Feature Prioritization by Value and Effort

The matrix is a simple and clear tool for prioritizing items based on
  a) the expected business value a finished item brings, compared to
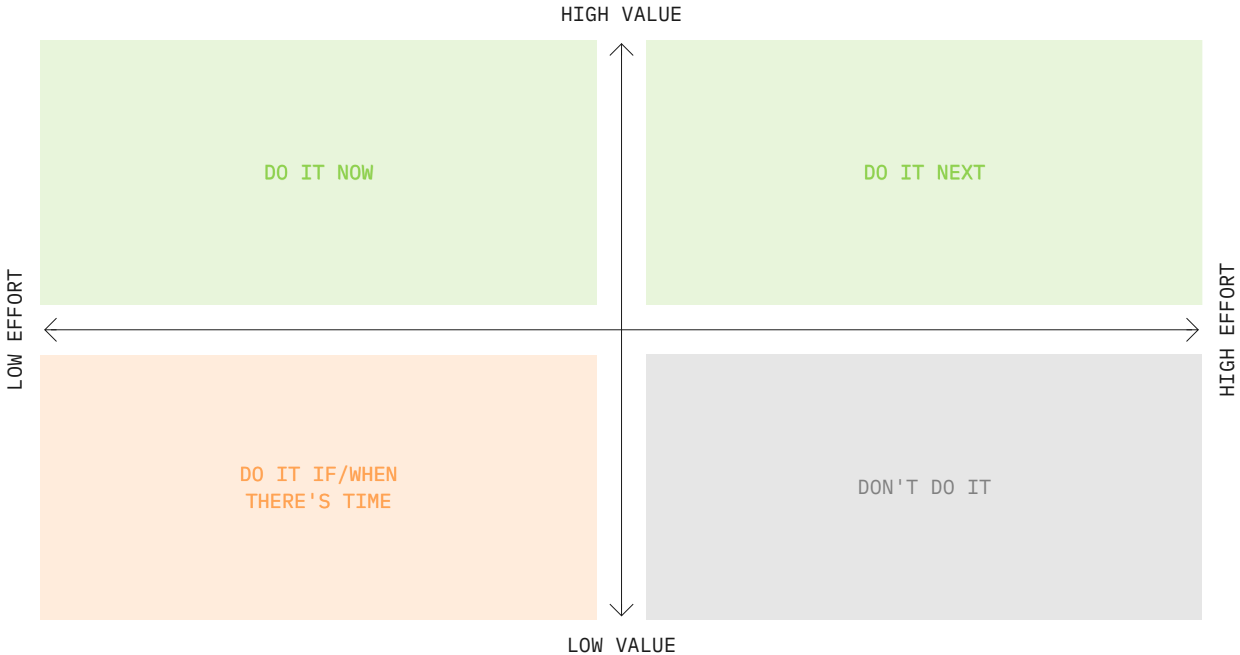 b) the estimated effort that will have to be invested to complete the item.

Revise the prioritized items frequently and continuously update the assessment.

Quick Wins (Do it now)
Items that give a lot of value in a relatively short time.

Big Bets (Do it next)
Items that can bring great value, but are difficult or time-intense to realize.

Maybes (Do it if/when there's time)
Items that do not bring much value, but are easily implemented.

Time Sinks (Don't do it)
Costly items which are not providing any value must be skipped.

HIGH VALUE

LOW EFFORT

HIGH EFFORT

DO IT NOW

DO IT NEXT

DO IT IF/WHEN THERE'S TIME

DON'T DO IT

LOW VALUE

PPM Prioritization Method (PPMPM) - Overview

The PPMPM is a tool for prioritizing items based on
  a) the expected business value a finished item brings, compared to
  b) the estimated effort that will have to be invested to complete the item, while
  c) only a limited amount of items are allowed to be in the high value areas.

Limited capacity
Each area has a limited amount of free slots. It reflects the capacity of the team to work on the items.

