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Qualitative Prioritization

An easy way to prioritize tasks in a qualitative way, based on the value and urgency associated with them

Introduction and Context

- Have you been caught within prioritization antipatterns like
  - Hippo (Highest-paid person makes the decision)
  - Squeaky wheel (The person that yells the loudest or makes the biggest noise get prioritized)
  - ROI (Making decision only based on return of investment without considering other factors)
- And tried to apply quantified prioritization based on
  - Cost of Delay (Don Reinerstein)
  - WSJF (Weighed Shortest Job First from SAFe)

- But have difficulties to quantify the different elements and end up in long discussions around numbers
- The “Qualitative Prioritization” is a more lightweight and visual way to prioritize without getting stuck in “number” discussions.

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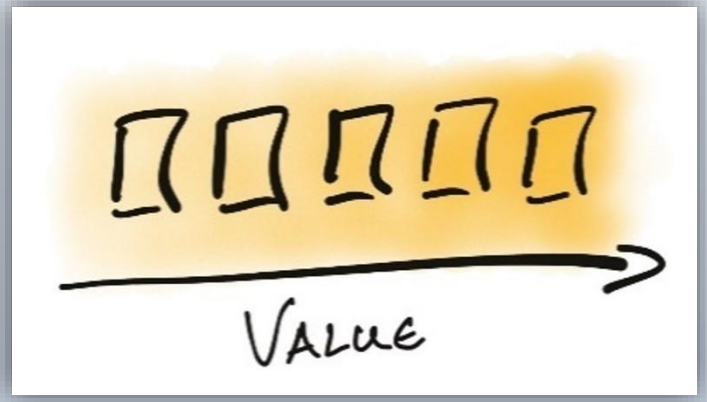
Qualitative Prioritization

- Has two essential ingredients
  - Value (e.g. increase revenue, protect revenue, reduce cost, avoid cost, risk reduction)
  - Urgency (how time will impact the value)



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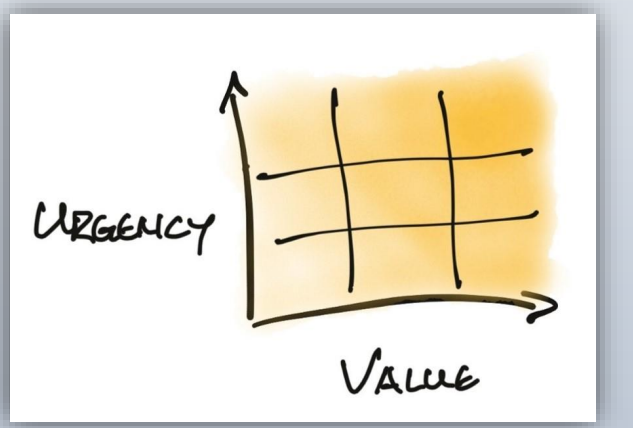
Qualitative Prioritization

- We often make the mistake of treating things that feel *Urgent* as if they are therefore *Valuable* – and vice versa
- Value and urgency are NOT additive but rather act on each other
- This can be represented using a 3x3 matrix where Value is on the vertical and Urgency on the horizontal axis.
- Qualitative Cost of Delay from BlackSwanFarming defines three different levels for both value and urgency



