

How To Use the Rice Scoring Model?

WHAT IS RICE SCORING?

The RICE scoring model was introduced by Intercom a few years ago and has been widely adopted and used by product managers and product owners to prioritize feature releases and projects. This framework is structured into four key criteria that form the acronym "RICE". The RICE prioritization framework helps avoid bias towards features and projects you personally prefer.

The acronym consists of four criteria (reach, impact, confidence, effort):

WHEN AND WHY SHOULD YOU USE RICE SCORING?

The RICE scoring model is one of the best frameworks if your product team is trying to work out in which order they should prioritize initiatives or features. It is a time-saving and consistent framework, and its objective scoring can be a great help when a product team is trying to derive the importance of an initiative. When used correctly, it allows the team to evaluate which features are crucial and which are not.

R

Reach

How many users will this feature involve?

I

Impact

How much will our users benefit from our feature?

C

Confidence

How confident are we about our reach and impact scores?

E

Effort

How much work can one team member do in a month?

HOW DOES RICE WORK? A FORMULA FOR SUCCESS

Reach

Reach represents the number of users or paying customers that would be directly affected by this feature during a set time period.

This could be customers per month, and in the case of events they could be transactions per month or actions.

That can mean things like the number of people that would interact with a certain feature in a month, or a reduction in churn over a month following the release of a new feature.

Examples:

- New onboarding:

This feature will reach an estimated 3000 new users per month

- Google calendar integration:

This feature needs to be activated right after onboarding. Therefore if 3000 users finish the onboarding and 80% choose to turn it on: $3000 \times 0.8 = 2400$ users per month.

- Slack bot:

Every user who uses this feature every month will experience the upgrade. The reach is 1,000 customers per quarter.

Impact

Impact is defined by the overall contribution of a certain feature to your product, reflected by the benefit your users will get from said feature. Depending on your use case, it can also mean how much a feature will increase your conversion rate. Measuring how much benefit your users get from said feature can be hard, so there are several scales to choose from, with Intercom's being a widely adopted standard

There are numerous ways of determining impact. Some key questions to consider are: will this feature greatly improve our conversion rates? Will it help retain users? Does it improve the ease of use significantly? Perhaps it'll make users have an eureka moment and realize this is exactly what they need.

The impact scale involves estimation, but this is much better than gut feeling. Here's an example:

- New onboarding:

It will have a large impact conversion rate therefore the impact score is 4.

- Slack bot:

It will have a rather low impact on users, so, the impact score is 1.

- Google calendar integration:

In terms of impact, it is somewhere in-between. The impact score is 2.

Impact scales

	Minimal	Low	Medium	High	Massive
1 to 10 rating	1 2	3 4	5 6	7 8	9 10
Intercom impact	0.25	0.5	1	2	3
Increase in net profit per customer and year			Varies by company		
airfocus T-shirt sizes (S, M, L, XL)	0.25	0.5	1	2	4

Confidence

This metric accounts for the confidence you have in the estimations you made. Sometimes you believe a project could have a large impact but simply lack the data to back your assumptions up. In other words, how confident are you about your reach and impact scores? How much data do you have to back your scores up?

We use a percentage scale for confidence. Always ask yourself: how extensively can my data support my estimates? Typically 100% will represent “high confidence”, Medium equals 80%, and Low is 50% because anything below that would be a shot in the dark.

Let's look at our example:

- New onboarding:

We have heavily researched users for impact, conducting live-tests, and have exact numbers for reach, with an effort estimate from the team. This feature gets a 90% confidence score.

- Google calendar integration:

I have data to back the reach and effort, but I'm still sceptical about the impact. This project gets an 80% confidence score.

- Slack bot:

The reach and impact may be rather ambiguous, and the effort may be our most accurate criterion. This project gets a 50% confidence score.

Effort

This represents the amount of work that is required from your team to build a feature or finish a project. Depending on the use case, the value type could be person-months or project-hours.

Keep in mind that we make our estimates in whole numbers and that effort is a negative factor, being the denominator in the formula.

You can determine effort quite simply by asking: how much time will a feature require from all of our team members?

Here's a person-month example:

- Slack bot:

It's a simple project requiring only a few days of planning, two weeks of design and few days of coding. We'll give it a score of 2 person-month.

- Google calendar integration:

It'll take a week of planning, 3-4 weeks dev team time, and 1-2 weeks of design. We'll assign it a score of 5 person-month.

- New onboarding:

Planning this project will take several weeks, with at least 1 month of engineering, plus extensive design time. Therefore, the effort score will be 6 person-month.

Calculating RICE score

Implementing a RICE score should be easy to calculate with your team. Once you've determined your scores, you can plug them into a formula to get a final score, and compare your projects.

