plans need to be prioritized clearly and precisely.

While the company's product teams know and use the priority models of many other product managers, they are working hard to find a way to apply **Intercom's** unique competitive project ideas. To solve the problem, the team developed its assessment model based on four factors:

Reach : Normalized Fctor–From 0 to any number
Impact : 0.25 - 3
Confidence : 0% - 100%
Effort : Man-month

and **a formula that multiplies these factors.**

This formula outputs a single score. Even the most different ideas can be applied consistently, giving teams an objective way to identify which initiatives are prioritized on their product roadmaps.

MoSCoW Prioritization Model

Dai Clegg of Oracle UK consultancy devised **MoSCoW** analysis to identify priorities inside projects with strict time restrictions. This is a particularly critical approach in agile methodology, prioritizing items with the highest business value. The product features that a team considers being the most valuable are most likely to be developed and implemented.



What are the criteria for prioritizing using MoSCoW?

The **MoSCoW prioritization** method uses a simple set of criteria to identify the importance of projects. The MoSCoW requirements assist teams in prioritizing strategically and logically. This technique reduces squandered time, squabbles, and misdirection. It also removes as much prejudice as possible from the process, allowing everyone to see the needs objectively.

The four categories of priority needs are as follows:

Must Have

These projects are crucial to the organization's success.

Should have

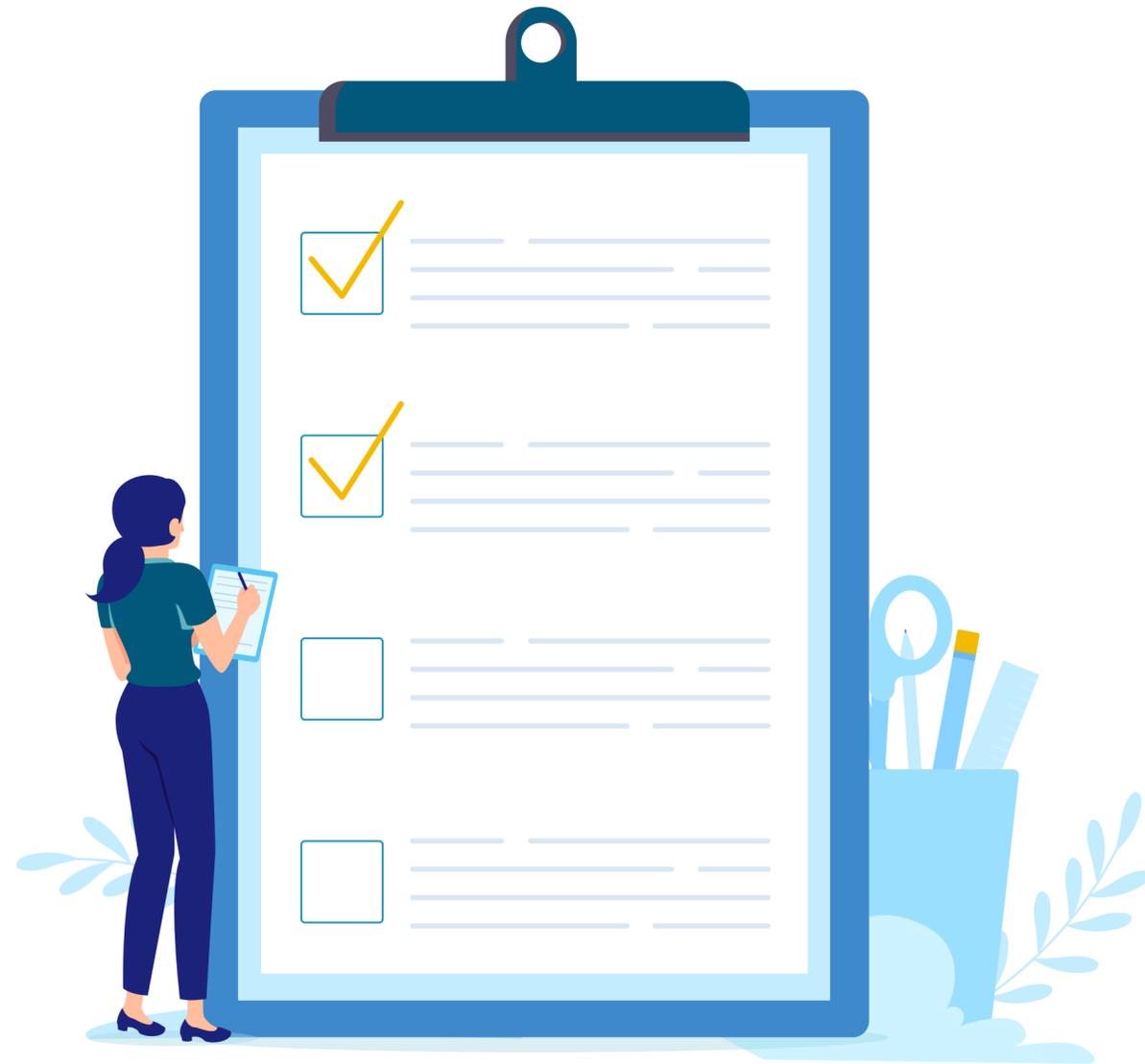
These Projects are essential, even though they are not as crucial as the "must-have" bucket.

Could have

These projects are excellent and would add a lot to the success of the organization / initiative, but they are unnecessary. Consider including them if the team has the time.

Will Not have

These features are not good enough to justify the time, effort, or money. The team can explore them later, but they are unnecessary right now.



Continuous Prioritization

Changes are rapid. Companies work at extreme speed. Some initiatives can become misaligned to the strategy overnight, and it is in the organization's best interest to stop wasting time and effort.

Monitor progress after the work starts – you may discover that the alignment of certain projects has changed. As business drivers change, how you prioritize should also evolve. Your process and prioritization drivers should reflect changes in business goals, environment changes, and customer demands. This means that not everything has to be fixed – you need to be able to adapt as you measure and learn, and use iterative practices promoting continuous improvement.

Prioritization is an evolving process. You have to experiment to find the best model. Start with a simple approach, get feedback, add new factors over time, and switch models – but identify what works best for your organization.

The Business Value of Prioritization

Organizations that practice continuous prioritization increase their chances of beating the competition – they can adopt changes faster. An effective prioritization process can help with:



Decision making

Focusing on work with the maximum business value

Adjusting to the fast pace of change

Constantly evaluating and lowering business risks

Assigning the right people and teams to the right project work

Prioritize with PPM Express

www.ppm.express



We invite you to start today by setting up your portfolios and discovering the prioritization framework. Begin with this guide – **it is a great starting point and opportunity to change and advance.**

With over nine years of experience in Project Portfolio Management, the PPM Express team has gained knowledge and experience from working with hundreds of organizations. Take advantage of our insights – the best software on the market, best practices, multiple prioritization frameworks, and outstanding support – and transform your organization by connecting strategy with execution.

Bonus:

Prioritization Gameplan Template



1 **Date**



2 **By**



3 **Prioritization Objectives**



4 **Expected Outcomes**



5 **Committee / Who**



6 **Prioritization Date / When**



7 **Prioritization Framework**



8 **Lessons Learned**

