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THE ULTIMATE GUIDE TO BUILDING CRITERIA

80 criteria that will deliver brilliant strategic alignment with AHP

by
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Strategic Alignment, powered by AHP

Successful decision making is built on clarity of purpose. Put simply, if you define your ideal outcome effectively then it's easier to pick the projects that deliver it.

While this sounds straightforward, effective prioritization is the exception not the norm. The PMI has produced truly startling figures which show that this challenge is massive.

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90% while 90% of them fail to fully meet their goals.

20% All this comes at an enormous cost, with a whopping 20% of projects in an average portfolio being so badly aligned that it should simply be stopped.

It is therefore no surprise, that when analyzing financial performance, companies with an effective prioritization process deliver financial KPIs 3x greater than the rest. Read more here.

Strategic Alignment, powered by AHP

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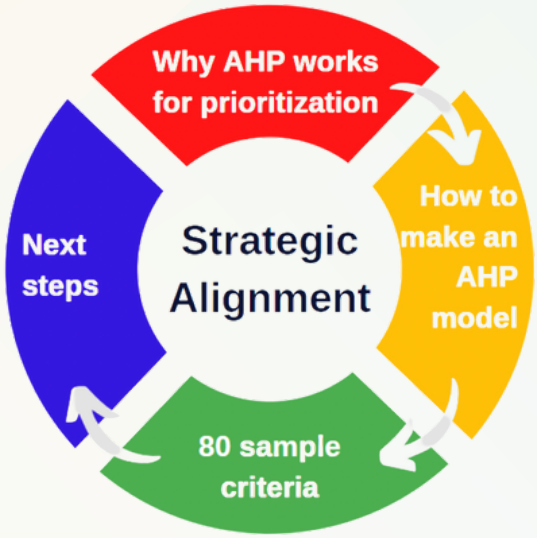
While this sounds straightforward, effective prioritization is the exception, not the norm. The PMI has produced truly startling figures which show that this challenge is massive. 61% of executives say they struggle to translate strategy to execution, while 90% of them fail to fully meet their goals. All this comes at an enormous cost, with a whopping 20% of projects in an average portfolio being so badly aligned that it should simply be stopped. It is therefore no surprise, that when analyzing financial performance, companies with an effective prioritization process deliver financial KPIs 3x greater than the rest. Read more here.

Taking another perspective, research from Forbes shows that c.80% of growth in value in the S&P500 comes from the top 20% of performers. Success is not distributed uniformly. Applying this to a corporate portfolio implies that only 2 out 10 divisions will return stellar growth, so maximizing their potential should be an executive's primary goal. Being 'fair' to the other 8 reduces returns. In our experience organizations have the knowledge to pick these high potential projects; the challenge is making sure that this insight is connected to the process that allocates precious resources.

Strategic Alignment, powered by AHP

We could equally talk about the importance of bottlenecks, team focus & the elevation of the PMO as benefits of strategic alignment. Or point to McKinsey's research that shows that companies with actively managed capital portfolios are worth 40% more than their 'same as last year' peers.



So, the prize is huge, the challenge is clear. But why is this still an endemic problem across modern organizations? Put simply, building a successful strategy and translating it into an actionable portfolio is too often seen as something that should be solvable with common sense and Excel. However, leading PMOs are starting to realize that there is a better way. AHP is a Decision Science methodology ideal for forward thinking organizations committed to strategic prioritization and data-led decision making

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Why AHP works for Prioritization

The Analytic Hierarchy Process is a branch of Decision Science which is ideal for portfolio prioritization, and here's why...

EXECUTIVE SUMMARY

What we are going to discuss here is AHP "*Plus*". The structured analytical framework of AHP *plus* collaborative data collection. Together they provide the scaffolding that enables an organization to build a connection between strategy and execution.

The core of AHP is Pairwise – the ability to compare competing criteria and push stakeholders to commit to a relative importance. This in turn converts into a quantified weight set that is used to score projects, thus eliminating any ambiguity over what really matters when it comes to delivering the strategy.

Why AHP works for Prioritization

It sounds simple, but it's backed up by sophisticated maths, and refined through decades of practical application. This is why the University of New South Wales recommended it as the best solution for project prioritization.

The 'plus' comes from teamwork. When you vote, as an individual, you will be wrong most of the time, when you do it as a team you produce better quality data. This is what the research tells us; that human judgement is noisy and easily skewed by factors such as bias and anchoring. Broad participation also means more buy-in to the outcome of the model, thus empowering the PMO to say 'No' and motivating 'resources' to deliver projects that they know matter.

Why AHP works for Prioritization

Like any model, the real value of your AHP comes from what you do with it. Creating actionable data visualizations, building sustainable processes, and using AI to overcome bottlenecks in your resourcing are all opportunities created by an AHP model.

This is why we believe there is no better solution out there, and it's why we're excited to help you learn how to build an AHP model for your organization.

AHP CAPTURES HUMAN INSIGHT IN A STRUCTURED MODEL

The analytic Hierarchy Process is the solution you need to form a scalable bridge between your strategy and your execution. It is a mechanism for decomposing your goals into discrete, often competing, components that cover the rationale of your portfolio.

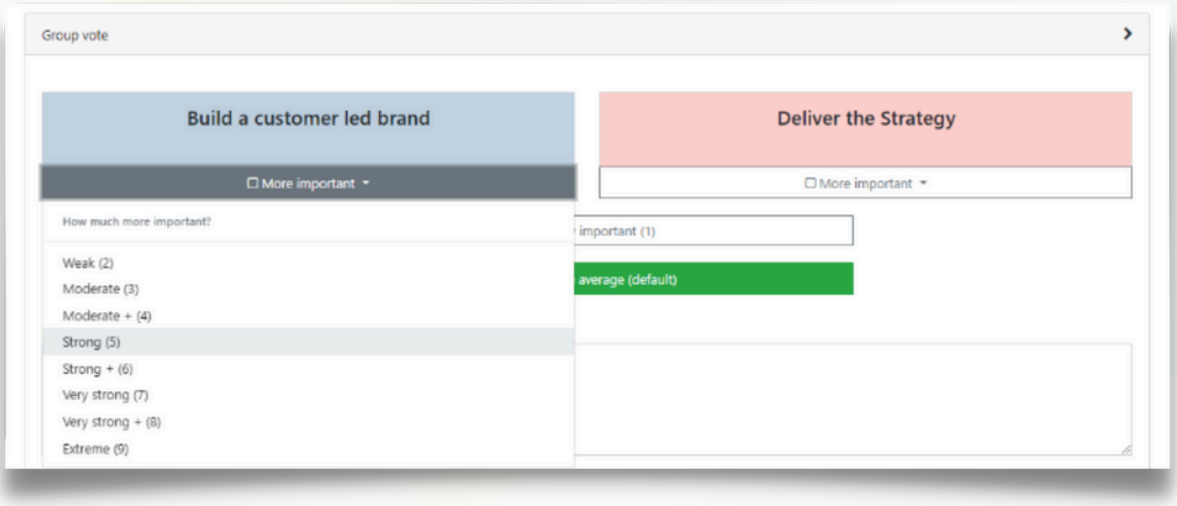
For example, you may have 'growth' set against 'cost control', or 'environmental responsibility' versus 'short-term profit'. That's fine – it's how the real world works. But good planning needs to be able to turn this paradox into a quantifiable framework. Which means determining the relative importance of competing goals. To do this we use an approach called Pairwise.

Why AHP works for Prioritization

Pairwise is the best methodology for determining *relative* importance

Pairwise is very simple for folks taking a survey: which of these competing goals matters more, and by how much? Research has proven that people don't work well with determining abstract weights (that criteria should be 23.7%!) However, they are good at relative judgements – "A is a little more important than B, but a lot more important than C". This seems simple but it's based on extensive research that shows that people work better with a verbal scale than with abstract values.

