Setting Priority

Introduction

"What do you mean, there are only 24 hours in a day?" If this sounds familiar, then you can appreciate why it's important to set priority. On any given day, you probably have many, many more concerns at hand than you can possibly work on. Therefore, it makes sense to work first on those concerns where you can get the greatest benefit for the effort invested.

Setting priority is an activity that many people take for granted. There are two common situations where you don't need to worry about setting priority. Either the priority is apparent-the threat of shutting down operations, for example, demands immediate attention-or the priority is set by policy at higher levels-responding to customer complaints within four hours, for example. There are many other situations, however, when you must decide which issues should get resolved first and which should be postponed.

Why Set Priority?

If you ask ten people how they set priority, you're likely to get ten different answers. Yet, most will agree that it makes sense to set priority before taking action. The secret of priority-setting is having a system that is flexible and enables you to identify the most important issues. Priorities can change quickly, and you should consider analyzing your priorities daily. Remember, something that is a top priority today may not be so important tomorrow.

Therefore, you need to have a system of setting priority that:

- Is quick, efficient, and accurate

- Is easy to use, update, and adjust

- Is based on fact, not emotion

- Indicates deadline musts and wants

- Balances short- and long-range issues

- Considers how much effort is needed

- Is comprehensible to others

- Can be used consistently

Pitfalls of Common Methods of Setting Priorities

One of the drawbacks of common prioritizing systems is that they lack flexibility and don't necessarily identify the most important concerns. Here are three examples:

- "First in, first out" is a very systematic way of establishing priorities.

- "Last in, first out" guarantees that you'll be working on the most current concern.

- The "squeaky wheel" method of priority-setting ensures that you're working on the concern that's making the loudest noise at the moment.

The problem with all three of these methods is that none of them guarantees that you'll be focusing time and resources on your most important concerns.

An individual's natural preferences may also determine how he or she sets priorities.

- The "firefighter" rushes from one urgent action to the next; concerns are handled only when they become fires.

- The "dreamers" are so involved in planning for the future that current deadlines go unnoticed.

- Those who like to tackle the easy issues first postpone the tough issues until they are in the mood or have more time. Unfortunately, difficult issues tend to keep growing until they are too big to handle.

- Those who wait until everything is official before taking action run the risk of starting too late.

- The "occupational hobbyists" enjoy doing one kind of job, so those get top priority.

- Those who suffer from "phone-itis" or "e-mail-itis" tend to automatically set high priority whenever the phone rings or they get e-mail.

You have probably seen many other such systems in use. Most of them are used unconsciously, without real consideration of their impact. While they may occasionally be helpful, you always run the risk, when using them, of passing over a truly vital concern.

How Can You Set Priority Rationally?

Effective priority-setting requires careful consideration of several factors. Each concern should be examined using the following criteria: Current Impact, Future Impact, and Time Frame.

Current Impact (also known as Seriousness)

Before setting priority, you need information about the Current Impact of your concerns. Current Impact refers to the seriousness or the severity of the concern at the present time. It's the evidence that business elements such as human resources, safety, cost, productivity, customers, and/or reputation are being impacted right now.

For example, if a client calls you on Monday, saying they've not yet received a proposal which was promised to them last Friday, and that they are considering canceling the project altogether, that's serious. If it will have a high financial impact on your organization, the seriousness rating is higher, and therefore so is the priority.

Each organization has its own idea of seriousness when it comes to project concerns. For some organizations, anything that stops production must be dealt with immediately. Other organizations put a greater emphasis on safety hazards or customer satisfaction.

To establish the Current Impact of a concern, ask the following questions:

- What organizational objectives and standards are currently being affected by this concern?
- How important is the goal that is affected by this situation?
- What is the Current Impact in terms of money, people, production, safety, and strategy? How severe is the Current Impact?
- Who is demanding the action from me?
- Who is affected?
- To what degree are the objectives and people affected?

Future Impact (also known as Growth)

Before setting priority, you need information about the Future Impact of the various concerns you're dealing with. Future Impact refers to the growth or magnitude of the concern at some point in the future. It's the evidence you have that the concern will either stabilize, get better, get worse, or disappear altogether. The more concrete information you have, the better you'll be able to assess and communicate the Future Impact of your concerns.

For example, an escalating interest rate may not affect today's activities, but with every subsequent day that rate continues to grow, the additional funding you want for next year becomes more costly. Six months from now that concern will have a real impact, unless you have made other arrangements to get money.