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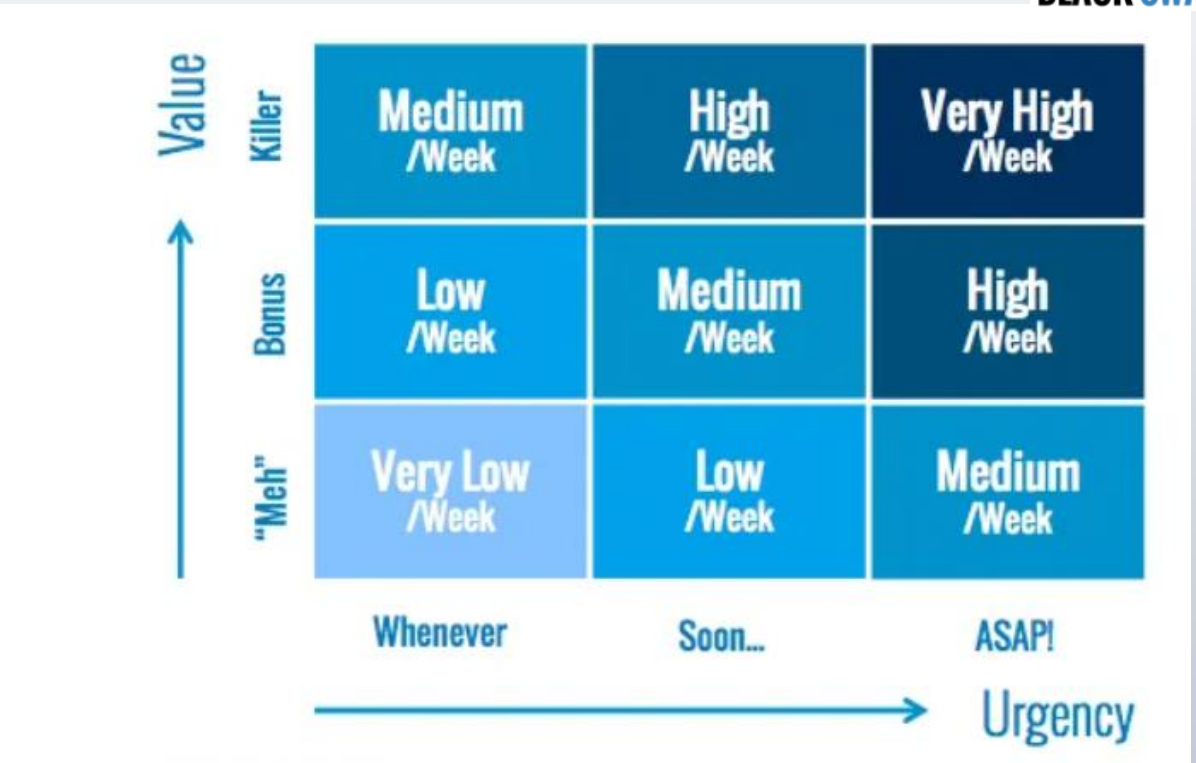
Qualitative Cost of Delay

”Killer”
These are the few things where if we do them, we can make an absolute killing, or; if we don’t, it will probably kill us.

”Bonus”
Bonus could be those delighting things that our customers will like and buy.

”Meh”
This is the pocket change stuff. Nothing our customers will rave about.

BLACK SWAN FARMING



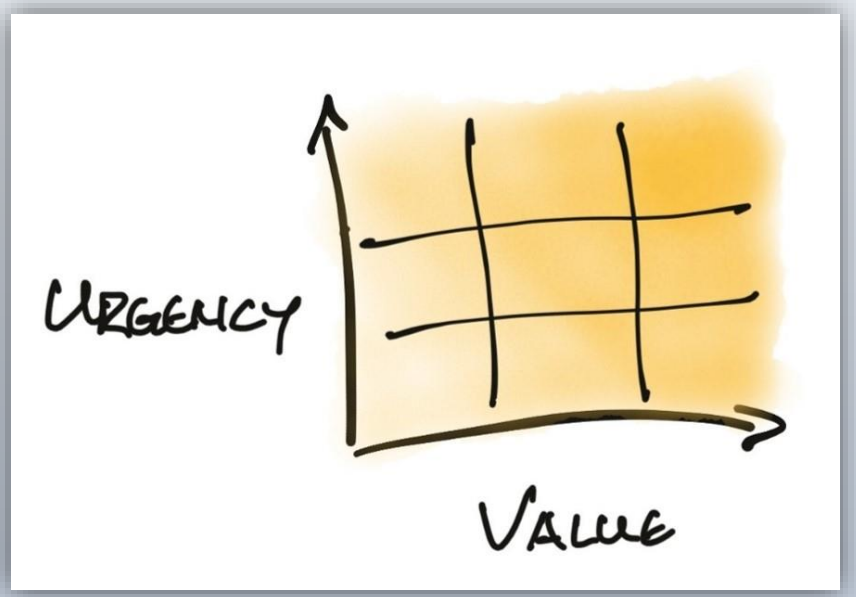
”Whenever”
The total value isn’t massively affected by delay. Most cost-reducing initiatives would normally fall into this band.

”Soon”
If we don’t deliver this Soon, then the value will start to decline or the risk of loss increase – reduced market share etc.