It enables you to create user-friendly questions which look like this:



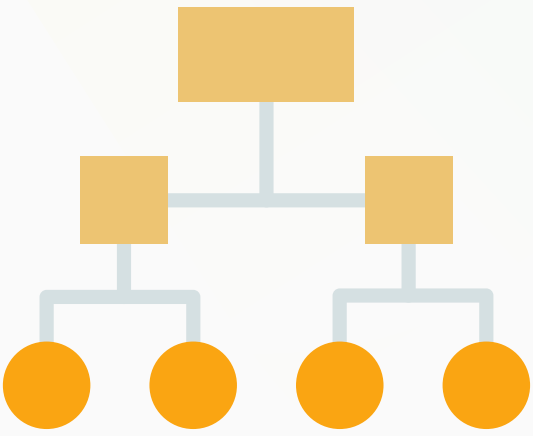
Less simple is the math used to build the model, including an inconsistency algorithm which quantifies the extent to which you disagree with yourself and a normalization calculation that turns your preferences into a clear actionable model.

Why AHP works for Prioritization

The key is that Pairwise forces you to make choices. Your strategy probably doesn't differentiate between the elements that keep the CEO up at night, and the elements that got shoe-horned in because every director needed a couple of bullet points to call their own. That means it will fail as the base for a prioritization model because it's not making any choices, and if everything is important... then nothing is important

Add detail to turn your strategy into measurable objectives

The "H" in AHP stands for Hierarchy. For example, breaking your model into Productivity vs. Environment is a start, but neither of these goals is specific enough to be measurable. Hence, we add layers (called 'sub-criteria') beneath. Perhaps "Productivity" is best defined as types of saving (headcount vs materials for example) or by channel (call centre vs sales). This means you get the granularity needed for measurement, connected to the high-level components of a good strategy. Similarly, "Environment" could be expressed as impact on Emissions, Water Usage and Recycling (for example) as more specific benefits against which different environmental projects will be measured.



Why AHP works for Prioritization

As above, you then apply pairwise to weight these competing branches in the model, so you continue to make practical trade-offs between competing objectives at this lower level. For each sub-criteria you also need to make subcriteria quantifiable. Typically, these scales start with an 'ideal' outcome (where the sub-criterion is fully satisfied), then step down through less good choices. There's no fixed rule but having five options works well. It's very similar to a Likert scale which you'd have seen in psychometric questionnaires ("Do you... Strongly Agree / Agree / Neutral etc."). Add language to make it easy to understand for people scoring projects. We call this a scale and here is a typical example from our software.

You can also measure sub-criteria using 'hard data' for example the output of an ROI model. More on this later, in our criteria section.

Why AHP works for Prioritization

PSYCHOLOGY RESEARCH SHOWS THE VALUE OF STRUCTURED COLLABORATION

There is extensive research which demonstrates why prioritization should be approached *as a group* through a *staged review process.* This is the "Plus" in **AHP Plus.**

Groups create better data than individuals

Individuals make random mistakes – this is called Noise. This phenomenon beautifully shown by Daniel Kahneman's book on the subject (this article is a good summary of key points if you're short on time). In a nutshell, people are… human. They are often 'wrong' in their judgements. It might be because they have knowledge gaps. It might be because it's late and they're tired, or their sports team lost a big game last night. The key point is that a single person's judgement is flawed. However, combine it with others' perspectives and (statistically speaking) mistakes even out to produce better data. Read more here.

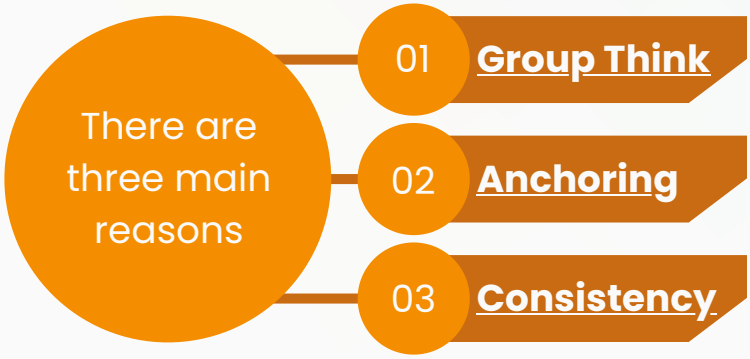
Why AHP works for Prioritization

Put another way, let's think about "The Wisdom of the Crowd" a concept devised by Francis Galton, the founder of psychometrics. If you're guessing the number of sweets in the jar at the local fair and really want to win… then don't guess. Wait until everyone else has made their judgement, calculate the average of their estimates, and bingo, you'll win the candy. **Syndicated knowledge is more powerful than an individual point of view.**

Applying this to a corporate planning process, it could simply mean having three people score a project, rather than one, thus eliminating 50% of the Noise from the data they produce. So don't let the CEO arbitrarily determine pairwise judgements alone; make sure she's part of a team so her colleagues can balance out the inevitable limitations in her judgement.

How you collect data directly impacts its quality

Getting everyone into a room to vote might seem like the obvious solution to deliver collaboration, but it is not the best option.



Why AHP works for Prioritization

Group Think is a concept first highlighted by Solomon Asch. He demonstrated that people have a proven tendency to follow the herd, even when their own eyes tell them otherwise. This was either because they want to fit into the group, or because they doubt their own judgement in the face of others' opinions. Watch this to learn more.

Anchoring is one of many cognitive biases that can explain poor decision making. It happens when one person speaks first to direct (or potentially misdirect) the group by creating a reference point to which all subsequent options are compared. If that person is loud or senior that effect may prove irreversible, as the discussion builds on a flawed initial judgement. Check out our own experiment with anchoring here.

Why AHP works for Prioritization

A key feature of pairwise is the ability to measure consistency. Because you are comparing all options at each level of the hierarchy, there is potential for you to disagree with yourself. **Every rating on the Saaty scale used for AHP implies a ratio of relative importance.** The extent to which those ratios do not align can be calculated with an algorithm and fed back to users as a flag to highlight where their judgements don't make logical sense. Think of this in terms of basic maths. If, A=2B, B=2C, then A should equal 4C. If it does not, then there is inconsistency. From a practical perspective, this happens all the time, so an iterative process to re-score 'wrong' answers is highly recommended. Read more about inconsistency here.

To overcome these problems is simple. Ask respondents to **complete a pairwise survey on their own.** Take time to reflect, articulate potentially controversial points and validate the mathematical consistency of their scores. Only then get the group together, ideally with an objective facilitator skilled at using the data to structure an inclusive debate. This means **everyone's opinion is considered and visible.** It enables people to learn from one another and to debate about points of divergence. This approach also has the benefit of saving time, as areas of alignment can pass untouched. After all, having a nice chat about consensus topics is low value add, unless the meeting has really good biscuits.

Why AHP works for Prioritization

Better Buy-In drives better outcomes

There are **three reasons** why a well-structured inclusive review builds buy-in :

- **Firstly**, if stakeholders are included in the process and see it as objective best practice, then they are more likely to accept it as being 'fair'. Subsequently, they are less likely to challenge when they are told "no". This is about building a culture of high-quality planning, rather than accepting back-channel politics as a way things get done.

- **Secondly**, if people feel they have been heard, then they have more buy-in. Even if they don't get others to change their voting, they've still got confidence that the system is considering things from their perspective and that their interests are influencing the overall model.

- **Finally**, it improves motivation. Teams picking up the work will perform better if they are confident that they are assigned to the right projects. Don't just take our word from it, check out his video from Stanford, or read this from Adam Grant:

"Often our productivity struggles are caused not by a lack of efficiency, but a lack of motivation"

Put another way, **don't just fixate on 'resources' as a number in excel**. They are a people who will deliver more if they have belief in the task assigned to them.

Why AHP works for Prioritization

AHP IS THE BEST SOLUTION FOR PRIORITIZATION

If this sounds good... it's because it is. AHP has been proven over decades, with research by the University of New South Wales identifying it as one of the two best model for prioritization. They analysed over 100 MCDM (Multi-Criteria Decision Making) techniques and chose AHP and DEA as the most suitable approaches. We found DEA to be difficult to both understand and implement, so decided to make AHP our preferred approach for building a solution for commercial applications.

Therefore it's no surprise that further research from the same institution identifies AHP as a critical component of best practice for Australian public investment, when it comes to delivering Value for Money to taxpayers. Looking at three real world 'mega projects' they show how AHP works alongside financial modelling such as ROI to provide a rounded view of how to prioritize.

