productboard

Defining What Matters:

# The Essential Guide to Prioritization

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Your job is to deliver a product that is valuable, usable, and feasible

Marty Cagan,

The "godfather" of product management"

The importance of prioritization
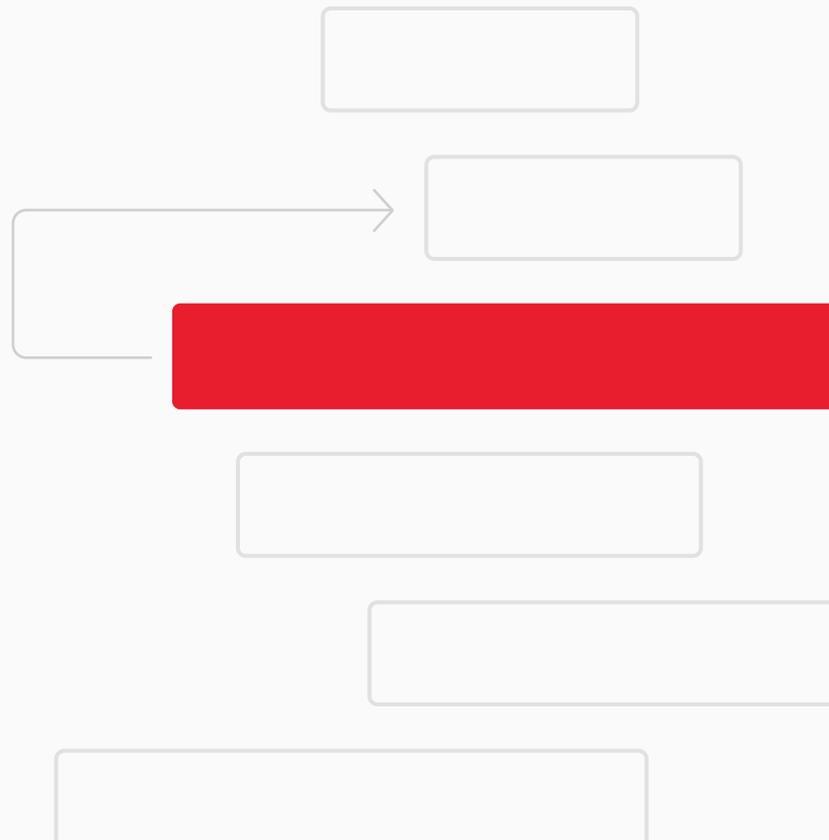
Marty Cagan makes it sound so simple: All you have to do is deliver a product that's valuable, usable, and feasible. Of course, the reality is a lot messier than that. Product managers are constantly inundated with ideas and requests from well-meaning co-workers, customers, executives, and themselves.

"

Opportunity cost is when you never get the chance to do something **important** because you chose to work on something else instead

Product Roadmaps Relaunched

C. Todd Lombardo,
Bruce McCarthy,
Evan Ryan,
Michael Connors

The reality of building products is that you simply can't do everything, and there's an opportunity cost associated with every decision. When you try to do everything, you risk creating a "feature factory," a state where the product and engineering teams are simply cranking out arbitrary features without understanding user problems.

To make the most of valuable time and resources, you need to ruthlessly prioritize essential features. But how do you know which ideas are worth pursuing? How will you have the confidence to say no to eager stakeholders? The answer is simple: with a well-defined prioritization process.

When you prioritize strategically and provide context for your decisions, you allow your team to engage in problems and empower them with a purpose. And this benefits everyone—your team members, your customers, and your business.

In this eBook, we'll share some of the challenges you're likely to encounter when prioritizing, how to overcome them, and ideas and best practices to help you standardize your prioritization process.

Defining excellence for product strategy and prioritization

Through thousands of conversations with the product community, we've discovered that the most successful product makers share three areas of mastery: deep user insight, a clear product strategy, and an inspiring roadmap. These are the three pillars of what we call "Product Excellence."

Prioritization fits under the second pillar, "a clear product strategy." We've created a rubric to illustrate the five levels of proficiency when it comes to product strategy. Take a moment to look it over and see which most accurately describes your current practices.