”ASAP!”
If we don’t deliver this ASAP, then the value will quickly evaporate (could mean big business risks)!

Qualitative Prioritization

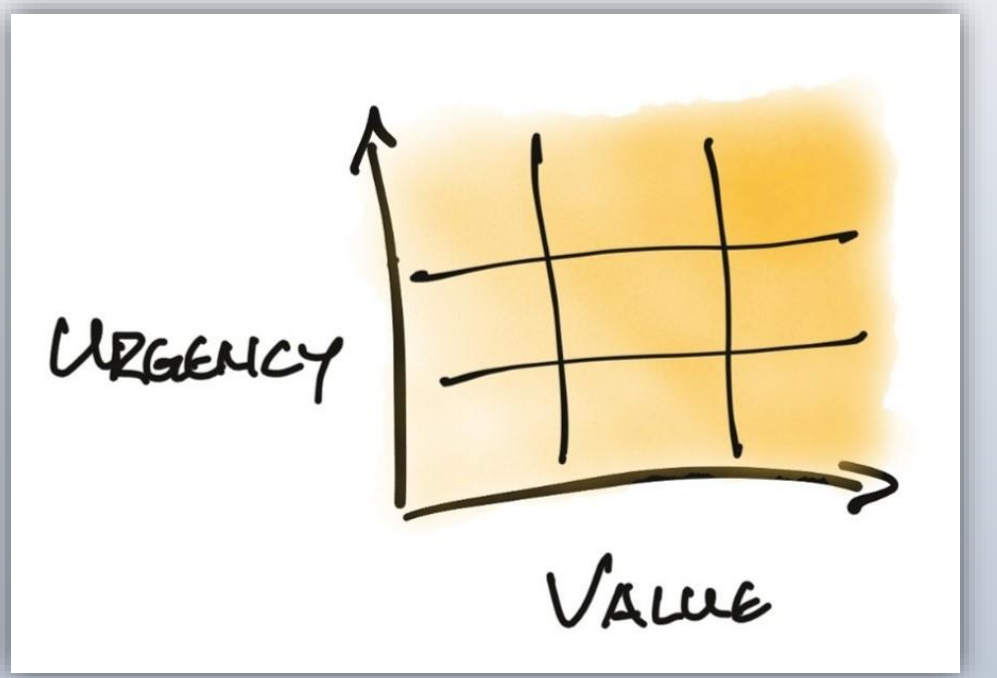
- Our experience with the level definitions from BlackSwanFarming is that everything tends to cluster in the top right-hand corner because nobody sees “their” tasks as “Meh” or “Whenever”
- To avoid this, you can either ignore the levels altogether, use the following definition or create your own definition:
- **Value:** Relative value for customer or business
  - Highest
  - Higher
  - High
- **Urgency:** How user/business value decays over time
  - Deadline passed (we have massive impact already)
  - ASAP
  - Soon
- This calms people down, and you don’t put them in fight mode from the start just to avoid being in the bottom left. Wherever you put it, it will appear as a high value. Defining the levels in this way doesn’t affect the result of the prioritization at all!



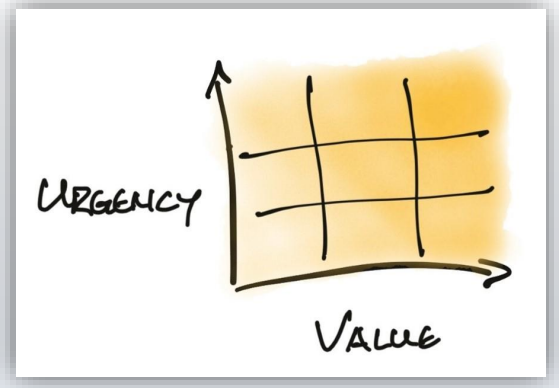
Questions to consider around Value & Urgency

- **Value:** Relative value for customer or business
  - What is the revenue impact?
  - Are there potential penalties or other negative impacts?
  - How many customers are impacted?
  - Reduce the risk of this or future delivery?
  - Is there value in the information we receive?
  - Will it enable new business opportunities?

- **Urgency:** How user/business value decays over time
  - Is there a fixed deadline?
  - Will they wait for us or is there another solution?
  - What is the current effect on Customer satisfaction?
  - Will used system/functions going EOL or not be supported any more?