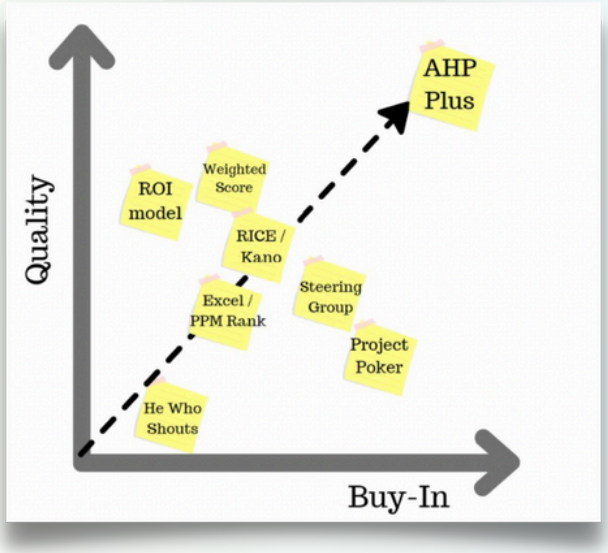
Want to learn more?
Watch this Webinar or read this blog.

Why AHP works for Prioritization

We haven't found a better alternative

When we consider prioritisation methodologies, we have two criteria:
- Does it deliver a quality decision?
- Does it build buy-in?

We believe AHP beats the alternatives on both criteria – check out our analysis of some of the main choices. So why do we think AHP is the winner? Let's consider those other choices.



Consider 'traditional' financial models (read more here). They are great if your criteria are purely financial, and you have reliable projections of value creation. But in the real world how often is this true? There are four issues we see time and again.

Firstly, qualitative judgements matter but don't fit a financial model. Criteria such as stakeholder impact, risk reduction and customer service are impossible to quantify without massive guesses.

Secondly, early-stage projects often lack the detail needed to forecast with credible accuracy, so modelling 5-year cash flow projections has about as much use as a magic eight ball, but with considerably more effort.

Why AHP works for Prioritization

Thirdly, ROI models tend to be 'black box', with a lack of transparency on how they worked out your project was great / not great. Not great for building buy-in.

Finally, a well-built AHP model can incorporate financial metrics as one of the criteria, so there's no need to choose between financial ROI and AHP. AHP is simply an evolution of the traditional approach to working out an ROI, but your definition of "return" incorporates both financial and non-financial criteria.

The world of **Product development** has long recognized the value of prioritization and has come up with many methodologies to solve it, such as MoSCow or RICE. However, they tend to use narrow product prioritization criteria, which are **simply not suitable** for project prioritization. They lack the flexibility to factor in broader strategic considerations and cannot knit together product backlogs to work happening in other teams. As such they tend to entrench silos with "Tech" and "The Business" rather than driving alignment.

The traditional spreadsheet hack of "Weighted Scores" offers more flexibility, and, as the name suggests, it is like AHP, but skips the decision science discipline of pairwise, and the collaborative approach to model building.

Why AHP works for Prioritization

Conversely Project Poker is fun for teamwork with a small, tactical development team but is a far too simplistic for prioritizing a complex portfolio.

Or simply go old school, ignore prioritization and muddle along with **'he who shouts loudest'**, probably with a side of spreadsheet. If you're a small group with a focused goal this may work. But if you're a regular organization it probably won't. You'll have too Many Projects, and waste time in meetings begging for resource or dodging pointless tasks. There may be a committee who get together every month to try and make sense of the chaos, but this is usually a signal that the process isn't working.

There are also a host of reasons why any PMO who values their time / sanity / performance should be scared of spreadsheet based prioritization. Also beware the PPM tool that claims to 'do prioritization' by having a data field where you key in a rank. This is a bit like when my kids claim to 'do the dishes' by leaving plates in a 10- foot zone around the dishwasher. It's better than nothing, but only just.

Why AHP works for Prioritization

AHP IS ESSENTIAL FOR A DATA-LED PLANNING PROCESS

Every CEO will tell you they are data-led leaders who want to make smart decisions. But if you can't quantify value, then you can't analyse it, visualize it or model it...

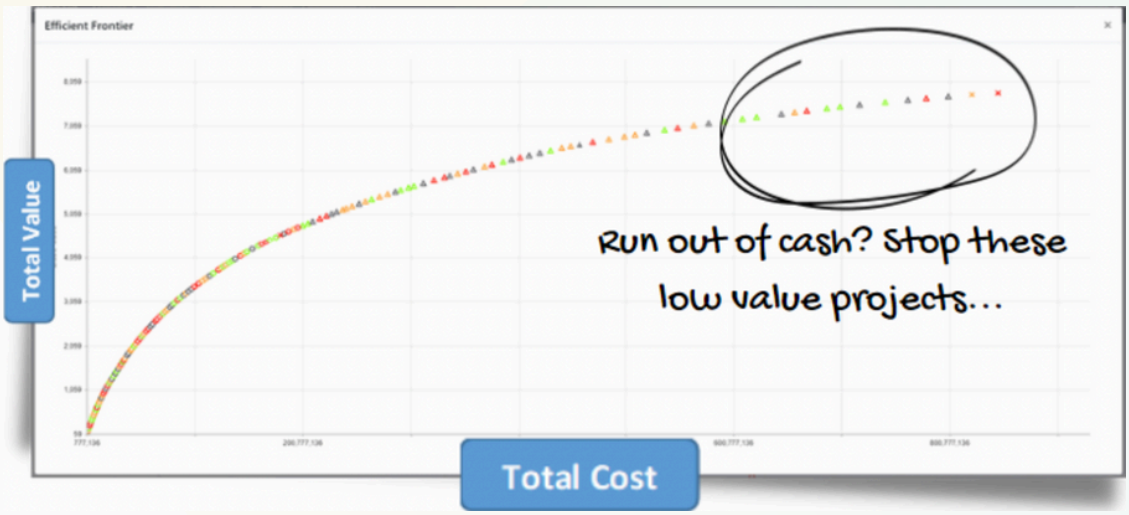
AHP gets you these charts

These charts are made possible because AHP quantifies project value in a simple 0-100 model. You might be able to create them in a spreadsheet, but it's probably about as likely as my kids loading the dishwasher of their own accord.

Compare Project cost to Project Value to identify **quick wins** & **pet projects:**

Why AHP works for Prioritization

Take the same data cumulatively to produce **The Efficient Frontier**. This ranks projects according to their value for money (Value / Cost) – meaning your 'long tail' can be cut without a significant impact on overall value delivery.



Once you have this core analytics framework you can also overlay additional modelling, such as risk, or a hierarchy view to see distribution of activity by division.

The key is that quantification unlocks transparency. See our blog for more.

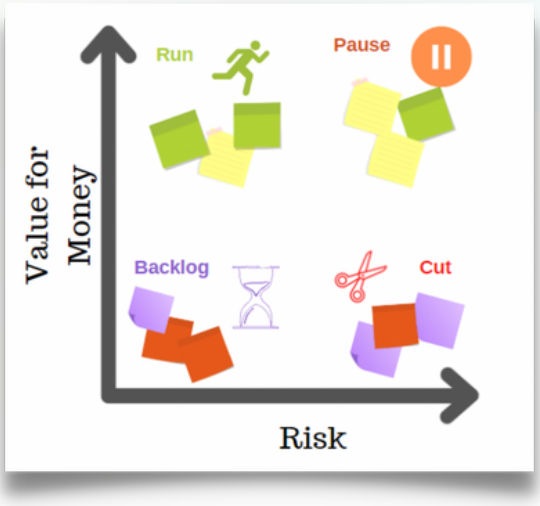
Why AHP works for Prioritization

AHP helps manage risk

Dealing with risk is a key challenge in most planning processes. Ignore it at your peril, but let it dominate, and you become too cautious. Every organization is different, the key is that you determine the right approach for your portfolio:

- Make risk a gating factor to fast track 'must do' projects.
- Build a risk model using AHP, which scores projects according to what happens if the project is not done
- Use the output from a quantitative risk model alongside your AHP model
- Score project riskiness as a discount to the value of your project, thus make project level risk a discount factor in your value model to prioritise 'safe bets'

See our blog for how to bring risk into data visualization, therefore making it easier to drive decision making.