Relative Order
In each area, the items are relatively organized. Whenever a new item is added, a brief assessment must be made.
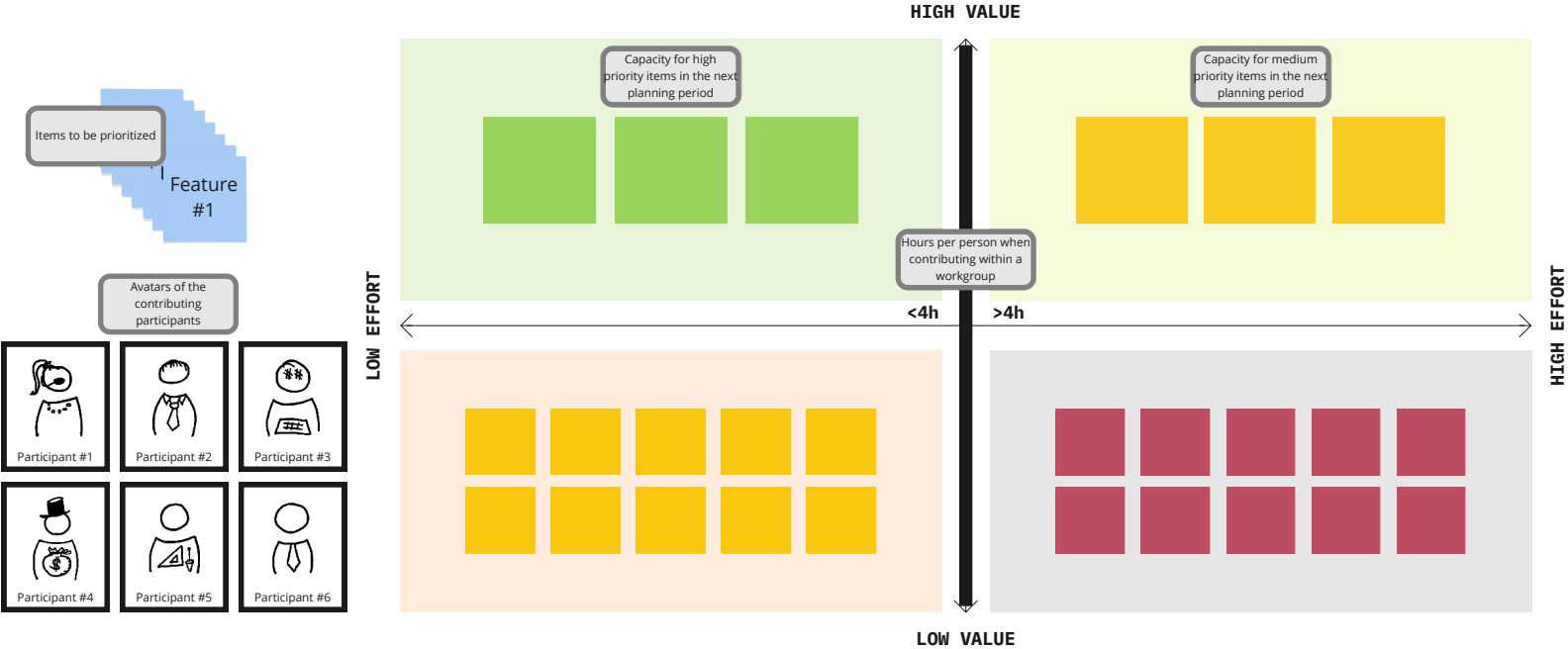
Move surplus items
Items that exceed the capacity of an area need to be moved in the direction of either more effort or less value.

No silent voting
Each item is prioritized individually in the entire group. Clarifications must be made immediately.

