

# Document– I

Date : 4/9/2025

Topic – One of the most imp PM skill: **Prioritization**

It is a fundamental skill in product management because it allows a product manager to make strategic decisions about what to build and why.

In any product development cycle, there are endless ideas, feature requests, bug fixes, and market opportunities. Resources—like time, money, and engineering talent—are always limited.

*Prioritization is the art of saying 'No'.*

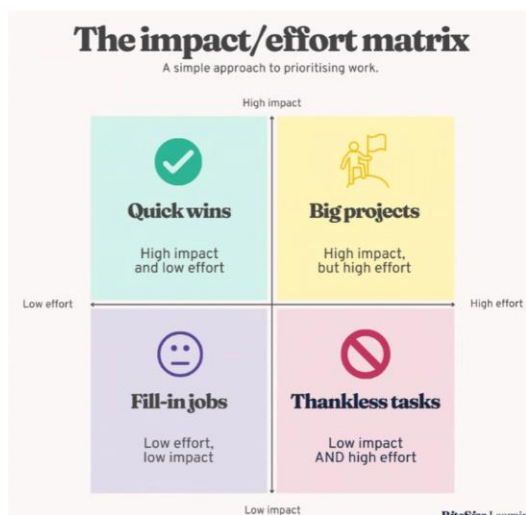
Great PMs don't guess. They use frameworks like –

**Impact vs. Effort Model**, **RICE** (Reach, Impact, Confidence, Effort), **Kano Model**, **MoSCoW** (Must-have, Should-have, Could-have, Won't-have) to score and rank features based on data, not just intuition or personal preference.

## **1. Impact vs. Effort Model –**

This is a simple, intuitive method. You plot potential features or tasks on a two-by-two grid with "Impact" on the y-axis (how much value it will create) and "Effort" on the x-axis (how difficult it will be to implement).

The quadrants then guide your decisions.



## 2. RICE Model –

RICE stands for Reach, Impact, Confidence, and Effort. This method provides a more quantitative way to score and prioritize features. You calculate a RICE score for each feature using the formula:

$$(Reach \times Impact \times Confidence)/Effort$$

- Reach: How many people will this feature affect in a given time period?
- Impact: How much will this feature help the user?
- Confidence: How sure are you about your Reach and Impact scores?
- Effort: The number of person-months or weeks needed to complete the task.

The higher the final RICE score, the more important the feature.

## 3. Kano Model –

The Kano Model helps to prioritize features based on how they will affect customer satisfaction. It divides features into three categories:

- *Must-be features*: These are basic expectations. If they are not present, the customer will be extremely dissatisfied. However, their presence doesn't lead to satisfaction (e.g., brakes on a car).
- *Performance features*: The more you have of this, the happier the customer is. These are often competitive differentiators (e.g., faster internet speed).
- *Delightful/Excitement features*: These are unexpected and create a "wow" factor. Customers don't expect them, but their presence leads to high satisfaction (e.g., self-parking car).

## 4. MoSCoW Model -

MoSCoW stands for Must-have, Should-have, Could-have, and Won't-have. This is a popular technique for managing requirements and prioritizing tasks, especially in an Agile environment.

**Must-have:** These are critical for the product to be viable. Without them, the product cannot be launched.

**Should-have:** These are important but not essential. The product could function without them, but they add significant value.

Could-have: These are "nice-to-have" features. They are low-impact and low-cost and can be added if time permits.

Won't-have: These features are not a priority for the current release. They may be considered for a future version of the product.

## When to use each?

- **Impact vs. Effort Matrix** - Use this for quick, early-stage prioritization or when you need to make fast decisions. It's a great tool for a first pass at prioritizing a long list of features
- **RICE Model** - Use this when you need a data-driven and objective way to prioritize. It's particularly useful when you have many stakeholders with competing requests and need to justify your decisions with a clear, quantitative score.
- **Kano Model** - Use this for understanding customer satisfaction and how different features affect it. It's best used during the research and discovery phase.
- **MoSCoW Model** - Use this for managing requirements in a time-boxed project or with strict deadlines. It's an excellent tool for communicating with stakeholders about what will and won't be included in a specific release.

**EXERCISE** - Categorize the following problems with appropriate model that should be used to evaluate them.

- 1) Your team has a strict two-month deadline to launch a new version of an app. As a PM how will you prioritize which tasks should be carried out first?
- 2) You're building a new car. You as the Senior PM have been exploded with n number of ideas how will you prioritize the essential features and the ones which could be installed later with time and customer reviews?
- 3) Your team has just come up with 20 ideas for the next quarter. You need to segregate the important ones to conclude the first agenda of today's meeting, how will you prioritize?
- 4) You're a PM at a large company and need to decide between two features for a product update. Both features vary simultaneously on various aspects of benefits to the user and organization with data being available, how do you decide?

Answer Key – 1) MoSCoW, 2) Kano, 3) Impact/Effort, 4) RICE