1. I trust my gut

No formalized product strategy or prioritization framework. Decisions are made ad hoc in the product manager's head

2. Product managers follow a simple prioritization framework

Product manager's product strategy is based on a simple prioritization model, but objectives aren't clearly defined

3. Product team prioritizes around objectives, but lacks strategic clarity

Prioritization is based on objectives, but these are defined broadly or based on lagging indicators (e.g. revenue, churn) rather than actionable metrics. The overarching strategy may be unsound or lack nuanced customer segmentation

4. Product team has a clear product strategy and prioritization framework

Prioritization is based on clearly defined objectives reflecting an understanding of customer segmentation and key user needs. Progress on each objective is tracked with actionable metrics over set time horizons

5. Everyone at the company has full clarity around the product strategy and objectives

Everyone at the company, not just the product team, has full clarity around the product strategy, objectives, actionable metrics, and what targets to achieve

Common prioritization challenges and how to overcome them

One of the hardest parts of product management is figuring out how to make decisions amid competing priorities from customers, sales, engineering, and customer success teams. In the face of pressure to accommodate everyone's needs, it's easy to make the wrong decisions regarding prioritizing features, and, as a result, the direction of the product.

Here are some of the **common mistakes or antipatterns that can lead product teams astray when it comes to prioritization**. Keep in mind that many of these inputs will influence your product strategy—and that's okay. The danger comes when you over-index on one or fail to consider it in the context of your overall strategy.

Trusting your (or someone else's) gut

Do the analysis —qualitative and quantitative data are your friends. **Shift away from the solution and dig into the problem** to be solved. Evaluate if the **problem is worth solving** and aligns with your strategy. Ask, "**Is this the right solution** to the problem?" Explain why and **contextualize around other priorities.**

Giving too much power to analyst opinions

How much you consider analyst opinions can **vary based on industry and solution space.** Still, you should make your prioritization decisions primarily based on **customer insights and conversations.** And make sure any recommendations and suggestions you follow **line up to your business and product strategy.**

Letting sales requests dictate your roadmap

If requests coming through sales support your product strategy and objectives, listen closely. **(There's nothing categorically wrong with inputs from sales.** In fact, they're essential!) But if they are related to "major deals" that promise short-term monetary gain but **fall outside the needs of your target customer segment and strategy, then they're just distractions.**

Saying yes too much

There will always be more ideas & requests than your team can possibly handle. As a product manager, you have to be **comfortable with saying no.** Having a clear prioritization process can provide more context to your nos, and help teammates understand why you're not pursuing their idea right now—or ever.

Letting support requests dictate your roadmap

The problem with focusing too much on support requests is that they **tend to be smaller UX pain points, user confusion, etc.** If you don't evaluate support requests in the context of your overall product strategy, you could easily find yourself spending 100% of developer resources on these issues and never ship anything innovative.

Feeling pressure to keep up with the competition

Avoid a feature war. Your competitors' strategy is not your strategy, and just because they built a feature doesn't mean it was a good idea. Make sure you understand your competition deeply and look for **opportunities to differentiate.** Try to bring it back to problems rather than focusing on solutions.

Mishandling customer insights and requests

Getting insights from your customers is an essential part of the product discovery process, but you want to **avoid outsourcing your strategy to your customers.** Remember that customers tend to emphasize the solution while **your job is to focus on the underlying problem.** Always connect customer feedback back to your objectives and strategy.

Letting the loudest voice dictate

This often happens when the CEO or founder has a heavy hand in the product but can't articulate the vision, or when you are dealing with angry and persistent customers committed to escalating their requests. As always, **start with the vision, then define your objectives and strategy** so the work you're doing all interrelates.

The dangerous animals of product management

Keep an eye out for these dangerous animals of product management and make sure you have a strategy for overcoming them.