To establish the Future Impact of a concern, ask the following questions:

- What has been the trend of the difficulty in this situation? Will it go away by itself? Will it get worse?
- What evidence do I have that the seriousness will change?
- How easy will it be to handle this concern in the future?
- What future problems may it create?
- How much impact could it have if neglected?
- How much impact could it have if properly exploited?
- What organizational objectives and standards might become affected in the future?
- What will happen if I ignore it? Indefinitely? For a week? Until new data comes in?

Time Frame (also known as Urgency)

Before setting priority, you need information about the urgency of the various concerns you're dealing with. Time Frame refers to deadlines-the evidence that at some point it will be difficult, expensive, impossible, or pointless to resolve the concern. Adding dates to your analysis of the concern will allow you to assess and communicate the Time Frame of your concerns more effectively.

For example, a major retail chain that has never done business with you urgently requests a supply of a special detergent that you do not have in stock. You have two days to fill the order and ship it to a distant warehouse. To secure more business from them and meet their deadline, you make this your top priority. Whenever you have a specific deadline that's closing in on your concern, your situation is urgent.

To establish the Time Frame of a concern, ask the following questions:

- Is there a deadline for dealing with the concern? Whose deadline is it?

- What opportunities will be lost if action is postponed?

- When will action no longer be relevant or productive?

- How pressing is the need for action?

- When will resolution be difficult, expensive, or impossible?

Looking at Current Impact, Future Impact, and Time Frame will help you avoid the common syndrome of one-dimensional priority-setting.

Identifying Your High-Priority Concerns

Once you have information about the relative impact and Time Frame of each concern, then you're in a position to set the relative priority of all the concerns. When setting priority, look at the relative seriousness (Current Impact) of each concern first, and then, as separate steps, look at the relative growth (Future Impact) and urgency (Time Frame) of each concern. (Seriousness is analyzed first because it will likely have the greatest impact on your project.) Rate each of these factors on a scale of High, Medium, and Low.

Rating your concerns

Look at all your concerns and determine the one with the highest seriousness. That becomes the benchmark for Current Impact. Rate that concern as High, then consider other concerns relative to that rating. A "+" or "-" can be added to refine the High, Medium, and Low ratings. Similarly, the concerns with the greatest Future Impact and the tightest Time Frames become the benchmark for those factors, and all other concerns are rated relative to them. The concern you choose to work on will be the one that combines the highest ratings in the areas of Current Impact (seriousness), Future Impact (growth), and Time Frame (urgency).

Concerns that are rated "High" in all three categories deserve your immediate attention. Once these have been identified, how much more priority-setting work you do will depend on the availability of time and other resources to handle additional concerns. You may decide to postpone work on any that do not have at least one "High," or you may continue the rating until all your concerns have been judged High, Medium or Low in each of the three dimensions.

The actions you'll take as a result of these ratings aren't set in stone. Sometimes a concern with high Current Impact can wait, and a concern with lower Current Impact needs to be worked on immediately. By gathering information about the concern, you're in a better position to determine which to work on first.

This rating process may be done individually, or the team may go through the entire procedure together. Occasionally, during team work-planning sessions, disagreements will arise about priority. If the ratings, and the data on which they are based are available to the team, it will make the process easier and less subject to disputes. Also, seeing all the facts at one time allows for more objective ratings; some concerns will drop in priority as information about others becomes visible. You may decide to ignore some high-urgency situations as their priority is more carefully assessed; likewise, work may be postponed on concerns that are serious but have low urgency and growth. In this way, a long list of concerns is reduced to the few that score "High" in most dimensions.

Assuming Cause-and-Effect Relationships

Beware of setting priority by assuming that two or more of your concerns are related. For example, the entire line of X-300 filing cabinets has paint scratches. One person believes that another listed concern-that the new hires aren't properly trained-is the reason for the paint scratches. That person's solution: "Train the new hires and paint scratches problem will be resolved." If he or she is right, it may make sense to give training of new hires high priority. But if they are wrong, then the X-300 filing cabinets will continue to roll off the production line with paint scratches and the rework costs to the organization will keep increasing.

The best way to avoid this pitfall is to set priority as though none of the concerns are related, unless you're 100% sure of the connection. Otherwise, you may let one serious concern lapse while chasing down an unrelated one. And this will undoubtedly lead to repercussions.

Sequential Relationships Between Concerns

Some of your concerns may need to be resolved in a logical sequence. For example, you can't make a decision on corrective action until you find cause. The same holds true when you have broken apart a complex plan-like transferring operations-into several subplans: building a new facility, relocating employees, moving equipment, etc. Even though each of the subplans requires a separate analysis, they are still interrelated, and common sense dictates that they be done in a certain order.

