PROJECT PRIORITIZATION

A STRUCTURED APPROACH TO WORKING ON WHAT MATTERS MOST

OFFICE OF
QUALITY IMPROVEMENT
UNIVERSITY OF WISCONSIN-MADISON

WWW.QUALITY.WISC.EDU

OFFICE OF QUALITY IMPROVEMENT

PROJECT PRIORITIZATION

This guide describes a proven approach to setting priorities when the amount of work that needs to be done surpasses the resources available to accomplish the work. You will find step-by-step instructions for creating and using a simple prioritization matrix to make tough decisions.

Written by
Carol Gosenheimer, Division of Enrollment Management

Contributors
Brian Rust, Division of Information Technology
Nancy Thayer-Hart, Office of Quality Improvement

TABLE OF CONTENTS

Version 1.1 Created 03.2012

For additional information contact:

Office of Quality Improvement
Room 199 Bascom Hall, 500 Lincoln Drive
Madison, WI 53706-1380
608-262-6843 FAX: 608-262-9330
quality@oqi.wisc.edu
http://www.quality.wisc.edu

Introduction

Many departments struggle to balance a growing list of new and pending projects while the need for core services continues, often with less funding. Deciding how to prioritize and separate the high priority projects from lower priority projects can be daunting. Since emotions often run high when making these kinds of decisions, a structured and objective approach can be helpful in achieving consensus and balancing the needs of the department and its customers and stakeholders. Using a prioritization matrix is a proven technique for making tough decisions in an objective way.

What Is a Prioritization Matrix?

A prioritization matrix is a simple tool that provides a way to sort a diverse set of items into an order of importance. It also identifies their relative importance by deriving a numerical value for the priority of each item.

The matrix provides a means for ranking projects (or project requests) based on criteria that are determined to be important. This enables a department to see clearly which projects are the most important to focus on first, and which, if any, could be put on hold or discontinued.

Benefits of a Prioritization Matrix

A prioritization matrix supports structured decision-making in the following ways:

- Helps prioritize complex or unclear issues when there are multiple criteria for determining importance
- Provides a quick and easy, yet consistent, method for evaluating options
- Takes some of the emotion out of the process
- Quantifies the decision with numeric rankings
- Is adaptable for many priority-setting needs (projects, services, personal, etc.)
- When used with a group of people, it facilitates reaching agreement on priorities and key issues

- Establishes a platform for conversations about what is important

Creating and Using a Prioritization Matrix

Each department determines its own unique criteria and weights those criteria based on values, strategic direction, organizational goals, available resources, and so on. Projects are then scored and prioritized based on the criteria. Once projects are prioritized and those priorities are reviewed and discussed, the department can evaluate the results to determine funding and resource allocation for the higher priority projects. A final step involves assessing how and when (or if) to fund the lower priority projects in the future if/when more resources become available.

Creating and using a prioritization matrix involves five simple steps:

1. **Determine your criteria and rating scale**.

   There are two components involved in rating the projects on your "to do" list: criteria for assessing importance, and a rating scale.

   The first step is to determine the factors you will use to assess the importance of each project. Choose factors that will clearly differentiate important from unimportant projects – these are your criteria. A group of 6-12 criteria is typical. Example criteria might include whether or not the project is a mandate, the value it brings to the customer, etc.

   Then, for each of your criteria, establish a rating scale to use in assessing how well a particular project satisfies that criteria. To ensure consistent use of the rating scale, provide some details to define how the criteria should be applied. The following table provides some examples:

Example Criteria	Description	Rating Scale (1-9)
Required Service or Product	Is the project required to meet legal, compliance, or regulatory mandates?	1 = not required/mandated 9 = required or mandated
Strategic Alignment	To what extent is the project aligned with our organization's overall strategies?	1 = does not align 5 = aligns with some strategies 9 = aligns with all strategies
Value to Customer	How much value will the outcome of this project bring to our customers?	1 = little value 5 = some value 9 = high value/essential to customer

2. Establish criteria weight.

Place your criteria in descending order of importance and assign a weight. Note that when a project is scored, the numeric rating the project is given for a particular criteria is multiplied by the criteria's weight to create a priority score.

Weight examples:

- Required Service or Product: Weight = 5
- Strategic Alignment: Weight = 4
- Value to Customer: Weight = 4

3. Create the matrix.

List your criteria down the left column and the weight and names of potential projects across the top (see Appendix A).

