

Why You Need a Strategic Prioritization Plan

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Why your company needs a Strategic Prioritization Plan and how to effectively implement one.

How often do you look at your to-do list and wonder when will it all get done? Most of us wish we had more hours in the day to accomplish tasks, run errands, and spend time with family.

But when confronted with limited time, we're forced to pick and choose which tasks we tackle. Subconsciously, we prioritize what needs to be done first, what can wait, and how best to make use of the day to be productive. Without knowing it, we engage in personal strategic prioritization.

Now, what if businesses large and small applied similar prioritization principles to their operations? What if they were able to understand the type of work that needed to be completed to accomplish their goals, and they better understood what was in the pipeline, how it aligned with company strategy, and what cross-functional impacts and resources were necessary for success?

The way companies do business today is changing. New products are being launched, creative leaders are implementing innovative strategies, and the workforce is transforming rapidly. To keep up and align with these exciting changes, businesses must develop a strategic prioritization plan.

Not all companies are created equal, and each struggle with different roadblocks. But we don't have to look far to recognize some of the common challenges that a strategic prioritization plan will help alleviate:

1.

Narrowing focus on high-reward areas that have true added value and will make the most impact.

2.

Creating a pipeline for low-hanging fruit, such as software upgrades or website content updates.

3.

Managing priorities and resources while rapidly acquiring and consolidating companies.

4.

Allocating people in a heavily cross-functional environment or across multiple initiatives or organizations.

5.

Shifting prioritization efforts from reactionary to proactive.

6.

Accounting for talent transformation.

7.

Allocating people to nonstrategic transformation items that are still a priority.

8.

Gaining alignment in the prioritization process.

Strategic Prioritization encompasses Demand Management and Resource Allocation. Demand Management focuses on prioritization and management of work intake based on achieving the strategic goals of the organization.

Meanwhile, Resource Allocation involves assigning people to the available work in a strategic manner to achieve prioritized objectives while furthering the careers of employees. To implement a successful Strategic Prioritization Plan (SPP), we must understand both areas.

Demand Management

There are several benefits of a well-defined SPP. It increases the alignment and focus of teams around strategic goals, eliminates doubts for the operational team leader who makes decisions, and most importantly, it builds an execution mindset and culture.

To execute any project or initiative, you must understand what the objective is. Do you have the necessary skill sets and resources? What does the timing look like? While strategic prioritization comes in different forms, there is no right or wrong way to do it, but there are factors that can make it more effective. These include defining a detailed approach and establishing criteria and a clear decision-making structure.

When setting up a SPP, it's best to break it down into three guiding principles:

1. Work Intake and Governance
2. Event Execution and Management
3. Prioritization Criteria Creation

Let's explore all three in greater detail.

Work Intake Process and Governance

Establishing a work intake model and governance are integral to starting any prioritization effort — it's important to know what to review. Deciding on the submission structure and key submission dates will help bring order to the process. Creating a single work intake form establishes consistent submissions and provides clarity to what will be reviewed in each session. Because submission criteria varies within organizations, documenting certain details can help show people in the organization what you are trying to accomplish.

Start by capturing the following information: the scope, objective, and purpose of the initiative; the project's overall benefits; the risks of doing (or not doing) the requested work; and impacted areas, financials, and timing.

When developing your work intake process and governance, focus on:

- Building a work intake calendar that will allow a vision of submission and planning cycles.
- Establishing intake funnel governance that provides structure and organization for all requested work.
- Encouraging clear submission guidance by aligning who is submitting projects and initiatives.
- Creating a detailed work intake form that allows for critical details to be captured.

Event Execution and Management

As your organization plans its prioritization efforts, it's important to dedicate a focused session to discussing each project or initiative, as well as decide early who will execute the session and how. Another critical decision you will make during this process is determining who participates in the prioritization sessions. Recruiting key leaders to join this effort is a best practice, as they maintain the expertise and the vision to provide informative feedback and answer challenging questions that might arise.

Defining management responsibilities is also crucial to keeping the efforts on track and results documented. Using a facilitator to lead the discussion, a tracker to document, and a challenger to ask questions is considered the best way to ensure a smooth session.

Here are some other best practices to keep in mind when planning for event execution and management:

- Prioritization comes in many forms for many reasons (three- to five-year plan, go-to-market, new product development).
- Defined voters give specified insight and expertise.
- Developing roles and responsibilities is key to a streamlined process.
- Where and when should your initial planning session take place?

Resource Allocation

Prioritization Criteria Creation

The final guiding principle, Criteria Creation, may be the most important. Based on your organization's outlook, you will need to select the key areas of the business that are integral to your goals. For example, if you want to expand your geographical footprint or establish a new marketing campaign, what are the most important areas of the business that need representation?

Once you determine the key areas, the next step is to conduct a planning session to weigh the areas against one another. For example, you might debate, "Does strategic alignment weigh more than customer experience or vice versa?" "Does technical complexity weigh more than ROI?" There are no right or wrong answers to these questions, and they should be based on what is more important to your overall company strategy.