Setup of the exercise

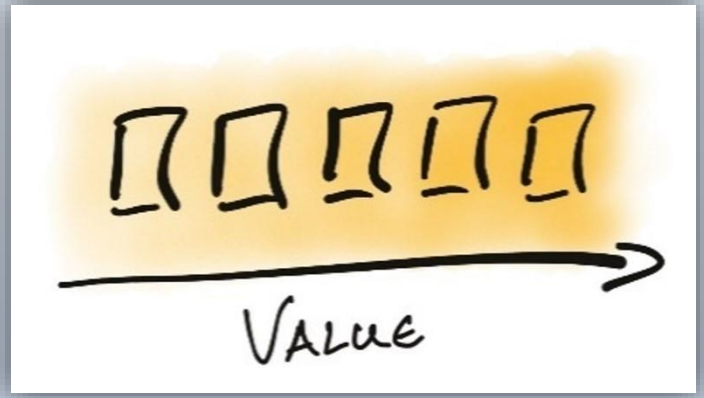


- Preparation
  - If possible, order the tasks according to an existing priority
- Execution
  1. Explain the two components of the qualitative prioritization and defined areas
  2. Participants order the tasks according to **value** and do a mapping to the three areas you defined.
     Note: They might keep the order as it was or might make changes.
  3. Participants order the tasks according to urgency by comparing the tasks against each other.

  Optional:
  1. Assign Fibonacci value according to the defined mapping
  2. Use this value to calculate the WSJF. (RR/OE value is set to 0.)

Qualitative Prioritization Exercise Part 1: Value

- Order the existing tasks according to **Value**
- Relative value for customer or business
  - What is the revenue impact?
  - Are there potential penalties or other negative impacts?
  - How many customers are impacted?
  - Reduce the risk of this or future delivery?
  - Is there value in the information we receive?
  - Will it enable new business opportunities?

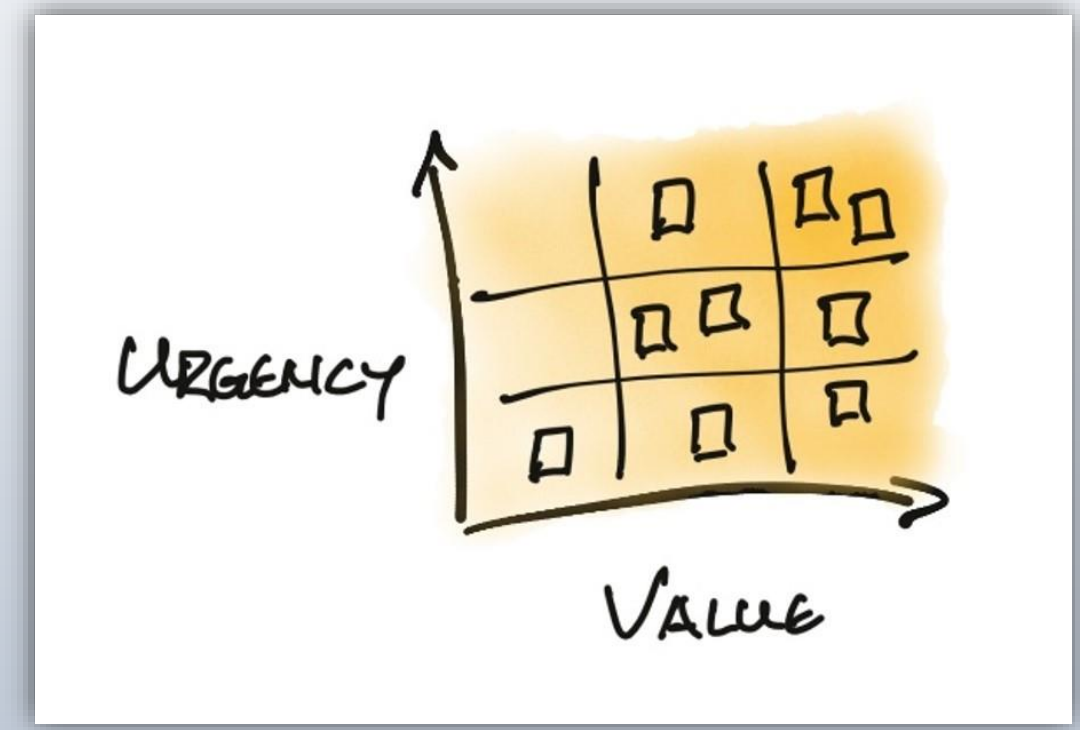


Qualitative Prioritization Exercise Part 2: Urgency

- Order the existing tasks according to **Urgency**
- How user/business value decays over time
  - Is there a fixed deadline?
  - Will they wait for us or is there another solution?
  - What is the current effect on Customer satisfaction?
  - Will used system/functions going EOL or not be supported any more?