ZEBRA
Zero Evidence But Really Arrogant

ZEBRAs think they know it all but rely on their instinct rather than any actual evidence. To stave off the ZEBRAs in your midst, make sure that you've got data to back up your decisions. Come up with **quick experiments you can run to test ideas and gather evidence.**

HIPPO
Highest Paid Person's Opinion

It can be tempting to give in to the HIPPOs (founders or CEOs who want to make all the decisions), but don't let them steer you off course. **Bring everything back to your vision and objectives** —if the HIPPOs aren't aligned with these, you could be headed for dangerous waters.
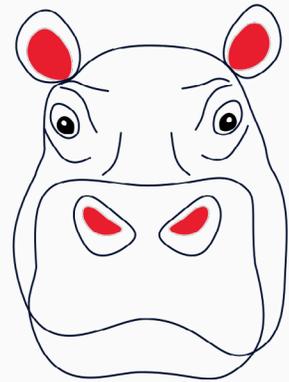
WOLF
Working on Latest Fire

The WOLF has a short attention span and a temptation to jump from one problem to the next. This will **disrupt your team's focus and effectiveness,** making you easy prey for your competitors. Create a **process for collecting feedback** about problems or bugs and only consider these along with all other requests.

RHINO
Really Here in Name Only

The RHINO is just there to collect a paycheck without contributing much to the team. They might not be actively impeding your decision-making, but they're certainly not helping out much, either. Having a **clearly defined prioritization process** can help ensure all your team members understand how decisions are made and give them the confidence to actively participate.
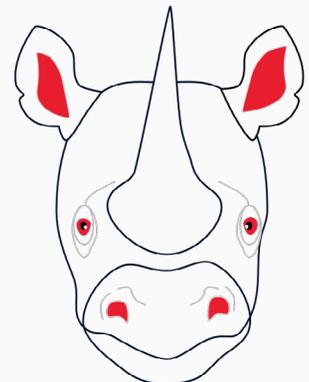
How to standardize your product prioritization process

Prioritization isn't just about setting some drivers or scoring a feature against 1 to 5—it's about having meaningful conversations and establishing collaborative relationships with cross-functional stakeholders to make critical product decisions.

In this section, we'll make some recommendations for guiding these conversations and the steps you can take to standardize your prioritization process.

The single biggest problem in communication is the illusion that it has taken place

George Bernard Shaw

Ask yourself the essential questions

Start by doing some self-reflection on how you're approaching prioritization today. Here are some question to start with:

- Looking back at features shipped in the past 6 months, are you **confident you've been prioritizing the right things?** (Based on qualitative feedback from customers and colleagues, quantitative usage data, etc.)

- Looking forward, do you feel the features that you're prioritizing now are **driving you toward your 18-month vision?**

- Reflect deeply (and honestly!) on the **biggest factors that influence what gets built today.** Are they the right factors? How might they lead you astray?

- If you prioritize continuously, or "just-in-time" (staying just ahead of the developers), **what would it take to move to prioritizing for 6-8 week cycles?**

## Self-reflection for better prioritization

How will your team approach prioritization in the future? Ask these questions before deciding on a specific framework.

- What factors are important to include?

- Will you use an existing method/framework or your own?

- Will it be common to all PMs/teams or unique for each PM?

- Who will provide input?

- Who will own decision-making?

- How will this step fit into your overall product management process?

- How will it involve others?

Tip: Do a retrospective

You might even find it useful to run a retrospective meeting on your current approach to prioritization. Ask everyone to share what's working, what isn't, and what needs to change. What you learn from these conversations and activities can shape the steps you take to re-tool your prioritization process.