HIGH VALUE

LOW EFFORT

HIGH EFFORT

<4h   >4h

LOW VALUE
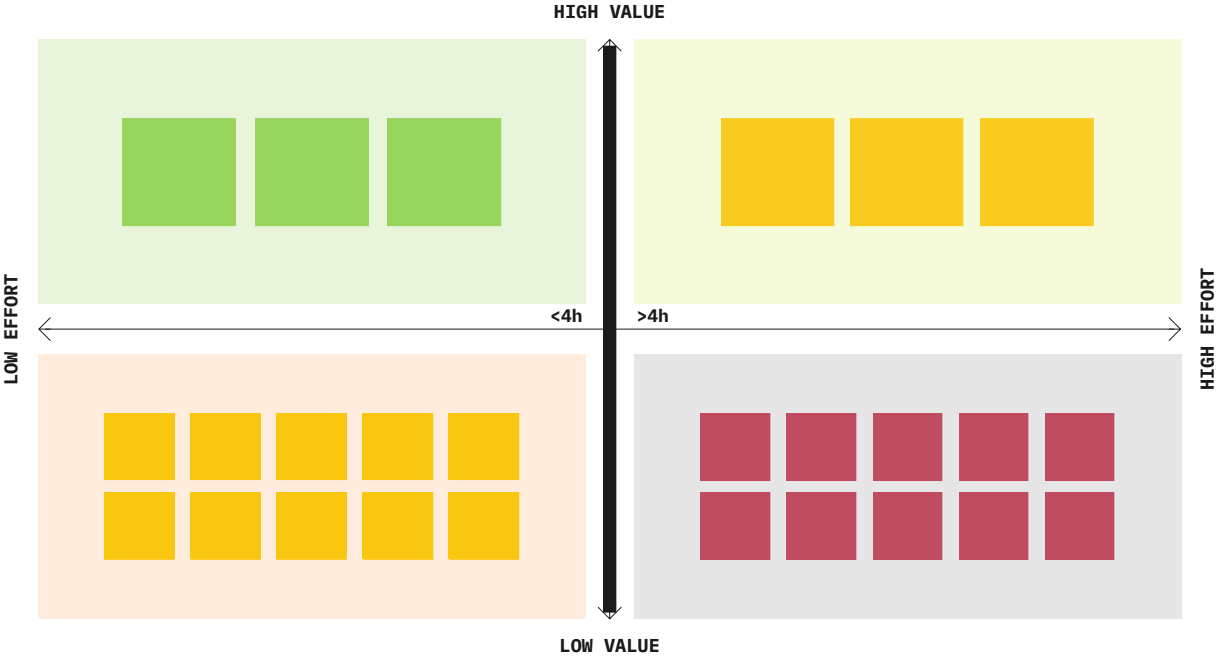
Preparation

1) [Moderator] Prepare the board by
   a) identifying the amount of items to be handled in the next planning period (iteration, increment, sprint, …) and visualize the capacity in the two high value areas,
   b) define the threshold between low and high effort in relation to the target investment in an item (per person in a workgroup or for the entire workgroup).
   c) prepare and place all items beside the board,
   d) prepare and place an avatar of each participant beside the board.