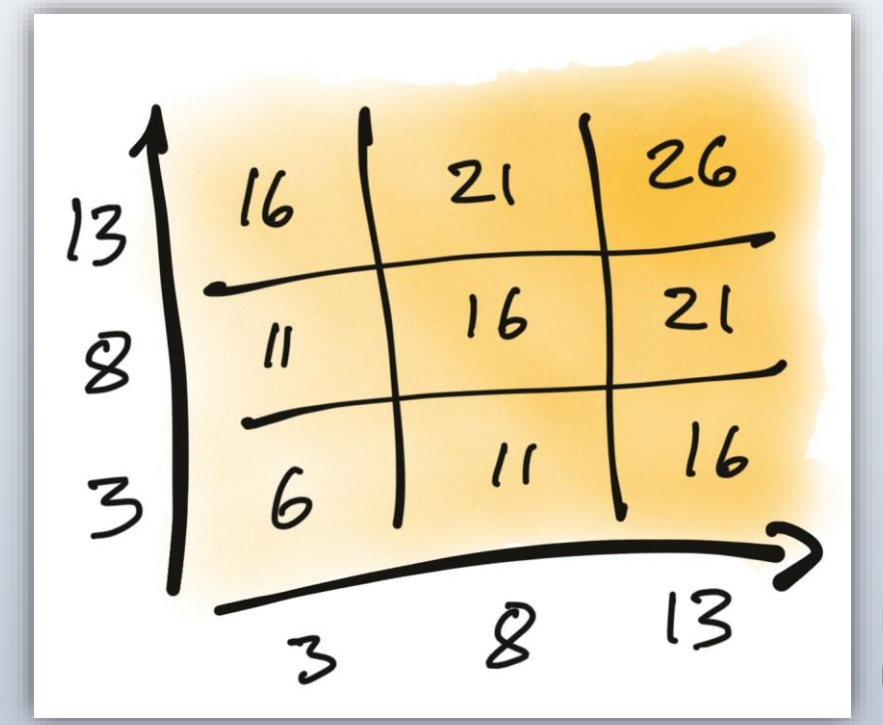
Qualitative Prioritization

- Map the result of the value and urgency classification into the Qualitative Prioritization matrix
- Tasks in the top right have the highest priority and tasks in the lower left the lowest



Optional step: Map result to Fibonacci numbers and calculate WSJF

- Assign Fibonacci value according to the defined mapping (see left hand side). You may use the whole Fibonacci sequence (1,2,3,5,8,13) to increase the granularity per area
- Insert Value and Urgency into the WSJF formula and set RR/OE to 0.



Fibonaccy number

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Experience

- We have tried this method on:
  - ARTs that have been up and running for a while and used the method described in SAFe
  - New started ARTs where the BO / Stakeholder where not used to cost of delay prioritizations
- Feedback from both groups have been quite positive and feedback was that the prioritization is more visible and easier to get an overview.
- There still will be lively discussion and tough decision that needs to take place but that is the whole purpose of the exercise – Isn’t it ☺
- Possible add-on: Do a pre-ordering of the tasks before the exercise e.g. from product managers (that will not have voting right in the exercise) to avoid to starting from a blank page

Think Flow

We are curious about your challenges
and together with you apply methods
from our (lean & agile) toolbox
to address them.

Make a difference in your flow

https://thinkflow.se/


Mikael Broomé


Martin Teljeby


Dirk Holste


Anders Fresk


Andreas Johansson


Anders Jonsson

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References

- Cost of Delay (Don Reinertsen)
  - Cost of delay - Wikipedia
- Qualitative Cost of Delay from Black Swan Farming:
  - https://blackswanfarming.com/qualitative-cost-delay/
- SAFe WSJF prioritization:
  - https://www.scaledagileframework.com/wsjf/