Ultimately only hindsight can tell us which risks we should have ignored, and which we should have addressed. However, AHP gives the next best thing, an intelligent data-led analysis which enables leadership to make choices.

There's more on Risk in our Criteria section below.

Why AHP works for Prioritization

AHP enables Human Intelligence and Artificial Intelligence to work together

Quantifying value means you can use algorithms to support your prioritization. This means a complex portfolio, defined by multiple competing constraints can be optimized in minutes, selecting projects to 'fill the backpack' as effectively as possible.

Similarly, you can you also use the same logic to turn your backlog into a value-led roadmap, designed to schedule your workload based on outcomes, rather than simply settling for the first combination of projects that doesn't break your delivery teams.

Why AHP works for Prioritization

AHP builds velocity in planning

Adding in extra process around defining goals, and producing a pairwise model may seem, in the short term, like adding time into planning, and can raise resistance from some executives who would rather 'get on with it'. There are **five reasons** why those impatient folks are wrong:

- The end-to-end delivery for AHP can be less than 8 weeks if there is urgency in deployment. Read more here.
- A well-structured planning process builds muscle memory. Organizations perform best when routines are embedded, and people know what to do. AHP introduces new ways of problem solving that may feel odd for the first thirty minutes but will soon become second nature.
- Up-front planning reduces time spent fixing poor prioritization. If you have a transparent plan which respects capacity, involves stakeholders, analyses risk, and utilizes subject matter expertise there are far fewer potential triggers for plans to be (painfully / slowly) revisited.
- Once executives complete their pairwise review, they have a policy framework which can be published and left. This is typically an annual task, which enables teams to ideate and select investments aligned to strategy, all without executive micro-management at project level.

Why AHP works for Prioritization

We all know things can change – think pandemic and economic crisis. **An AHP model is designed to enable a portfolio to make a fast pivot**. Simply re-weight criteria to reflect the new challenges, and your scores are now updated, enabling data-led choices to be made quickly and effectively. Use AI functionality and you've got a new roadmap by lunchtime.

Our clients tell us that AHP works

At TransparentChoice, we help clients realize value of AHP-led prioritization. The journey for each client is different, but there are **key themes** we see time and again.

- ***Less waste.*** The average portfolio is 20% 'waste' – poorly aligned projects that should simply stop. Listen to Mike on how a US Trade body did just that.
- ***Alignment from working together.*** "We're having conversations we should have had years ago". The CEO of a major Canadian insurance company found that completing their Pairwise review helped his leadership resolve key disagreements.
- ***Stop doing 'Too Many Projects'.*** A global law firm's IT team were suffering from stakeholders battling to shoehorn their projects into a blocked-up backlog. By using AHP the PMO was able to start saying "no" or "yes but" in data-led non-political way.
- ***Drive PMO performance.*** Hear how Anette used TransparentChoice as part of her plan to turn the PMO into a business-oriented function that made prioritization work for a large US wholesaler's IT portfolio.

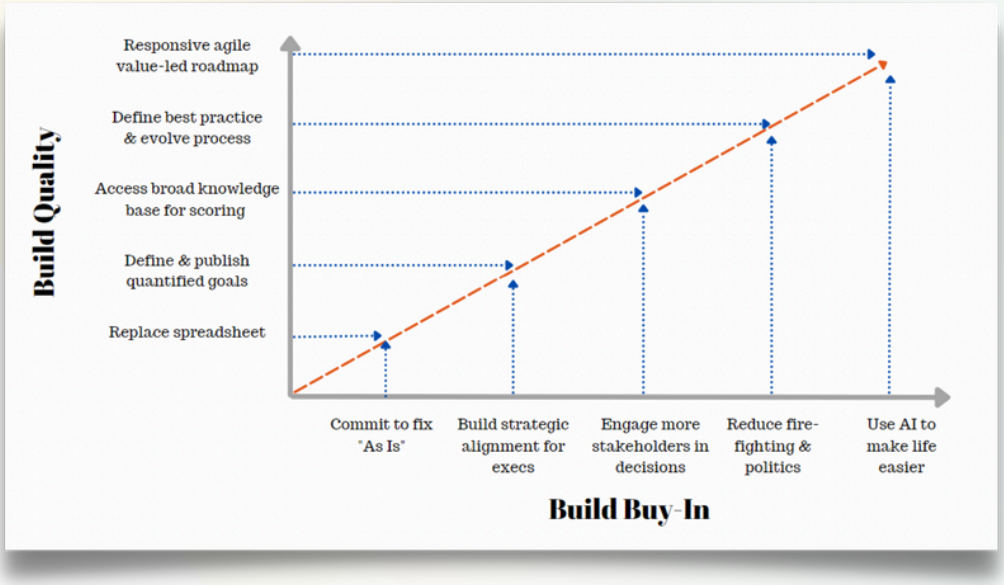
Why AHP works for Prioritization

- ***Common Language***. A global manufacturer needed to merge investment after a merger. Listen to how Plinio used AHP to make this happen 10x faster.
- ***Agile re-prioritization***. A major UK Charity needed to reboot their backlog after COVID. Hear how Jodie used AHP to create a new plan that was fast, and data led.
- ***Define Better Best Practice***. By putting AHP into the heart of your prioritization you create a framework for delivering a sustainable, fair, effective approach to determining what you work on. Don't believe us? Listen to Jerry's story

Why AHP works for Prioritization

Deploy AHP for progressively greater benefits

Prioritizing with AHP is a journey in improving both quality and buy-in for decision making. To fully realize these benefits, it is not predominantly a technical challenge, but a cultural one. We see this happening as an evolution, looking something like this:



If you're reading and nodding, then AHP is a solution you need. At TransparentChoice we've spent the last few years putting all this Decision Science-y goodness into a user interface that unlocks all these benefits without having to learn what an Eigenvector does, or why Geometric Averages rock.

If you'd still like to read more we have more.

If you're ready to start applying this to your organization, then read on to learn how...

5-Step guide to making an AHP Model

To use AHP you don't need a degree in decision science, simply follow our best practice to unlock the benefits of amazing prioritization

To build an AHP prioritization model we suggest you follow these **5 steps**:

When you've completed these steps, you'll be ready to get into the specifics of Criteria and can dive into our library for inspiration.

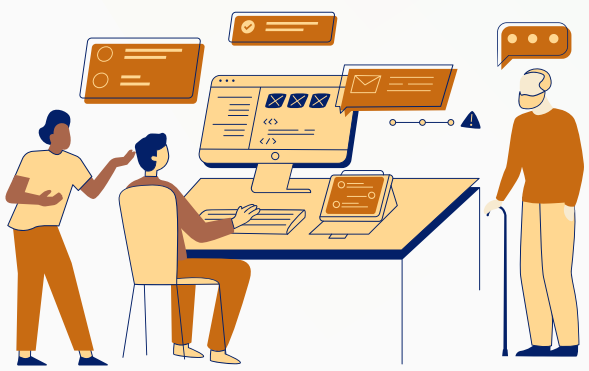
5-Step guide to making an AHP Model

(1) Build a Portfolio Strategy (with 6 simple questions)

If you're running a large PMO with a huge array of projects then you may need to cluster them into 'buckets' before you start building criteria. Each bucket can then have its own set of criteria.

If the answer to any of these questions is "**yes**" consider dividing your portfolio into separate sub-portfolios with their own AHP models:

- Do you have a mix of "Grow" vs. "Maintain" spending? Typically, the criteria for projects that deliver 'new stuff' look different from those which are protecting what you have today.
- Is there a big difference in scale? $10k projects and $10m projects do not belong in the same review. The level of scrutiny is different & the quantum of the benefits are different.
- Similarly, do projects have very different durations? It's not possible to meaningfully compare 1-week projects to 5-year commitments.
- Is resource allocation locked to fixed 'pots? We advocate silo-free portfolios, moving funding to where it matters, but if you have rigid funding then split your portfolio up accordingly.



5-Step guide to making an AHP Model

- Are some projects mandatory? If you must do something (and determining this could be a model in its own right) then, by definition, you cannot prioritize it. These projects don't belong in your model.
- Do different projects do totally different things? Some very different functional models (e.g. marketing vs. IT) may not belong in the same portfolio as they do very different jobs for the organization. Better to model separately then compare their efficiency to see which team would make better use of finite funding.