HIGH VALUE

Items to be prioritized

Feature #1

Capacity for high priority items in the next planning period

Capacity for medium priority items in the next planning period

Avatars of the contributing participants

Hours per person when contributing within a workgroup

LOW EFFORT

HIGH EFFORT

<4h   >4h

Participant #1

Participant #2

Participant #3

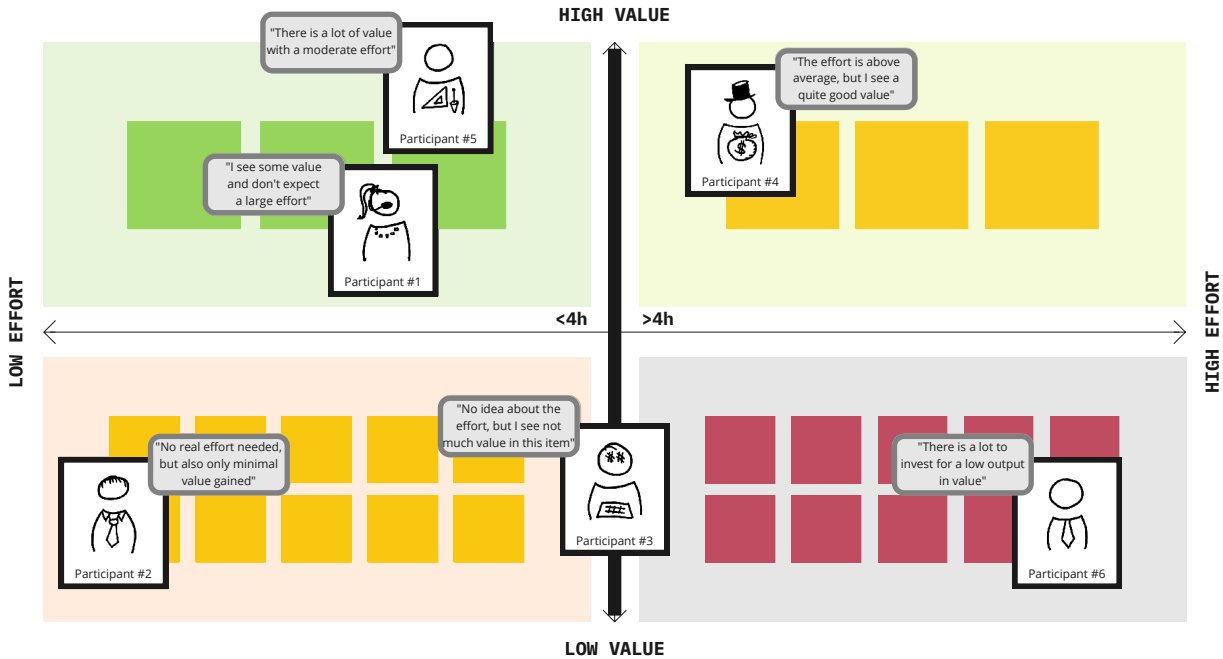Participant #4

Participant #5

Participant #6

LOW VALUE

Evaluate the first/next item

2) [Moderator] Take the first/next item and present/recap the goal of the item in a few words. Alternatively the item owner/expert can summarize (!) it.

3) Each participant moves his/her avatar to the area where he/she would place the item according to his/her understanding of
   a) the business value provided by this item and
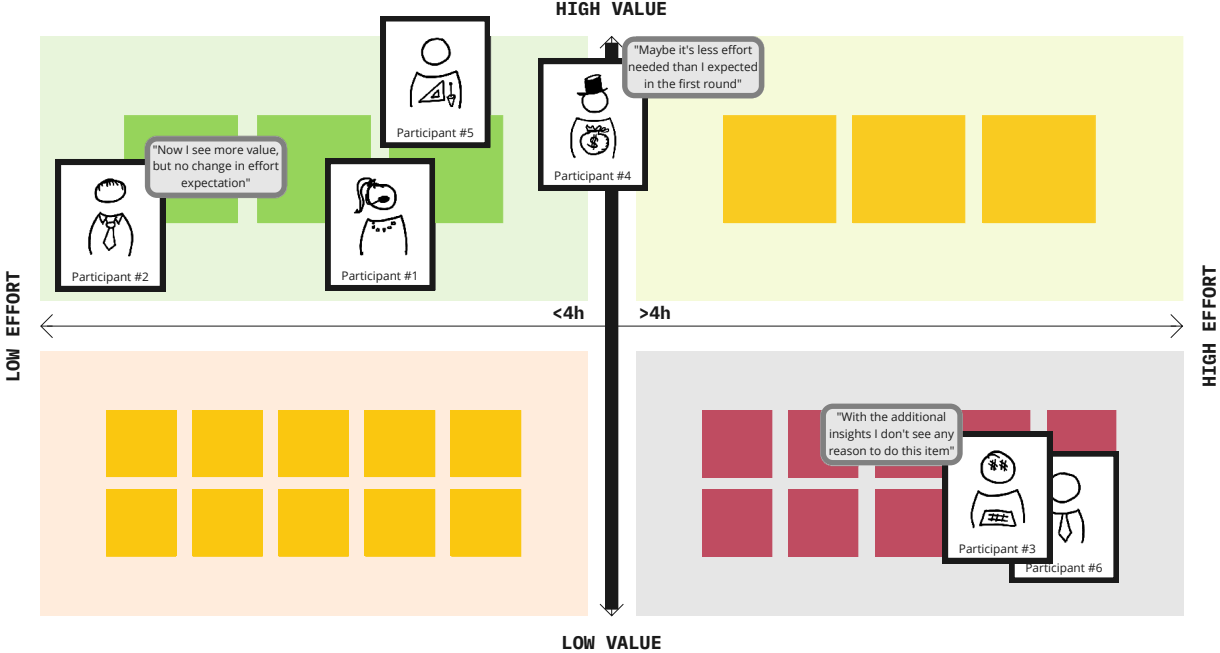   b) the expected effort to complete this item.