what's working
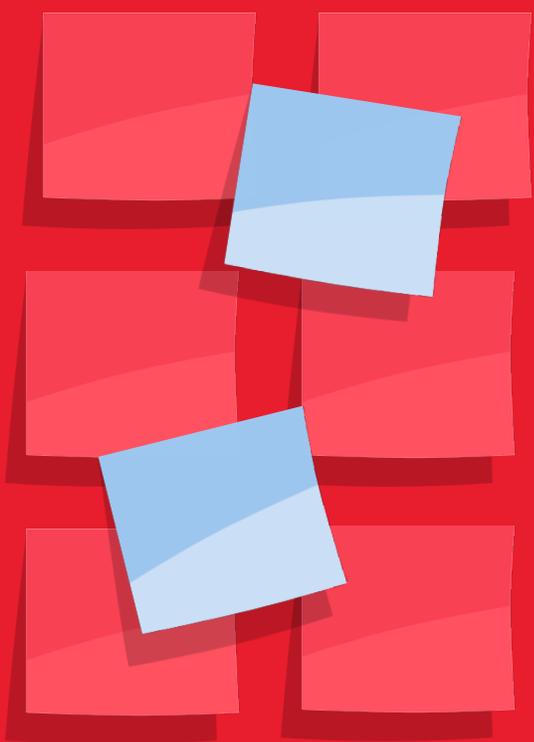
what's not

Define your product vision, strategy, and objectives

Creating a [product vision](#) and aligning your team behind it isn't easy, but it's a crucial step in standardizing your product prioritization process.

Your product vision provides transparency into where your product is headed and why. If a feature doesn't line up with your overall vision, it shouldn't be a priority.

Having company-wide alignment behind your product vision makes it easier to justify prioritization decisions to stakeholders who have their own needs and ideas. This way, even if someone has to accept a "no," they understand your reasoning and know that it's not an arbitrary decision.

To define a clear product vision, consider what type of change you want to bring about for your users. You'll want to look at the mid-term—over the next 18 months or so—as well as further into the future.

Four principles of a great product vision statement

Be customer-focused

Your customers are why you are building your product. They must be part of your product vision.

Be a bit of a stretch, but not unrealistic

Your vision needs to be ambitious but attainable. If it's too much of a stretch, you'll have a hard time knowing where to start and rallying your team.

Show differentiation

Something in your vision should explain why your product is different from your competitors.

Look X years down the road

In five years, you want people to say _____ about your product.

Your vision should be fueled by insights about your users and their needs. For this step, executives set overarching business goals for the company. Product leaders then synthesize what they've learned about customers and prospects to translate that into a vision for the product team.

Once you're clear on your vision, you'll define your strategy—your plan for bringing your vision to life. For example, you might decide to expand to other markets your competitors haven't reached yet.

After your vision and strategy are defined, your objectives start to emerge. Objectives are more granular—they'll be indicators that you're moving in the right direction towards meeting the outcome defined by your vision. If your strategy is to expand to other markets, you might set an objective around localization, for example.

Often, product leaders bring their broader understanding of the business and the vision while product managers in the trenches have more context directly from customers and prospects. This top-down and bottom-up convergence is one of those critical conversations that impact what objectives are set and what actually gets prioritized. It ensures that product objectives both support the long-term vision and incorporate concerns of existing customers using the product day-in and day-out. Not all objectives can be about innovation. Some have to be about improving the product for existing users or helping new users adopt the product.

You'll also want to align with other stakeholders, including leadership and customer-facing teams. Stakeholders should understand your team's objectives and contribute when they are needed.
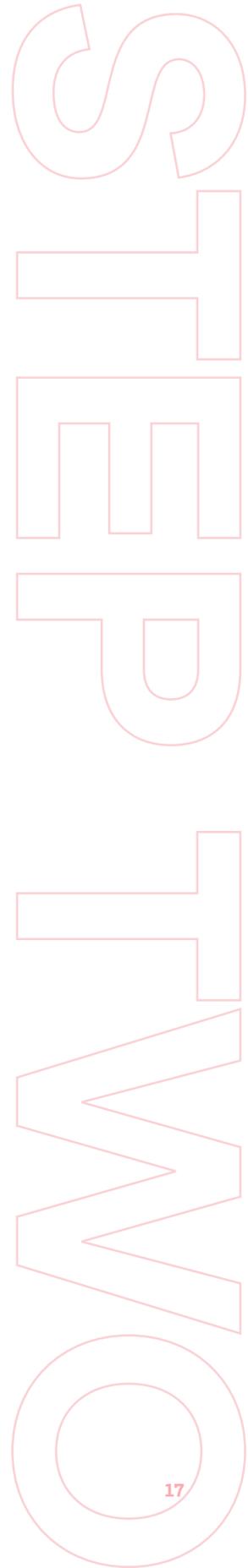
Decide which framework you're going to use

After you've done all the big picture thinking, it's time to roll up your sleeves and decide on a prioritization framework. There's no shortage of frameworks—what matters most is picking one and getting started. Be willing to experiment and adjust over time if needed.