Building more than one model may sound complex, but when done well it will save you time, and deliver a better prioritization process.

Here's how:

- If you have "must-do" projects, you do not need to score them for value. Instead use AHP to assess them vs. the risk of not doing them. This will enable you to make sensible decisions about 'grey area' projects that you may be able to push back to limit the proportion of budget swallowed by non value add work.
- Lower-level projects can be scored with a light-touch model that applies structure and rigor while enabling scoring to be done in a fraction of the time. This is ideal for a fast churn list of 'quick asks' like maintenance work or a BI backlog.

5-Step guide to making an AHP Model

- Different functional models can share key corporate criteria, such as strategy or P&L based KPIs, while adding their own 'local' criteria. This could mean IT overlaying risk relating to legacy tech while operations add efficiency criteria. It also enables teams to flex weights, and thus assert control without reinventing the wheel.
- Building a data-led view of 'competing' departments' backlogs enables funding to be allocated based on incremental value, such that rational decisions can be made on the better use of precious resource – is it one more marketing project, or one more IT project? This econometric approach has been used for years to optimize marketing spend, so why not do the same for your project portfolio?

The key is that AHP can be as simple or as complex as the organization where it being deployed, and when done well, will bring both rigor and velocity to your planning process. To learn more, check out our Transparent Talk on Getting started with AHP.

5-Step guide to making an AHP Model

(2) Find out what your executives actually want (7 Tips we've seen work)

Good criteria can be found in several places. They lurk in the minds of your executives. They are in the CEO's strategy paper. They are in the objectives of department leads and the business cases for your current projects. Here are our **tips** for unearthing yours:

- Compile existing materials together. Business cases for previous projects are full of 'pros and cons'. These are potential criteria. Strategy documents, KPIs and targets provide a great steer for what matters most, as well as using language people recognize.
- Meet key stakeholders, but don't start with a blank page. Research has shown that criteria are more thorough if you have a list to help get started. Use our library if you need inspiration.
- Familiarize yourself with the basics of AHP best practice. Not the complex math, but tips around structure and language that will make your model work. An AHP facilitator can help here if you want expert support. (basically, read this e-book)

5-Step guide to making an AHP Model

- Allow time. Execs are busy people, but you simply won't get a worthwhile output trying to jam this into 30 minutes at the end of a busy agenda. Be prepared to iterate with them, combining similar suggestions or picking between two ways of expressing the same criteria. (in our next section we'll discuss the risk of a bloated AHP model)
- Be prepared to say "No" to the boss. If this beyond your comfort zone (aka career death-wish) it's another potential reason to bring in an AHP facilitator.
- Use a simple excel template to structure your thoughts. Download our template here and socialize drafts.
- Test your prototype with 'friendlies' before launching to execs. Complete the pairwise, and ask yourself, do these definitions make sense, and is the output sensible. This will help make final tweaks to either criteria or definitions. Once weighting starts, iterating is tricky.

Remember that our goal is to build a bridge from strategy to execution, so the key test is that it works on both counts. Do the criteria provide a good definition of value and the granularity needed to score projects (more on this below)? If yes, then you're on the road to success.

5-Step guide to making an AHP Model

(3) Identifying Gating Factors and Constraints

Your criteria need to reflect what drives value. There are likely to be other factors which will be key in your selection which are not value drivers. Cost, urgency and (some kinds) of risk being common examples of such constraints.

Let's start with cost. A car is better if it (say) gets better mileage and has heated seats. It's not 'better' if it's cheaper – it's better value. If you have a $ limit on buying a car, you are constrained by that budget. You may choose to go under budget if a cheaper model is better, but that's the whole point. Making a value-cost tradeoff is a key part of the selection process in a decision, so these two factors must be separate data points. Thus, cost cannot be a criterion an AHP prioritization model.

Collecting cost data will enable your portfolio to apply a 'value for money' test, but this only works if you keep cost data separate. It's also worth bearing in mind that 'cost' may not be a currency, but people. The same principle applies – keep it out of the model and then use 'value for effort' as a key selection metric in picking projects.

5-Step guide to making an AHP Model

Urgency is similar. If there's a tight deadline it doesn't mean a project is more valuable. It just means you should decide to do/not do quickly – i.e. it's a different decision, another potential constraint.

For risk we should think in terms of gating factors. If a project must reach a minimum level of compliance (e.g. it must be legal so we don't get sued) then you have a gate which must be passed through prior to determining value, or at least prior to committing to start. "Being compliant" should therefore not belong in a model because everything which is less than "yes, totally" is outright rejected.

There are some types of risk which do make good criteria – specifically risk mitigation and project risk. The first is a project's ability to reduce risk as a benefit, while the second is a 'discount' applied to a value if there are concerns that that value may not materialize. More on this later.

(4) Apply key AHP Best Practice: 11 point checklist

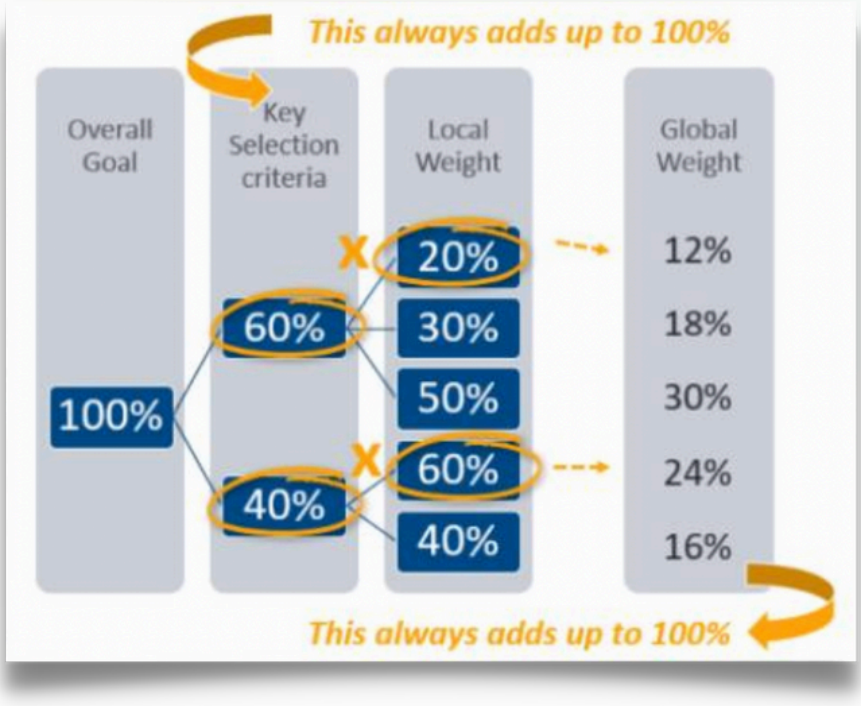
This list could be longer, but we'll keep it simple on the assumption you're not a PhD in Decision Science and focus on the key lessons we've seen work for our clients.

There are some basics you need to understand first, namely how Pairwise and Hierarchy work when weighting a model.

5-Step guide to making an AHP Model

The reason for building an AHP hierarchy is to create a selection framework for scoring projects. You will do this by assigning a weight to each criterion within the model. These weights will add up to 100. They will be determined using 'Pairwise' a survey approach which asks you to identify which branch of the model is more important, and by how much. Once all potential pairs have a relative importance, use an algorithm to convert this into a best fit set of scores – we call these weights, and they will be used as a scoring framework with which to assess projects.

If you have a hierarchy this approach adapts, such that all the 'top level' criteria are weighted (i.e. they 'share' 100 after being compared via Pairwise), and then within each branch the sub-criteria are weighted too, relative to one another. Weight from the parent criteria is then split between its sub-criteria accordingly. Here's a picture to explain:



5-Step guide to making an AHP Model

Now you understand the core principles, let's run through **our guidelines for building your amazing AHP model:**

01 Simple is often good enough. If you start with (say) four criteria, you can be up and running in minutes. If this creates sufficient differentiation within your portfolio there's a lot to be said for this approach. It's also great for low value projects with a fast churn – think BI backlogs or early-stage research projects.