Feature #2

Feature #1

HIGH VALUE

"There is a lot of value with a moderate effort"

Participant #5

"The effort is above average, but I see a quite good value"

Participant #4

"I see some value and don't expect a large effort"

Participant #1

LOW EFFORT

<4h   >4h

HIGH EFFORT

"No idea about the effort, but I see not much value in this item"

"No real effort needed, but also only minimal value gained"

Participant #2

Participant #3

"There is a lot to invest for a low output in value"

Participant #6

LOW VALUE

Align participants

Feature #2

Feature #1

HIGH VALUE

Participant #5

"Maybe it's less effort needed than I expected in the first round"

Participant #4

"Now I see more value, but no change in effort expectation"

Participant #2

Participant #1

LOW EFFORT

<4h   >4h

HIGH EFFORT

"With the additional insights I don't see any reason to do this item"

Participant #3

Participant #6

LOW VALUE
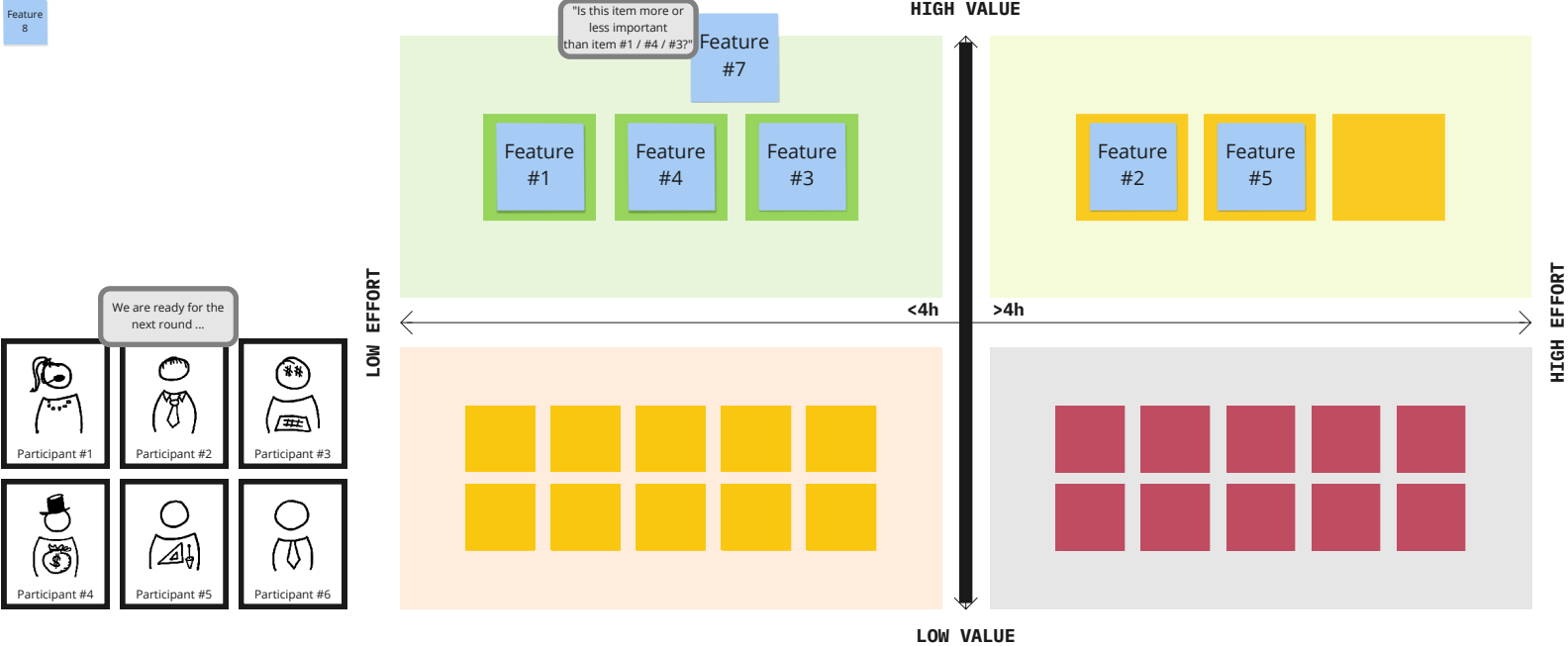
Define temporary Priority

8) [Moderator] Identify the area with the most final votes.
9) All participants removes their avatar and place them beside the board again.
10) [Moderator] In case there are already items in the area, ask the participants if the new item is more or less important than the existing ones.
11) [Moderator] Align all items in this area according to their relative importance into the available slots.

