



Prioritization and Decision Making

*A guide to use with the Product
Prioritization and Decision Making
template tutorial*

Prioritization and Decision Making Template

- For product managers, decision making is a nonstop series of pivotal inflection points across the life of a product.
- When resources are scarce, product managers can apply decision making techniques to better prioritize their work

Decision making, in a nutshell, is how we solve problems. Throughout your career in product management, you will be continuously called upon to process an endless stream of information and to make decisions. Some are easy and don't affect many people or require much in the way of resources. Some decisions are very complex and their impacts can be long lasting.

Decision points abound, whether you're prioritizing features, deciding to enter a new market, or determining the best way or best time to launch or release a product.

For the experienced product manager, good decisions are all about assimilating the varied cadences of the industry, evaluating the competition, considering the financial state of the product, and assessing other performance indicators to properly frame a situation.

DECISION-MAKING TECHNIQUES

Optimal decisions tend to show up by continued iteration, but often there are at least two options that fit the combination of risk and urgency presented by the problem. Ronald Howard, a learned explorer in the area of decision analysis, wrote, "Decision making is what you do when you don't know what to do."

With this template, and the template, we focus on a a proven technique to support decisions and provide a degree of perspective or insight into how a problem might be solved. These include:

- The simple decision matrix
- The weighted decision matrix

This template provides you with a context for, and methodology to make trade-offs and prioritize your work. It provides three methodologies that can be applied to meet your prioritization challenges.

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Decision Matrix

When facing more than a couple of options, you will have to look to linkages between individual criteria. For some decisions, a few aspects might be really important (e.g., strategic importance, value to customer, and ability to compete). Sometimes making up your mind is as simple as identifying these aspects, then evaluating each option after you have done so.

The original simple decision matrix was developed as, what Fritz Zwicky a famous “rocket and space scientist” called it, a *morphological box*; a technique to evaluate non-quantifiable, multi-dimensional problems. As we see it, it’s a digestible, easy to evaluate format to assess options. For product managers, options could include opportunities for new products, enhancements, or lists of features. In the diagram below, you can see how this simple matrix can be assembled with three criteria and five features.

	Criterion 1	Criterion 2	Criterion 3	Total Score
Feature 1				
Feature 2				
Feature 3				
Feature 4				
Feature 5				

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Weighted Decision Matrix

Sometimes options can't be easily reduced by either combination or morphologic analysis, usually because every remaining option has some level of desirable impact on every problem characteristic; that is, they're all good choices. (As a note, an option can include a feature or a product capability – or anything that might involve the utilization of human and/or financial resources). That's where a weighted decision matrix can be helpful. It takes the simple matrix and assigns a weight to each criterion that can then be applied to the item being evaluated (e.g., a feature). The figure shown below shows how you could do a calculation for a group of features based on strategic importance - which carries a weight of 10.

	Strategic		
	BASE	WEIGHT	WEIGHTED
Feature 1	3	10	30
Feature 2	8	10	80
Feature 3	1	10	10
Feature 4	10	10	100
Feature 5	5	10	50

Base Score x Weight = Weighted Score

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Weighted Decision Matrix – cont'd

As shown below, we're providing a complete picture for a weighted decision matrix for five features with various weights the criteria: strategic importance, a validated customer value proposition, and verified competitive positioning. As can be seen, it's easier to figure out your number one priority based on the weighted score. Below that example is a blank template that you can create in a spreadsheet to facilitate the calculations.

	Strategic			Validated Value Prop.			Verified Positioning			TOTAL SCORES	TOTAL WEIGHTED SCORE
	BASE	WEIGHT	WEIGHTED	BASE	WEIGHT	WEIGHTED	BASE	WEIGHT	WEIGHTED		
Feature 1	3	10	30	5	5	25	4	7	28	12	83
Feature 2	8	10	80	8	5	40	8	7	56	24	176
Feature 3	1	10	10	3	5	15	5	7	35	9	60
Feature 4	10	10	100	6	5	30	8	7	56	24	186
Feature 5	5	10	50	6	5	30	4	7	28	15	108

	Criterion 1			Criterion 2			Criterion 3			TOTAL SCORES	TOTAL WEIGHTED SCORE
	BASE	WEIGHT	WEIGHTED	BASE	WEIGHT	WEIGHTED	BASE	WEIGHT	WEIGHTED		
Feature 1											
Feature 2											
Feature 3											
Feature 4											
Feature 5											

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USING A DECISION MATRIX FOR A PRODUCT BACKLOG

For some who work with software, your list of feature can sometimes seem endless. Teams usually meet daily to figure out what to work on, or what needs to be done to complete a release.

While the dynamic nature of software feature development can represent great challenges to any team, applying the logic, as used in a decision matrix, can be of tremendous value.

However, you may find that it's difficult to put your backlog into a decision matrix if you don't have an optimal suite of decision criteria.

Here are some criteria that you might be able to use:

- Value to the customer or user or user experience
- Level of effort to build the feature (or complexity)
- Stable technology
- Strategic importance to the product's business
- Resolves quality issue or a bug impacting a user
- Budget

Whatever criteria you use, make sure to parameterize each one, as shown in the template tutorial video.



For more information or further guidance, contact Sequent Learning Networks at contact@sequentlearning.com or 212.647.9100.