02 If you need more detail, then you'll need the "H" of AHP – Hierarchy. This means clustering your bottom level criteria (sub-criteria) into higher level groups. Remember, these groups will be compared to one another when model weight is distributed so it's important how this is done. This is often where you will address tough strategic trade-offs: "What matters more, Customer Service or Revenue?" or "What is more important – Cost Control or Investing in Growth?"

5-Step guide to making an AHP Model

03 We often get asked "how big should a hierarchy be". To answer this we apply another psychology principle called the Magic Seven rule. This tells us that the human brain can 'hold' 7 concepts, plus or minus 2. Exceed this limit and the model is too complex. This range corresponds well to our experience. Models with 5 criteria work well, producing enough nuance to differentiate projects without becoming overwhelming. Go up to 9 if critical, but we do not recommend it as an ideal.

At sub-criteria level three works well, meaning our 'ideal' model has fifteen sub-criteria in total. Note that 'classic' AHP has higher limits – ours are based on observed impact of numerous clients' models for prioritization. Remember, these are simply guidelines. The key is to find the right framework for your portfolio.

04 Symmetry, or something close to it is also recommended. If you have one criterion with five subs, and another with only two, then it's likely that those five subs will have quite a low value in the model, which can be unfair if certain projects rely heavily on just one of those, as can be the case. If you have more than three sub-criteria, consider a new criterion in the level above.

05 Each sub-criterion will be a question for scoring, so if you have a lot of subcriteria, then you'll have a hefty task in scoring. Why bother scoring projects on a sub-criterion where its maximum contribution is to 1% of the model? Use your prototype to identify these unnecessary sub-criteria and cut them.

5-Step guide to making an AHP Model

06 Familiar language is important. Use terms with meaning in your organization, so people are comfortable when making judgements. Link back to materials from your research for consistency with definitions and metrics.

07 Ambiguity is the enemy of quality, so eliminate wooly language and meaningless buzzwords. Use accessible terms which people understand. Adding clear descriptions helps too. A good test is that you want (say) five people to read a criterion and all have the same understanding.

08 "Ands" are bad in sub-criteria. For a top level it's OK, but when it comes to measurement you cannot create a weight for doing X and Y. What if a project is amazing for X and doesn't touch Y? What if it does a little of each? If both X and Y matter, have two sub-criteria. If you only care about X, then drop Y.

09 Avoid inter-dependence. Your criteria must be discrete from each other. For example, you can't have "Drive Profit in Dollars" vs. "Drive Revenue in Dollars" – it's a false dichotomy as the two are closely linked in terms of underlying drivers. In this case it would be better to have "Drive Profit %" and "Drive Revenue $" as they point to different preferences – profitability vs. growth. Don't get too hung up on this, on some level everything is inter-linked. The key point is don't have two things which are almost the same because you'll double count projects delivering on these criteria.

5-Step guide to making an AHP Model

10 Beware the lone child. You cannot have a single sub-criterion beneath a criterion. Not only does this mess up the math of AHP, it's also pointless. Simply apply measurement at the criterion level instead. It's OK to have some criteria scored at this high level and others broken down with sub-criteria. It is asymmetric so be mindful of skewing your model, but otherwise it's a commonly used approach.

11 Apply common sense checks to your final model. High-level criteria should summarize key purposes of the portfolio, the CEO elevator pitch level view, while the lowest level should be specific measurable outcomes which map onto the KPIs for the management team.

(5) Add Measurement Scales: 9 things you need to know

The bottom level of your model (usually sub-criteria but might be criteria… or even sub-sub criteria) needs to be measurable. Generally, this means a scale, but we'll also look at how to use 'hard' data feeds too. Logically this happens after you create criteria, but understanding measurement is a key pre-requisite for a successful AHP model.

5-Step guide to making an AHP Model

So we'll do it now:

Scale-based measurement

Scales enable people scoring your model to pick from a list of options, which then translate into values which you define. Here are the key points:

01 If in doubt, use a standard 5-linear level scale with 0-100 values. This is our recommended approach as a base from which to add descriptions that make sense to scorers.

02 Each level in your scale needs a clear description, whereby each step is clearly differentiated, and will mean the same thing to all the people doing the scoring.

03 Each level in a scale needs a value. The highest value should be your ideal outcome, the best project for delivering that criterion. Lower values should be relative to that – is it just a little short of that level, half as good, or even less? These values can be linear steps... or not. It's up to you.

04 Including zero is recommended, as some projects will have no relevance to a given criterion.

05 Quantifiable scales are best provided they make sense to scorers. This means 'bands' defined with values (e.g. if criteria is 'grow revenue' then bands may be $10k-100k, $100k- $200k etc).

5-Step guide to making an AHP Model

06 Scales must 'go up' such that the highest value is the 'best'. That means if your criterion is 'bad' (e.g. riskiness of project) your description needs to invert so that the safest project scores highest.

07 Too few levels can leave your model with plateaus, especially if you have a small number of criteria. This means your model is failing to differentiate projects.

Here is a typical 5-level scale for scoring benefits:

Delivery vs Goal Scale - core 5 tier scale, works for lots of different criteria

100	Critical Impact	This project is key to the delivery of this goal, a real game changer
75	High Impact	This project makes an important contribution to the delivery of this goal
50	Medium Impact	This project makes a solid contribution towards delivering this goal
25	Marginal Impact	This project makes a marginal contribution towards delivering this goal
0	No Impact	This project makes no contribution towards delivering this goal

Here is an upside-down scale for scoring risk:

Project Delivery Risk Scale - inverted scale to apply high score to low risk

100	No Risk	This project poses no meaningful risk
75	Low Risk	This project only poses low level risk
50	Manageable Risk	This project has risk, but it's manageable
25	Potentially Dangerous Risk	This project has significant risk with no clear solution in place
0	Dangerous Risk	This project has the potential to go horribly wrong

5-Step guide to making an AHP Model

Data feed measurement

If you already have data for scoring a criterion, then it makes no sense to use a scale. Simply plug the data directly into the model. It's almost that easy, with just two extra considerations:

08 Normalization matters. As with scales, you need to define the highest value that fully satisfies your criteria, but the key here is that you may have values that exceed this threshold. This stops outlier results skewing your model.

For example, if ROI is your criterion, you may determine that anything >20% represents an excellent use of capital, and therefore scores full weight. If you happen to have one project scoring 40% it shouldn't mean all the projects with 20% only achieve half the weight, as the chances are this project simply has an unusually low capital requirement.

09 As with scales, numbers must be positive and ascending. This means if you have a model where the output is expressed as a negative number (cost savings for example) you'll need to transform this into a positive number before loading it.

For data arrays where higher values are worse (e.g. fuel consumption) it may require creativity to re-express the data 'the other way up' (e.g. miles per gallon).

To learn more about building AHP models check out our Transparent Talk.

80 Sample Criteria

There is no such thing as generic criteria, but there are common themes, so why not take inspiration from our library...

USE OUR CRITERIA TO GET STARTED

Starting with a blank sheet of paper has been proven to be worse than giving executives a model to build on. Shockingly, research shows that they miss 50% of important criteria. Please be warned, these 'off-the-peg' criteria won't be quite right – the goal is to help you get started not to replace the need to engage the leadership team. The best criteria are not generic, so as a minimum be prepared to tweak ours.

We've grouped them by key themes that characterize most organizations' high-level considerations. Don't feel you need to include one from every branch, simply zoom in on the areas that are most aligned to your portfolio's purpose. Likewise, our high-level headings are merely guidelines. Building your own high-level clustering is therefore highly recommended. All criteria below also have a supporting description – again customizing this is important, applying AHP best practice above.

80 Sample Criteria

HERE ARE OUR 6 'BUCKETS' FOR CRITERIA:

In this section each sample Criteria will have both a name and a description. The name should be easy to understand, with no buzzwords, and as much specificity as possible. It should not contain "ands". Under each criteria is a description. This is the bridge into the scale, which will be used to score projects.

01 Near Term Objectives

Typically these criteria will have a direct P&L impact, so are likely to feature in any model for a commercial organization. It's important that they are not overlapping, so we suggest making some basic choices.

- Consider what data is available & which metrics people are familiar with
- Use a customer lens or a financial one but beware of using both
- Pick a single aggregated metric or one or more detailed metrics

80 Sample Criteria

Financial-themed measures – aggregate metrics

For these Criteria it is usual to use a data feed, not a scale, so ensure you also have a normalization cap in mind to avoid outliers skewing the data.