Feature 8

HIGH VALUE

"Is this item more or less important than item #1 / #4 / #3?"

Feature #7

Feature #1   Feature #4   Feature #3

Feature #2   Feature #5

LOW EFFORT

<4h   >4h

HIGH EFFORT

We are ready for the next round ...

Participant #1   Participant #2   Participant #3

Participant #4   Participant #5   Participant #6

LOW VALUE

Shift Priorities

12) [Moderator] While the capacity of an area has been exceeded, the item with the least importance must be moved to the new lower-rated area:
    a) For low effort/high value area: The item must be shifted to the first slot in the high effort/high value area.
    b) For high effort/high value area: The item must be shifted to the first slot in the low effort/low value area.
Note: Moving the item to the next area does not change the initial interpretation of the value and effort. However, the limited capacity in the two high value areas requires additional decisions, this time based on their relative importance.
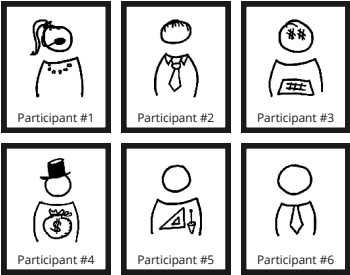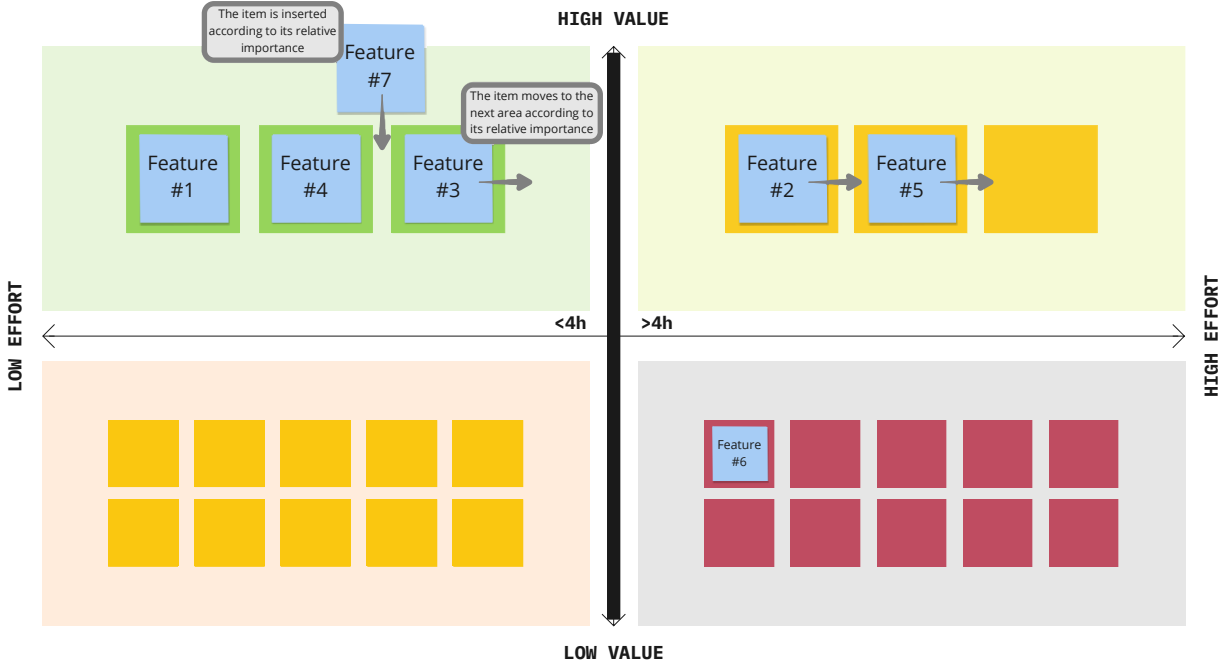
Prioritized Items as Work Order