The next step is to determine your voting standards. For example, you could use a 1-10 scale, a weighted point system, or even "T-shirt sizing" — where each option is designated small, medium, or large. Whatever your organization chooses, though, developing detailed criteria to set each apart is critical. Here are some additional guidelines to help you through the criteria creation process:

- Establishing a common model and weighting of factors is key for consistency.
- Developing concise and detailed criteria is critical to align with proper voting.
- Creating a voting scale helps distinguish what each vote means.

Resource allocation is the process of assigning the organization's most valuable resource — its people — to a project. If we compare resource allocation to a supply chain, it's the equivalent of matching supply with demand.

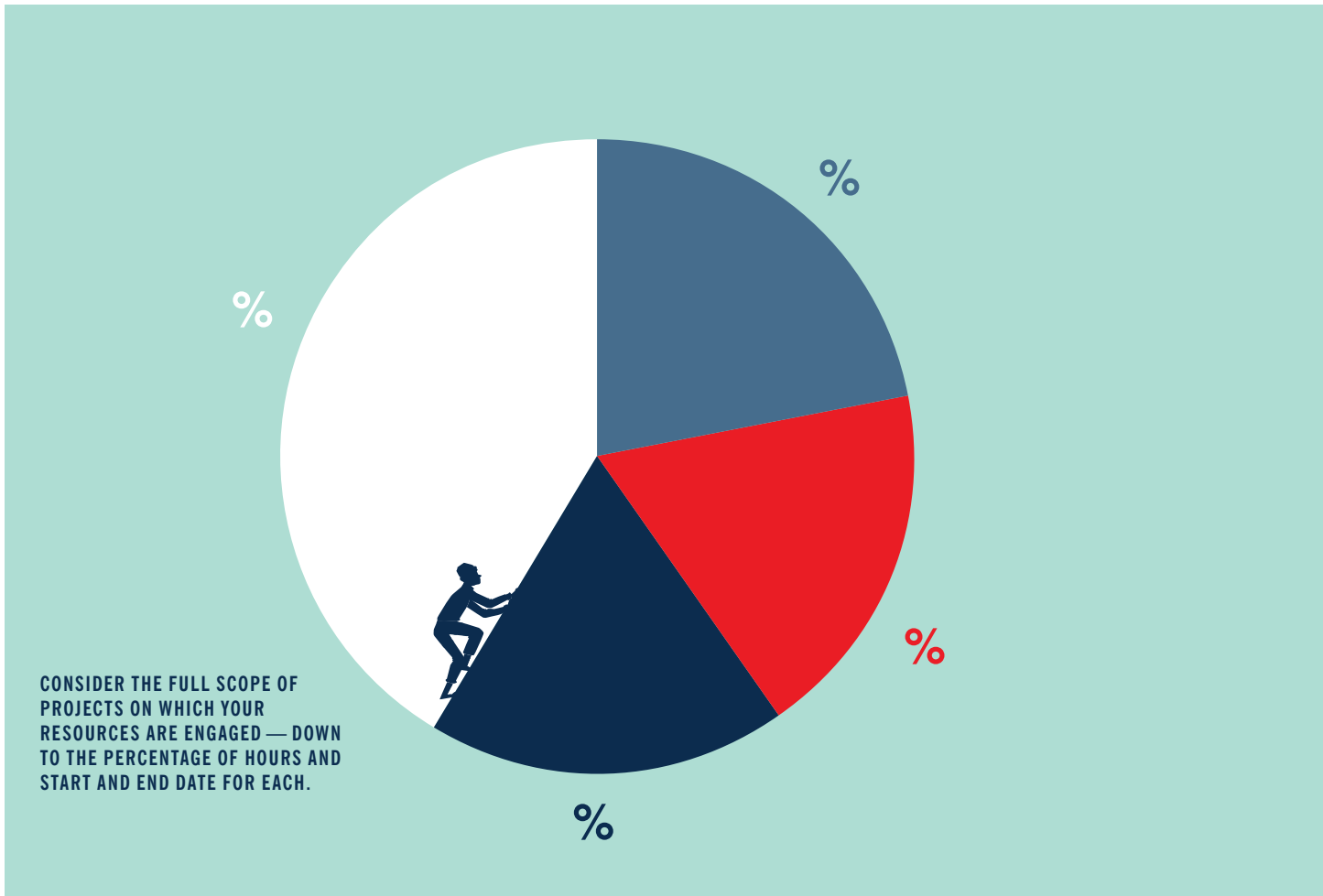
Some other commonly used terms for resource allocation include "slotting," "sequencing," "resource management," and "staffing." And while it may be a simple concept to understand, resource allocation can be challenging in a dynamic and complex business environment. Rarely are supply and demand in sync, and competing priorities often vie for the same, limited pool of resources.

Strategic prioritization enables business leaders to manage this complexity while ensuring that resources are aligned to the organization's top priorities. It does this by following three important steps: Prioritize Resource Demand, Evaluate Resource Supply, and Adapt to Changes.