Here are three frameworks to consider:

Value vs. Complexity

Chart your feature ideas based on how much value they deliver vs. how complex they will be to build

The RICE method

RICE stands for Reach, Impact, Confidence, and Effort, which you'll use to evaluate your ideas

The KANO model

Categorize your features and then rank them based on how they impact customers

Value vs. Complexity

Value

Telepathic SMS

Complexity

The Value vs. Complexity framework is a graph that charts your feature ideas based on how much value they deliver vs. how complex they will be to build. The idea is that you'll pump out the highest value, easiest-to-build features first, then work your way around the chart. This allows you to avoid ideas that are low-value and complex.
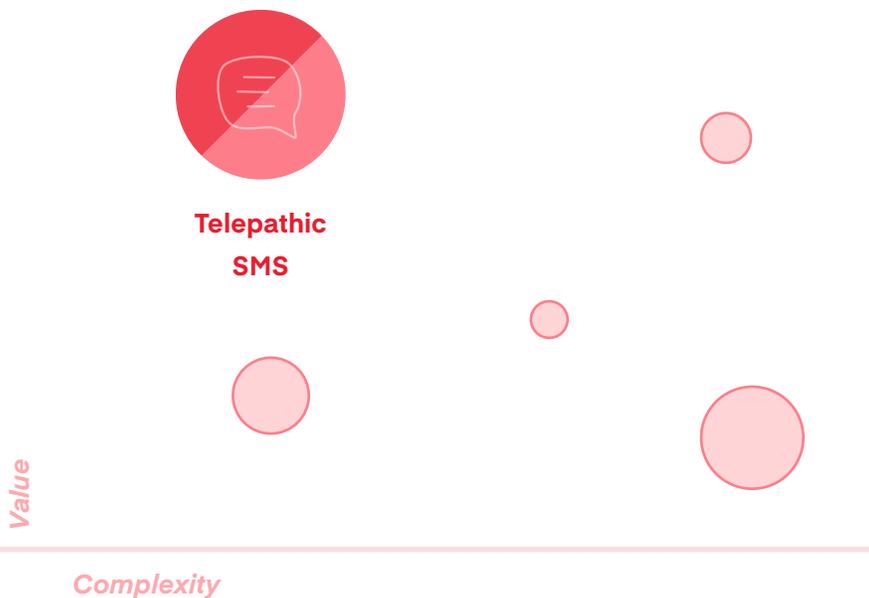
What matters most is picking a framework and getting started. Be willing to experiment and adjust over time if needed

The RICE method

RICE

(Reach x Impact x Confidence) ÷ Effort

The RICE method helps you turn subjective decisions into objective, data-driven ones by assigning a score to each feature idea.

You'll evaluate each idea based on four factors: Reach, Impact, Confidence, and Effort.

Each factor gets assigned a score, which are then weighted to give you an overall prioritization score for that feature idea.

Not all objectives can be about innovation. Some have to be about improving the product for existing users or helping new users adopt the product

The Kano Model

The Kano Model ranks features based on how they impact customers. You'll rank each feature idea on a scale that determines how much it will satisfy customer needs vs. the investment needed to build it.

The Kano Model requires that you categorize all feature ideas into four categories:

Performance

Features that improve the performance of your product

Must-be

Basic features that your product needs to be competitive

Attractive

Features that are unexpected but your customers will love

Indifferent

A feature that won't positively impact your customers

Satisfaction

Functionality
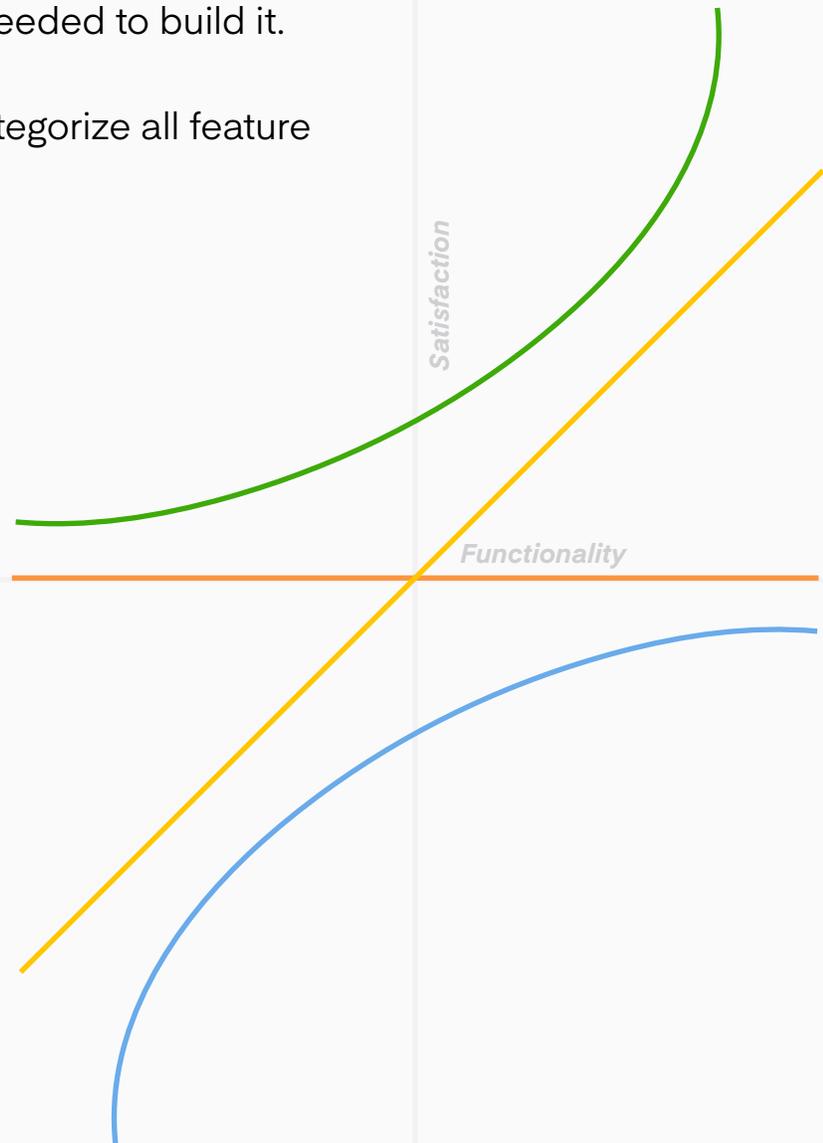
All the features that fall into the Performance, Must-be, and Attractive categories should be built. Features that fall into the Indifferent category should be scrapped.

Try it out

Now is the time to act on your decisions. Apply your prioritization framework of choice to your backlog and see what surfaces. Does this process confirm or disconfirm some of the ideas you had beforehand?

Keep in mind that the framework provides you with a direction, not an absolute answer. If you get a result that doesn't ring true with your intuition, you can go back and adjust the weights and see how that impacts your final score. You may feel like you're just fiddling with the math until you get what your gut is telling you, but this process acts as a forcing function to think more deeply about how you're approaching problems.

Remember, the point is to drive conversations, decisions, and actions.
But you can always make changes and iterate based on what you learn.

Allow some time for team reflection after you've gone through the prioritization process with your framework of choice. Did it lead to better conclusions? Did you make better product decisions as a result? If so—great, keep on doing it! If not, adjust your model or try a different framework. And if you're not sure, try it again and see what you learn by repeating the process.

STEP FIVE

Incorporate it into your team's workflow

Prioritization is not a one-off activity. It needs to be incorporated into your team's workflow so it occurs on a regular cadence. But that cadence can vary from company to company and team to team. You might go through prioritization exercises more or less frequently depending on the size of your organization. Smaller companies might find it makes sense to go through prioritization exercises every 6 to 8 weeks, while larger companies may only aim for once a quarter. The important point is to commit to a regular cadence and make sure everyone knows their responsibilities & deadlines.