- **Return on Investment**
  What is the expected ROI of this project?
- **Payback Period**
  What is the expected payback period of this project?
- **Net Present Value**
  What is the expected NPV of this project?

Financial-themed measures – detailed metrics

Likewise, if using a data feed ensure you have a normalization cap set.

- **Incremental Revenue**
  What is the value of extra revenue this project will deliver?
- **Increase profitability**
  How much extra profit margin this project will deliver?
- **Reduce operational costs**
  What savings will be achieved by implementing this project?

Customer-themed measures – aggregate metrics

- **Increase Customer Numbers**
  What impact will this initiative have on the size of the customer base?
- **Increase Market Share**
  What impact will this project have towards improving market share?

80 Sample Criteria

Customer-themed measures – detailed metrics

- **Drive Customer Acquisition**
  Evaluate the contribution of the project with respect to new customers.
- **Grow Customer Frequency**
  Evaluate the contribution of the project with respect to improving Frequency.
- **Improve Customer Retention**
  Evaluate the contribution of the project with respect to delivering Customer Retention goals.
- **Increase Average Selling Price (ASP)**
  Evaluate the contribution of the project with respect to growing ASP
- **Drive Net Dollar Retention (NDR)**
  Evaluate the contribution of the project with respect to growing NDR.

80 Sample Criteria

02 Efficiency Gains

Improving operational metrics is often a reason to invest. While there may be a financial benefit, it may be more effective to measure value based on hard to quantify operational improvements.

By contrast, quantifiable scales which point to progress against these criteria are excellent, especially for areas such as manufacturing and contact centers, where efficiency is often a critical point of differentiation.

This is where specific operational goals should be listed, but don't include a long list. Try to focus on three or four drivers that have been identified as key in your research stage.

Task Specific Productivity

- Reduce the time it takes to (DO SOMETHING) To what extent will this project enable us to (DO SOMETHING) in (SPECIFIED TIME)

  Most organisations have some critical processes that are driving operational performance. It could be on-boarding, call centre handling time... or anything – the key is to make it work better.

- Improve (SPECIFIC) quality metric

  To what extent will this project enable us to improve the quality of our (SPECIFIC)?

  For a manufacturing company, this could be a 'right first time' metric, for a software company this could be the number of bugs. The key is that driving through improvements is of significant value that is not easy to quantify as an ROI.

80 Sample Criteria

- Increase capacity of (BOTTLENECK)
  To what extent will this project resolve capacity constraints?
- Enable future savings in (SPECIFIC PART OF ORG)

  To what extent will this project enable savings to be made in (SPECIFIC TEAM) ?

  If a project contains a solution that enables cost savings, but there is no hard commitment to restructure upon completion then measure the project as such, rather than as a financial goal. Also recommended when savings are hypothetical (i.e. saving costs that do not currently exist).

People-orientated gains

- **Improve Employee Productivity**
  How many people-days will this project save the organisation?
- **Empower colleagues through automating repetitive tasks**
  To what extent will this project enable people to do their job more effectively?
- **Data Quality & Reporting**

  To what extent will this project improve the availability of quality data?
- **Improve employee engagement**

  To what extent will this project improve staff engagement?
- **Improve employee development**

  To what extent will this project improve colleagues' personal development?

80 Sample Criteria

- **Help our teams to collaborate more effectively**
  To what extent will this project help our staff to work together more effectively?

03 Strategic Objectives

Is your Pet Project strategic? Yes of course it is… Unless you get specific about what defines strategic value, everyone will find a way to position their project as strategic. Therefore, it is key to identify the main components of your strategy and call them out as sub-criteria. As above, don't pack too much in, as this will dilute scores. Three or four is ideal.

Ensure these are different from near term objectives, focusing on longer time horizons and broader less quantifiable outcomes. This is where you put those 'Big Hairy Audacious Goals' (think JFK & the lunar program). This is also how you avoid the trap of short-term thinking, with prioritization dominated by deliverables focused on this year's numbers.

80 Sample Criteria

Specific Key Initiatives

- **Deliver (NAMED GOAL)**
  Evaluate the contribution of the project to delivering this strategic goal.

  The named goal should be a high-level outcome (e.g. "digital transformation" / "net zero") rather than a high profile project… which is what's being scored.

- **Ensure (SPECIFIC DIVISION) in the business is well-supported**
  How important is this project to supporting this team?

  In a given planning cycle there may be a team that simply needs extra help because what they must get done is a strategic imperative. It could be fixing a broken operation, helping IR ahead of a stock market launch or providing extra support for a territory going through high levels of transition.

- **Support on the realization of value from our M&A**
  How important is this project with respect to integrating / divesting assets?
  If your company is acquisitive, it may make sense to have a sub-criterion which flags the importance of projects needed to deliver value inherent in a deal.

80 Sample Criteria

Competitive Position

- **Achieve Market Leadership within 5 years (OR WHATEVER...)**

  How important is this project in realizing our goal to achieve market leadership within 5 years?

  Note how the time horizon differs from near-term market share goals.

- **Defend our core market from new threats**

  How important is this project in defending our current market position from (NAME THREAT)?

- **Focus growth into a specific higher growth sector (NAMED)**

  How important is this project in enabling us to deliver our goals in this sector?

- **Deliver disruptive innovation within the sector**

  To what extent will this project deliver new products / services that are ground-breaking within the sector?

- **Close the Gap vs. competitor products**

  To what extent will this project help our product achieve parity with the sector leader?

- **Build scale in a target geography (NAMED)**

  To what extent will this project help to compete in a specific target market?

80 Sample Criteria

- **Build scale in a target vertical (NAMED)**

  To what extent will this project help to compete in a specific target market?

- **Create new Intellectual Property**

  How important will the IP from this project be to the long-term success of the company?

Customer & Brand Objectives

- **Improve Customer Experience**

  To what extent will this project improve customers' experience when using our product / services?

- **Improve Ease-of-Use**

  To what extent will this project make our product easier for customers to achieve their requirements?

- **Build Brand Awareness**

  To what extent will this project help grow the awareness of our brand with prospective customers?

- **Improve Brand Perception**

  To what extent will this project help improve how our brand is perceived with our target audience?

80 Sample Criteria

Again, there are similarities to the near-term customer goals, but there is a fundamental difference between 'delivering the numbers' now and building the foundations for long-term success. Striking this balance is exactly where the executive team should focus, by making conscious decisions that reflect the strategic intent of the company.

03 Stakeholder Impact

A typical portfolio of projects will have more than one stakeholder group that it needs to care about. These relationships could be within the company, or broader societal responsibilities.

The key is to identify who / what you really care about, and then to make sure you have a scale that can differentiate nice-to-haves from game changing projects.

Support our Commitments

- **Deliver agreed level of client service**

  How important is this project to delivering internal Service Level Agreements (SLAs) to the business?

  For internal facing teams (IT, BI, HR etc.) their core purpose is to support other teams, so measuring this service is a key metric when it comes to prioritization.

80 Sample Criteria

- **How important is this territory?**

  How important is the territory where this project will be implemented?

  For complex multi-nationals consider having formal tiers, that recognize that supporting core markets may need to take precedent over smaller markets.

- **Improve Stakeholder Engagement**

  To what extent does this project improve our current levels of stakeholder engagement?

  This may include a reference to a specific part of the business identified as important – e.g. improve executive alignment, or support the sales team.

- **Develop productive relationships with key partners (NAMED)**

  To what extent will this project help grow relationships with key third parties?

80 Sample Criteria

Environmental Responsibility

You can use a catch-all criterion or break it down into this down into detailed subcriteria with specific named environmental drivers.

- **Hit targets for environmental responsibility**

  How does this project help deliver environmental KPIs?

- **Work towards Net Zero by (DATE)**

  How important is this project in delivering public commitments.

- **Reduce energy use**

  Evaluate the contribution of the project to reducing energy usage.

- **Switch to renewable energy sources**

  Evaluate the contribution of the project to moving to renewable energy.

- **Reduce polluting emissions**

  Evaluate the contribution of the project to reducing emissions.

- **Reduce the consumption of raw materials**

  Evaluate contribution of project to reduce consumption (e.g. water).