Before examining each step in more detail, though, here are a few rules to consider. First, you can't prioritize resource demand without defining your prioritization criteria. It should be agreed upon by all stakeholders and used consistently to evaluate resource needs. Second, visibility of employees' current and planned workload, skills, and career interests can be leveraged to evaluate the resource supply and allocate optimally. The greater the visibility, the more strategic resource allocation can become. Finally, remember that no decision on resource allocation is permanent. Effective resource allocation should adapt to changes in the business environment, and the process should include a tool to that allows for adjustment. Also, note that these three steps are not necessarily sequential but always evolving.

Prioritize Resource Demand

In organizations where there is no defined, consistent process for resource allocation, it's common for the early bird or loudest voice to get the worm. Under the table negotiations may also be used to divvy the resources. Unfortunately, in these scenarios, resources are rarely aligned with the strategic goals of the organization or



in the best interest of the resource. Rather, different stakeholders have different interests and advocate for them against the good of the whole.

In contrast, using prioritization criteria to allocate limited resources ensures consistent prioritization and outcomes. The criteria may include organizational factors like prioritizing staffing for projects with the highest projected ROI; employee factors, such as prioritizing career interests of high-potential team members; or, in most cases, a combination of both organizational and employee factors. Regardless of which way your criteria skews, it is critical to gain alignment on these factors and document the simple rules that drive decision-making.

For example, here are three hypothetical simple rules for resource allocation:

1. Soft allocate high-potential resources that target strategic projects with executive visibility.
2. Soft allocate resources for projects that require niche skills or interests.
3. Soft allocate everyone else based on availability and general fit.

While the criteria will differ based on the organization, simple rules around prioritization ensure that resources are consistently aligned with the strategic objectives of your organization. Note that defining the rules is only the first step. Equally as important is gaining buy-in from all

stakeholders and creating a standard of discipline around following these rules when making staffing decisions.

Evaluate Resource Supply

As discussed, it is common in resource allocation to take a holistic approach, weighing both organizational and employee interests in allocation decisions. To do so effectively, resource managers must understand the resource pool, including not only employee workload and skills, but also their employees’ career aspirations.

When making these allocation decisions, consider the full scope of projects on which your resources are engaged — down to the percentage of hours and start and end date for each. Availability data must be captured and maintained regularly. If an employee is taking on an extra project but the allocation decision-makers don’t know about it, it could lead to overallocation. Visibility across teams is critical to coordinating in cross-functional environments.

Visibility of employee skills is also invaluable in matching fit for resource needs. Skills should be captured and maintained regularly in a skills repository. For new employees joining your organization, include a skills assessment in the process for employee onboarding. To ensure employee skills remain current, incorporate a skills review in the standing agenda for manager/employee career discussions or in the performance evaluation

Value vs. Complexity

process. What new skills or capabilities have you gained or further developed since our last discussion? Visibility of employee skills can provide value even beyond allocation. It can help leaders identify the skills that are readily available in the company and the skills that are lacking, which can then inform hiring decisions.

In the current business environment, evaluating employee interests is increasingly important given the intense market competition to attract and retain talent. In what type of work are employees most interested? What are their goals for career progression? Because resource managers often own the allocation of resources, they must be familiar with the resources they assign and ensure they are the best fit for the purpose.

In addition to asking employees to input their career interests in an internal resume or a skills repository, this information can be gained through one-on-one conversations with a manager or HR. Ultimately, though, employees whose career interests are considered are more likely to be engaged and feel fulfilled in their roles, and less likely to leave the organization. That said, not all resources should be treated equally. Fulfilling the career interests and aspirations of high-potential employees whom the company does not want to lose should be prioritized.

Respond to Changes

As noted, no resource allocation decision is perfect or permanent. Resource allocation, and the process supporting it, should adapt to changing business needs and challenges with in-flight assignments. As such, it is important to regularly review project assignments, reflect on completed work, and align priorities for the upcoming period. This cadence may be quarterly, monthly, weekly, or as frequent as semiweekly depending on the needs and pace of your organization.

While priorities will shift and resources realign, be careful shifting resources before the completion of a task, as this may lead to extra ramp-up time or rework later. Should an unexpected event arise that dictates a reallocation of resources away from a previously defined priority, cross-check the decision with invested stakeholders before taking action. Finally, avoid “ping-ponging” resources from one fire to the next. Instead, reflect and refocus on the priorities that drive long-term success for the organization.

Strategic Prioritization is not all methodology and data. As important as it is to establish a detailed structure and plan, it is equally vital to think about your priorities outside of the numbers. Are the prioritized initiatives and projects going to move your company in the right direction? Do you have enough resources, budget, or time to accomplish the designated priorities? This is where the art of the Strategic Prioritization process comes into play, and it involves examining each initiative or project through the lens of value (“What will this bring your company?”) and complexity (“Do we have the resources, time, budget to complete it?”) Answering these two questions is essential to finalizing your initial SPP.

Even then, however, Strategic Prioritization is never complete. It is not a one-time event — rather, it’s always evolving. By developing a quarterly schedule with regular checkpoints, you can both stay abreast of changing dynamics in the company and know if your prioritization efforts are on track. If we’ve learned anything over the past few years, it’s that events move and change quickly. With the right plan in place, though, you can develop a culture of mobility and stay ahead of the changes. ▶

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