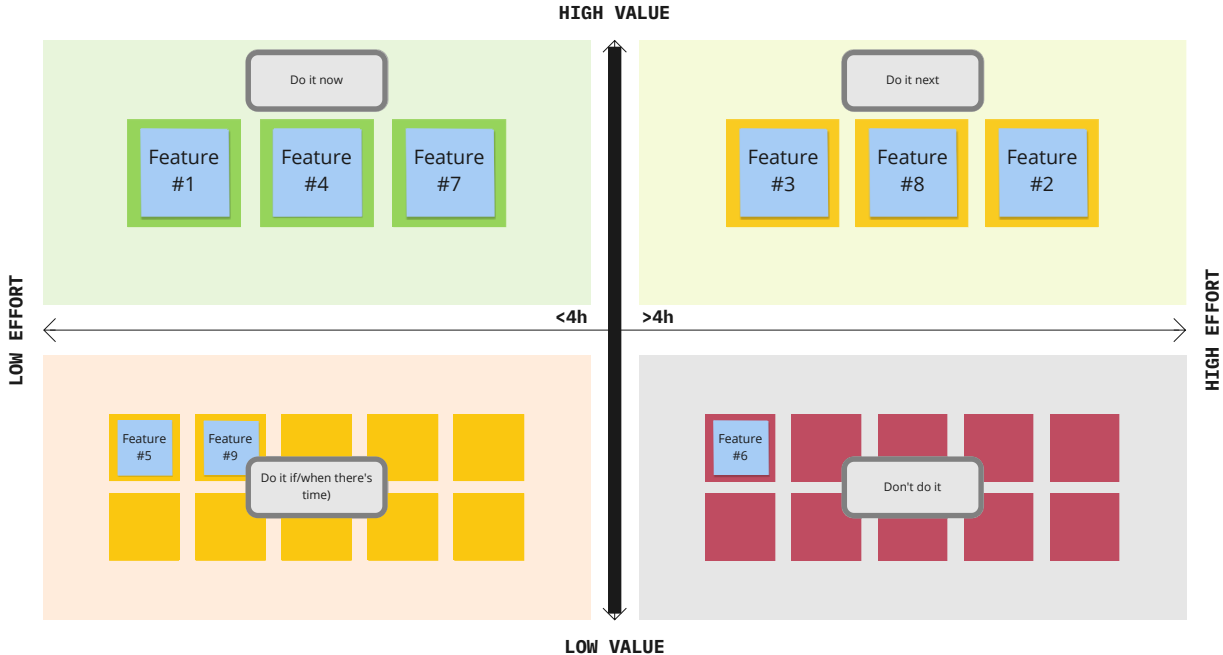13) [Moderator] At the end of the prioritization process, prepare the next steps:
    a) Take the items in the low effort/high value area as the items to work on with the highest priority. These items must be completed in the next planning period.
    b) Take the items in the high effort/high value area as the items to work on with medium priority. These items should be completed in the next planning period.
    c) Take the items in the low effort/low value area as the items to optionally work on with the lowest priority. These items can be completed if there is free capacity.
    d) Eliminate the items in the low effort/low value area.

Benefits

With each element that was added to the board according to the steps described, the prioritized list of elements grows.

You can stop at any time when enough items have been processed. The list is always in a defined order.

Participants are involved in every step and understand why an item was placed in an area and why the priority shifted till the end of the prioritization process.

HIGH VALUE

Do it now

| Feature #1 | Feature #4 | Feature #7 |

Do it next

| Feature #3 | Feature #8 | Feature #2 |

LOW EFFORT   <4h | >4h   **HIGH EFFORT**

| Feature #5 | Feature #9 |

Do it if/when there's time)

| Feature #6 |

Don't do it

LOW VALUE

PPM Prioritization Method (PPMPM) - Template

HIGH VALUE

items
to be
prioritized

park
your avatar
here

LOW EFFORT

HIGH EFFORT

<4h   >4h

LOW VALUE