4. Work in teams to score projects.

Review each project and rate the project on each of the criteria. Next, multiply the rating for each criteria by its weight and record the weighted value. After evaluating the project against all of the criteria, add up the weighted values to determine the project's total score.

If participant numbers allow, it is helpful to work in teams and to arrange for each project to be evaluated by two different teams. Benefits of this approach include:

- Working in teams can produce more objective results, since differing perspectives can be considered during the rating process.
- When there are many projects to evaluate, dividing them among multiple teams can speed up the task.
- Insights into how clearly your criteria are defined and how objectively the rating scale is applied can be gained if each project is scored by two teams.

It's always a good idea to go through the process with the whole group for a couple projects to help establish a common understanding of the process and to ensure a good comprehension of the criteria and their meaning. Be sure to also provide resources and links (to your strategic plan, campus priorities, etc.) to enable team members to make an informed evaluation.

5. Discuss results and prioritize your list.

After projects have been scored, it's time to have a general discussion to compare notes on results and develop a master list of prioritized projects that everyone agrees upon. Note that the rating scores are an excellent way to begin discussions, yet still allow room for adjustment as needed. Remember that the prioritization matrix itself is just a tool, and the people scoring projects are using their best judgment. Upon review, the whole group may decide that a project needs to move up or down in priority, despite the score it received. These types of adjustments are expected and help fine-tune the priority list. As a final step, a department may decide to establish groupings of projects based on natural breaks in scoring, for example high, medium and low priority.

Be sure to vet the results with others in the organization, as well as customers and stakeholders.

Appendix A provides an example of a completed matrix. Instructions to give to team members are included in ***Appendix B***.

APPENDIX A

Sample Completed Project Prioritization Matrix

CRITERIA	WEIGHT	SCORING VALUES	Project A	Project B
Required Service/Product (are any of these true?) • Mandate (campus, UW-System or state) – provost/chancellor/CIO and/or legal/compliance • Impacts core/foundational service • Other services/products depend on it	**5**	**0, 3, 6, 9** 0: none are true 3: one is true 6: two are true 9: all are true	30	45
Strategic Alignment • Campus Initiatives/Strategic Priorities • Administrative Excellence • Educational Innovation	**4**	**0, 3, 6, 9** 0: aligns with none 3: aligns with one 6: aligns with two 9: aligns with all	24	24
Value to "Customer" Customers are consumers or users of the service/product and could be students, staff, faculty, UW-System, other campuses, external partners and even other services; project that are funded (MIU, SITIAC, grant $, etc.)	**4**	**0, 3, 6, 9** 0: little value to the customer(s) 3: some value 6: a lot of value to customer 9: essential/critical to customer(s)	36	12
Importance to Risk Mitigation Would the campus or customer be exposed to a risk or impact if the service or product is not offered?	**3**	**0, 3, 6, 9** 0: little risk to campus or customer if not offered 3: some risk to campus or customer if not offered 6: much risk to campus or customer if not offered 9: high risk to the campus or customer if not offered	9	27
Leverage Potential Multiplier effect: service/product can be leveraged for other users/customers on campus or within UW-System; and/or adds value for external partners	**3**	**0, 3, 6, 9** 0: little leverage potential, isolated service 3: some leverage 6: much leverage 9: service could be leveraged by many	0	18
Full Disclosure of Costs – includes implementation and maintenance costs	**2**	**0, 3, 6, 9** 0: lots of unknown or hidden costs 3: some costs are known 6: many costs are known 9: all costs, direct & indirect, are known and tabulated	12	12
Significance to Users/Customer Base	**2**	**0, 3, 6, 9** 0: low impact, low number of users 3: low impact, high number of users 6: high impact, low number of users 9: high impact, high number of users	6	18
TOTAL PROJECT SCORE			117	156

APPENDIX B

How to Complete the Project Prioritization Matrix

For each project, write the PROJECT NAME in the top box of a yellow column, then complete the following steps:

- Evaluate the project against the first CRITERIA
- Give the project a RATING appropriate to how well the project fits that criteria
- MULTIPLY: weight x rating
- WRITE the resulting number, i.e., the weighted value, into the yellow box for that project and criteria
- Move on to the next criteria, REPEAT ALL STEPS until the project has been assigned weighted values for all criteria

Final step: ADD ALL VALUES in the yellow column for the project, and place the total in the GREEN BOX at the bottom