In the name of God

The Principles of Project Prioritization Framework

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Project prioritization framework

It is an analytic model (a conceptual structure) that facilitates the evaluation and prioritization of projects. According to mathematical theory, projects should be prioritized based on benefits and costs. Thus, a prioritization framework specifies, among other things, the types of benefits that may be claimed for projects and how those benefits may be measured, how project benefits and costs are compared to determine priorities, and how projects are selected to maximize the value of the project portfolio.

Formal methods, including value modeling and multi-attribute utility analysis, are available for creating prioritization frameworks that are well-defined, comprehensive, and avoid the above sorts of errors and biases. The methods may be applied in a workshop setting, enabling stakeholders to collaborate in the design of the framework, helping to ensure full consideration of issues and to build consensus. Once established, the prioritization framework provides specifications for creating, selecting and configuring PPM.
<table>
<thead>
<tr>
<th><strong>TERM</strong></th>
<th><strong>DEFINITION</strong></th>
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</thead>
<tbody>
<tr>
<td>Business Owner</td>
<td>The individual who submits the formal request of the project. This individual will provide input into all stages of the approval process.</td>
</tr>
<tr>
<td>Earned Value</td>
<td>A method for measuring project performance. It compares the amount of work that was planned with what was actually accomplished to determine if cost and schedule performance is as planned.</td>
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<td>PMO</td>
<td>Program/Project management office is an organizational entity responsible for management of the organization’s projects.</td>
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<tr>
<td>Project Manager (PM)</td>
<td>(1) The individual who directs, controls, administers, and regulates a project. The project manager is the individual ultimately responsible to the customer. (2) The individual responsible for managing a project.</td>
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<tr>
<td>Project Prioritization</td>
<td><strong>A formal approach to prioritize projects based on a comprehensive criteria established to promote alignment with the organization’s business and strategic goals and objectives.</strong></td>
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<tr>
<td>Project Profile</td>
<td>A description of a project’s risks, size, complexity and environment for execution, costs and benefits.</td>
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<tr>
<td>Project Request</td>
<td>A formal request by a Business Owner to apply dollars and/or resources to create a deliverable that has benefit and value to the organization.</td>
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<tr>
<td>Project Sponsor</td>
<td>The individual that plays a key role in securing funding, negotiating for resources, facilitating resolution of critical organizational issues, and approving key deliverables.</td>
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<tr>
<td>Scope</td>
<td>The sum of products and services to be provided as a project.</td>
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Triangle Prioritization Areas

Strategic Planning
(STRATEGIC ALIGNMENT)

Portfolio Management Environment

Balanced Project Portfolio
(Maximized Project Value)

Project Management
(Project Performance)
Use dashboards to define and communicate project status
Project Prioritization
Foundation and Data Flows

Project Profile

Portfolio Analysis

Portfolio Management
Prioritization is an ongoing process subject to additional refinement as new analysis from other studies emerges.
Prioritization Steps

Needs, Opportunities | Planning | Development | Execution | Implementation | Operation

Idea Generator

Which projects to initiate?
Which projects to continue?
Which projects to terminate?

Project Portfolio Management
Prioritization Steps
Prioritization Steps

- Impact of New Profiles
- Current Project Value
- Initiate Portfolio Analysis
- Conduct Portfolio Review
- Rebalance Project Portfolio
- Approve Projects
- Impact of Backlogged Profiles
- Current Project Status

Project Portfolio Management
Prioritization Impact

HI Impact

Work these last – lowest impact, hardest

LO Impact

Work these 1st – biggest impact, easiest

Easier

Harder
## Prioritization Calculations

<table>
<thead>
<tr>
<th>Project</th>
<th>Criticality</th>
<th>Accessibility</th>
<th>Return</th>
<th>Vulnerability</th>
<th>Effect</th>
<th>Recognizability</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1</td>
<td>5</td>
<td>3</td>
<td>4</td>
<td>2</td>
<td>4</td>
<td>3</td>
<td>21</td>
</tr>
<tr>
<td>#2</td>
<td>3</td>
<td>5</td>
<td>3</td>
<td>5</td>
<td>3</td>
<td>5</td>
<td>24</td>
</tr>
</tbody>
</table>

In the above example, the CARVER methodology indicates that project #2 should have a higher priority than project #1.
Project Prioritization Framework

Technical Analysis & Project Scorecard

- Primary Evaluation Criteria
  - Quality of Life
  - Environment
  - Economy

- Implementation Screen
  - Constructability
  - Deliverability

BCA + other inputs

Priority Groupings

Board Decision-Making

- Strategic Fit
  - Leveraging other initiatives
  - Project readiness
  - Funding
  - Network advancement

Advice to Province

Peer Review / Stakeholder Input
Project Prioritization Methodology

1. Identify Projects for Prioritization
2. Primary Evaluation
   - BCA
   - KPIs/ RTP Fit
3. Project Scorecard
4. Implementation Screen
   - Strategic fit
   - Delivery
   - Constructability
5. Priority Project Groupings
   - Group A
   - Group B
   - Group C
Priority Classification

- **Class I Projects**, High Priority
- **Class II Projects**, Medium Priority
- **Class III Projects**, Lower Priority

**Senior Project Manager**

**Advanced Project Manager**

**Project Manager**
A Prioritization Practice In CANADA

- November 28, 2008, Metrolinx Board approved the Regional Transportation Plan (RTP) and Investment Strategy.

- RTP identified Top 15 Priority Projects for early implementation leveraging Province’s $12B Move Ontario 2020 commitment.

- Board also directed staff to complete project-level Benefits Case Analysis (BCA) work for all Top 15 Priority Projects, beyond those with pre-existing, legacy commitments.
Thank you for your attentions

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