Cost Versus Benefit

The methods you use to set priority must be adapted to suit your individual and organizational needs. Because no set of rules can possibly cover every situation in every organization, the three criteria laid out above are not the only ones to consider when prioritizing your concerns. There may be other considerations, such as the probability of successful resolution and the amount of resources involved. Therefore, some thought should be given to the cost versus the benefits of resolution. Ask yourself:

- How long will it take?
- How much will it cost?
- How many people will need to be involved?
- What benefits will accrue from its resolution?
- How much time and effort does it deserve?

Using Your Judgment

There will also be times when you identify a concern as high priority, only to find that you can't start work on it right away: i.e., you have to wait for someone who has the critical information to come back from vacation. In such cases you must do what you can on the concern and identify the next priority concern to work on.

Setting priority using Current Impact, Future Impact, and Time Frame is not a substitute for your own judgment and common sense. For example, an electrician has six jobs to work on today. Using Situation Appraisal, priority has been set as follows:

Job	Priority
A	1
B	5
C	3
D	4
E	2
F	6

If the electrician uses only Situation Appraisal information, it would seem to make sense to do the jobs in priority order.

If the following information was added, however, you'll see why it may not be smart to work in priority order.

Job	Priority	Location
A	1	Building 159
B	5	Building 3
C	3	Building 159
D	4	Building 159
E	2	Building 3
F	6	Building 55

If the electrician works out of Building 3, then it may make more sense to start with Job E (Priority 2), move on to Jobs A, C, and D, (Priorities 1, 3, and 4) because they are in the same building and the jobs have high priority, do Job F (Priority 6) on the way back to Building 3, and finish the day with Job B (Priority 5). This method of setting priority results in less than one half the travel time. Clearly, if you have more information in addition to the relative importance of the various concerns, you may decide to resolve the concerns in a different order. Priority information is just one tool that is available to plan projects or activities.

Balancing Your Priority Concerns

Once you have identified those concerns that you feel should be resolved immediately, it's a good idea to step back from that list and audit the "balance" of the issues that have been identified as top priority. By balance, we mean the degree to which all functions and interests within the specific work team or the organization are represented. Do 90% of your priority concerns relate to marketing? If so, what impact could this imbalance have on other aspects of your business? Perhaps other departments, such as production or distribution, are being neglected and, if they are put off long enough, the efficiency of your marketing operation may become irrelevant.

A lack of balance among your priority concerns can result from several things. In a team session, the wrong people-or not enough people-may have been selected to participate. Individual personalities may have influenced the decision making; your aggressive, outspoken director of marketing may have dominated the quieter members of the team. And if you did not insist on specific data on Current Impact, Future Impact, and Time Frame, lack of information may have caused the team to choose an imbalanced team of concerns to resolve.

Whatever its cause, an imbalance among your concerns should serve as a signal. You may decide there's a valid reason for it, but if there isn't, checking for balance before beginning resolution procedures may prevent an emergency situation in the future.

How Can You Improve Priority-setting?

Here are five experience-tested ideas that will help you avoid the pitfalls and improve your priority-setting results:

1. *Build priority-setting into work-planning.* As you review the list of things to do at the beginning of the day or week, consciously ask which items are serious, changing, and urgent. Review your key responsibilities and objectives frequently to make sure your priorities for daily projects lead to job success.

2. *Make priority-setting visible.* If you receive a request for your services, jot down a few notes on the Current Impact, Future Impact, and Time Frame of the situation.

3. *Train others in priority-setting.* Work with others to teach them to ask good priority-setting questions.

4. *Update priorities.* On situations that require a sustained effort, periodically seek current information to make sure a change has not occurred to make the situation a low priority.

5. Test priorities through forced choice. When faced with an urgent request for action, describe the Current Impact, Future Impact, and Time Frame of other projects that will be postponed as a result. This tests whether the request can be accommodated. The short- and long-term impact of alternatives on important goals and the need for immediate action can then be compared.

Summary

For most people, determining which "things" to do first-and which to postpone-is a normal part of life, at home and at work. The above topic, "Setting Priority," identifies some of the most common methods that people-and the organizations they work for-use to set priority. And although each method emphasizes one or two important criteria to set priority, there is a more robust-and rational-way. Using Current Impact (which asks for how serious the concern is at the present time), Future Impact (which captures how serious the concern might be in the future if it is not addressed), and Time Frame (which asks for deadlines when the concern will be difficult or impossible to resolve) will allow you to assess all critical information associated with a concern.

6