80 Sample Criteria

Business Reputation

Some projects can be good for a business because they help create good news to support Public Relations. Again, the value of this reputational boost is hard to express as an ROI, but for some organizations is critical. This can be equally true of commercial and government projects.

- **Public Relations Impact**

  What impact will this project have on our brand?

  Alternatively focus on one (or more) of the more specific options below.

- **Invest Relations Impact**

  To what extent will this project help build confidence with our investors?

- **Environmental credentials**

  What impact will this project have on our 'green credentials'?

- **Employee credentials**

  What impact will this project have on our reputation as a good employer?

- **Be a good corporate citizen**

  To what extent does this project help deliver on our responsibilities to the wider community?

If using this criterion, you may want to add greater precision by specifying the segment within your community whose interests are being given special consideration.

80 Sample Criteria

04 Business Risk

Some projects are not designed to generate a return – their goal is to reduce the probability of something bad happening.

Disasters against which you must mitigate will vary. It could be a data breach, an intervention from the regulator, a platform failure, or a serious accident, but the key theme is the extent to which this project will reduce the probability of disastrous outcomes.

It's also important to appreciate where risk is a gating factor not a criterion. **If you can choose to ignore a risk it's a selection criterion; if you cannot then it's a gating factor**. A maintenance project for an old roof that *should* be updated, but *could* be ignored, is a potential project. A hole in the roof is a must-do activity.

Reduce the risk of things breaking

Every organization has a list of things that might go wrong, whether it's a risk register or a less formal set of concerns. Fixing everything would drain resource away from growth, while ignoring everything invites disaster. The solution is to find a balance to focus on the most critical risks.

- **Improve disaster recovery readiness**

  To what extent will this project help the business recover in the event of a serious disruption to ongoing operations?

80 Sample Criteria

- **Reduce risk associated with technical debt build-up**

  To what extent does this project reduce the risk associated with IT obsolescence?

- **Reduce risk of supply chain failure**

  To what extent does this project reduce the risk of supply chain failure?

- **Improve cyber-security**

  To what extent does this project reduce risk from security threats?

Reduce risk by improving processes

Quality governance means implementing processes that reduce risk and demonstrate that due diligence. As above, finding the balance between preemptive risk management and growth is a key feature of effective prioritization.

- **Improve internal governance processes to minimize risk of noncompliance**

  To what extent does this project reduce risk from non-compliance & lack of oversight?

- **Reduce potential liability from health & safety non-compliance**

  To what extent does this project remove outstanding items from the H&S risk register?

- **Reduce potential for significant reputational risk from (SPECIFIC RISK)**

  To what extent does this project reduce the risk of reputational damage?

80 Sample Criteria

- **Reduce level of customer fraud**

  To what extent does this project help reduce the level of fraudulent transactions?

Reduce risk proactively

Existential risk can come from change to things you rely on; recognizing that you need to act now can be a useful criterion in your definition of value.

- **Manage exposure to (SPECIFIC MARKET)**

  To what extent does this project help reduce our exposure to (SPECIFIC MARKET)?

- **Prepare for customers' move to digital**

  To what extent does this project help us adapt our proposition in-line with new tech?

- **Reduce exposure to risk of extreme weather**

  To what extent does this project help reduce our exposure to the effects of climate change?

- **Future proof for a change in government policy**

  To what extent does this project help address liability from a change in the administration?

80 Sample Criteria

05 Project Delivery Risk

If a project is potentially difficult it makes sense to apply a discount to its overall value. This will prioritize easier projects, while penalizing projects which are 'not quite ready' or just inherently risky.

Note, with project risk your scale is often 'upside down', meaning "No Risk" will be valued at 100, while "Very Risky" would be 0.

Execution Risk

No project is entirely predictable, but if you are asking 'difficult questions' it will help identify those most likely to go wrong. This provides a valuable opportunity before approval to correct plans that are not properly thought through.

- **Readiness to realize benefits**

  To what extent are we ready to undertake and successfully implement this project?

- **Project complexity**

  To what extent could complexity introduce unplanned complications to this plan?

- **Lack of familiarity with technology**

  To what extent could a lack of familiarity with this tech lead to unplanned disruptions?

- **Synergy benefits vs. existing solutions**

  To what extent does this project benefit from existing solutions?

80 Sample Criteria

- **Scale of collaboration required**

  How many teams will need to work together to deliver this project?

- **Resource availability**

  To what extent could resource bottlenecks & skills gaps undermine deliverability?

- **Completeness of project plan**

  What level of risk is there in the project plan's estimates for resource requirements / timescales?

- **How familiar are delivery teams with this type of project?**

  What level of risk is there from asking our teams to do something that is new to them?

- **Potential for legal issues arising**

  To what extent could legal challenges add liability to this plan? e.g. IP issues, HR law suits, planning consent

- **Risk relating to third party reliability**

  What level of risk comes from external partnerships? Consider level of reliance, risk profile of partner and potential remedies from issues arising.

- **Probability to miss key milestones**

  What level of delivery risk is there with respect to key project milestones?

80 Sample Criteria

Disruption Risk

If you are working in a complex organizational setting where new projects are likely to have knock on effects on existing processes, people or infrastructure, then add a discount to quantify this risk.

- **Risk of disrupting ongoing operations**

  What is the risk that implementing this project will cause disruption to our ongoing business operations?

- **IT integration risk**

  What is the complexity of integration issues with existing technology in the organization?

- **Client disruption risk**

  To what extent might this project interrupt current services provided to clients? (migration risk, outages, personnel changes etc.)

80 Sample Criteria

Value Realization Risk

Our benefits are projections that may not come to fruition. As such it may make sense to apply a discount factor that recognizes that this riskiness is not uniform between projects, and as so favors 'safer' investments versus more speculative value projections.

- **Market velocity risk / intensity of competition**

  To what extent might the benefits case for this project change due to the unpredictability of the market?

- **Stakeholder engagement level**

  What level of stakeholder buy-in does this project have?

- **Speed of Return**

  What is the time horizon for this project delivering benefits?

- **User adoption risk**

  What level of risk is there that end-users will not engage as required?

- **Organizational readiness risk**

  What level of risk is there that the organization is not going to be able to adopt this project in terms of change management perspective?

- **Country risk**

  How stable is the local investment environment in this territory?

Next Steps

Defining great criteria means your exec have begun to set out a clear direction, but there is still a little more to do to complete your actionable AHP model.

Complete a Pairwise review

Not all criteria are of equal importance and debating the merits of competing objectives is a critical opportunity for your leadership team to make choices. Doing this as a team, and then applying the mathematics of AHP will give you a truly robust framework for scoring. Learn more in our Transparent Talk.

Build your pipeline & add projects

Identify which projects are going into your portfolio, and what additional data you need to collect to complete your prioritization. Typically, this means cost / effort data to be able to measure value, contextual data (such as division requesting) for getting balance, and useful details on the project to inform scorers (1 pagers, benefits case, etc.) Learn more in our Transparent Talk.

Score Projects

Using your criteria framework, it's now time to evaluate projects. Again, the wisdom of the small team is key in sharing knowledge and reducing noise. It's also a great opportunity to access subject matter knowledge by allocating different criteria to different experts. Learn more in our Transparent Talk.

Next Steps

Review, Optimize & Roadmap

You can now conduct a data-led prioritization process, using value for money as a selection metric to make the best use of limited resources available to your portfolio. We recommend a pareto view (aka 'the efficient frontier') to rank potential projects from best to worst based on value. Don't try and start everything on January 1st either. Make sure your plan is structured in a deliverable way to maximize probability of successful completion. Learn more in our Transparent Talk.

Build value-led governance

Now value is quantified, why not track value as it is delivered through the execution phase of delivery? See where critical shortfalls emerge to get ahead of problems before that benefits realization post-mortem.

Watch all our "Transparent Talks" series here or download our Deployment Guide for detailed best practice on successful AHP delivery.

Stay in touch

To contact us, share your draft criteria and start your journey building this into our software please reach out to talk.

Book a Demo to see the software in action

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dan@transparentchoice.com

"Procrastinate strategically.. procrastination may be the enemy of productivity but it can be a valuable resource for creativity."
- Adam Grant