As we've described in this eBook, everything rolls up into the business objectives, which are generally set by leadership. This means the leadership team will need to define broad business goals well in advance to give product leaders enough time to define their vision and strategy. Product leaders then need to allow enough time to work with product managers to define their objectives and go through prioritization exercises with their teams.

Good habits that drive effective prioritization

Establish a process for gathering new feature ideas

Organize feature ideas in one place, require data to back up requests, and designate a decision-maker.

Learn to say no

Understand why stakeholders are making a specific request, review their reasons, and see if it aligns with your vision. If any of these steps raise a red flag, say no and be transparent about why.

Back your priorities with data

Use customer feedback, surveys, and more to inform your decisions.

Conclusion

Our goal with this guide is to make a case for prioritization and share best practices to help you on this journey. You now know that prioritization is about applying some structure and rigor to your decision-making. It's about having meaningful conversations with your coworkers on a regular cadence. And it's about having the confidence to say no if a suggestion doesn't fit in with your priorities.

Remember that the important thing is to get started. Don't let a quest for perfection hold you back. You can always go back and rethink your framework if you find it no longer suits you.

Here at productboard, we'll be cheering you on. And if you'd like to learn more about how we can support you on your prioritization journey, don't hesitate to get in touch.

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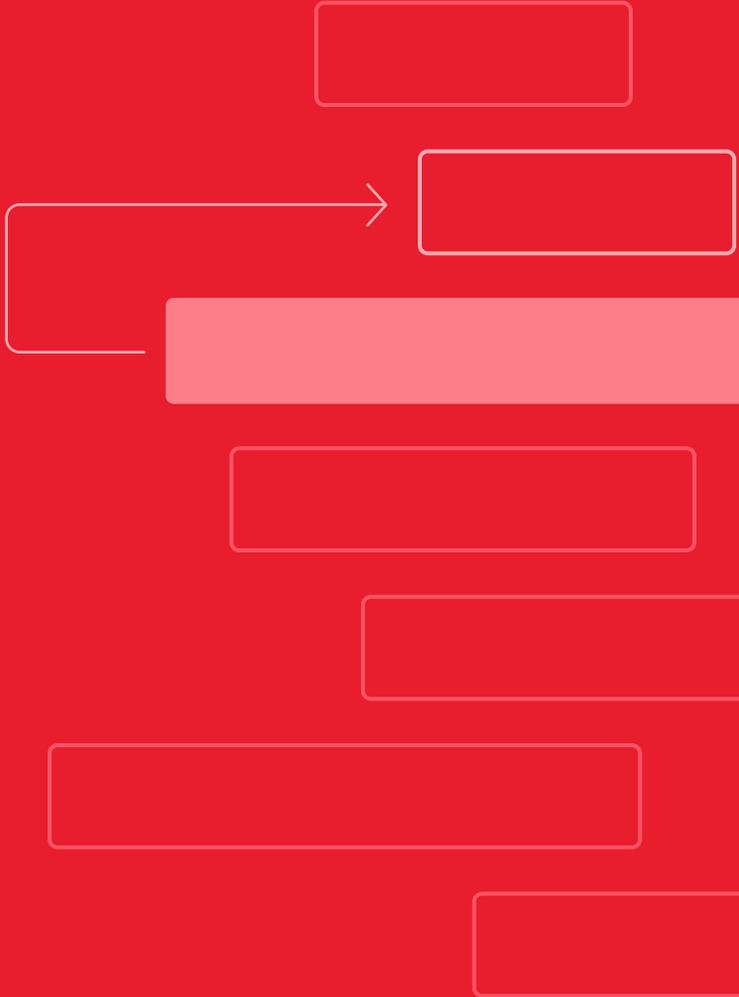
About productboard

productboard is a customer-driven product management system that empowers teams to get the right products to market, faster. It provides a complete solution for product teams to understand user needs, prioritize what to build next, align everyone on the roadmap, and engage with their customers. productboard is easy to use, enables company-wide collaboration, and integrates into existing workflows.

Learn more at productboard.com