Here's the formula

The beauty of this is that this formula gives your team a standardized final number that will help you rank your initiatives and can be applied across all sorts of them. This will allow you to determine which one you'll want to work on first and which should come next.

$$\frac{\text{Reach} \times \text{Impact} \times \text{Confidence}}{\text{Effort}} = \text{RICE Score}$$

Voom Video App (RICE Scoring Model) Add item Prioritization settings Priority poker Filter items Menu

Name	Score	Assignee	Value (Y)			Effort (X)
			Reach	Impact	Confidence	Effort hours
Stickiness (6 items)						
<input type="checkbox"/> New onboarding	62		78,000	L	90%	6
<input type="checkbox"/> Floating emojis	60		37,000	L	70%	4
<input type="checkbox"/> File upload chat	53		45,000	XL	70%	7
<input type="checkbox"/> Google calendar integration	53		50,000	M	70%	5
<input type="checkbox"/> Slack bot	51		15,000	S	50%	2
<input type="checkbox"/> Improved help center	46		27,000	M	30%	4
Enterprise readiness (3 items)						
<input type="checkbox"/> SSO	68		75,000	L	70%	4
<input type="checkbox"/> User roles and permissions	62		50,000	L	60%	4
<input type="checkbox"/> Reporting	49		50,000	M	80%	6

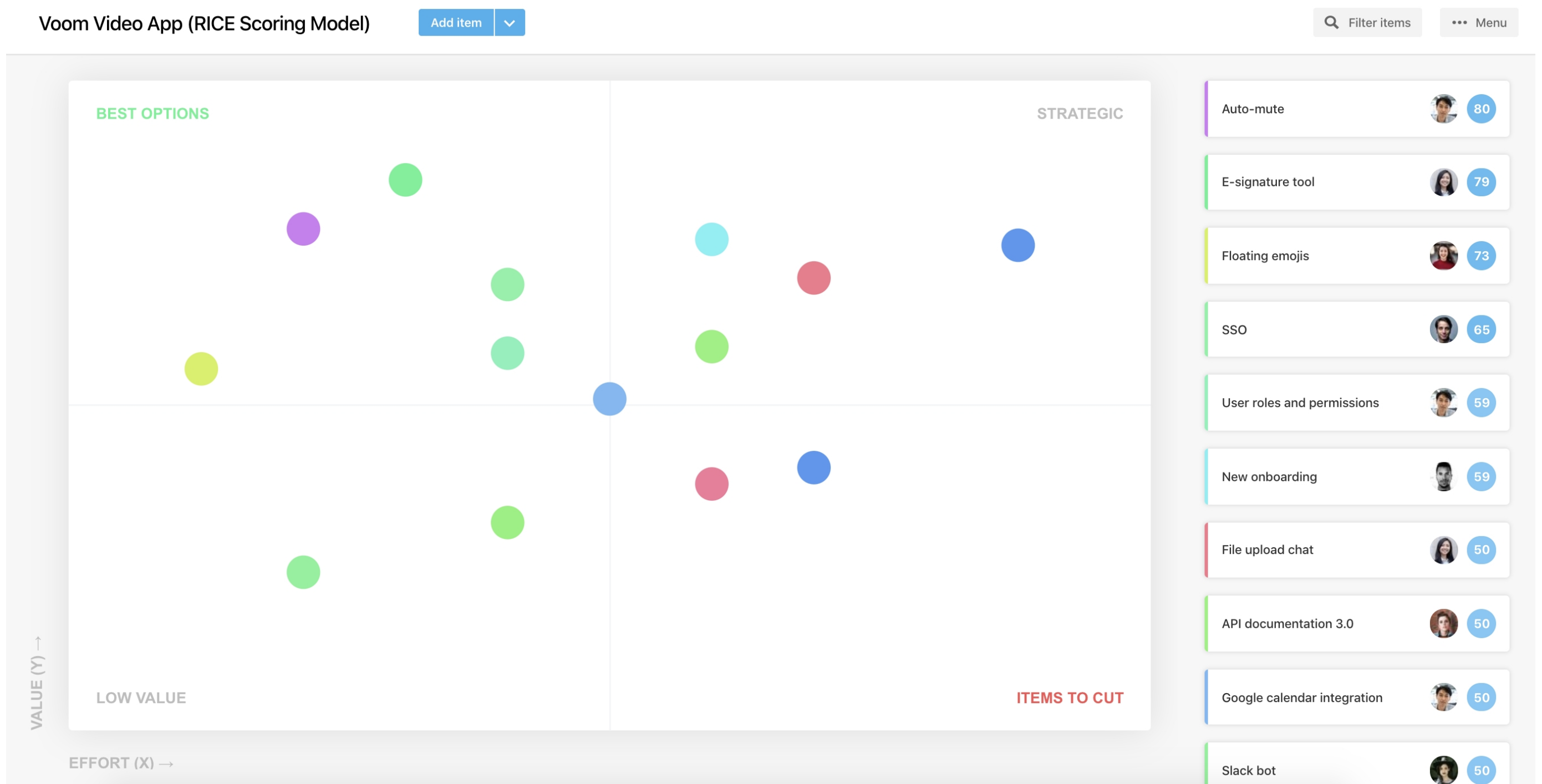
WHAT DO YOU DO WITH THE SCORE?

So, you've got your scores and now you know which initiatives to prioritize first based on those that scored the highest. This will help you back your decisions with information and data and defend these decisions to other stakeholders.

Your RICE scores are best visualized on a Value vs. Effort chart. It will provide a quick overview of your best projects, low value items you should cut, quick wins and valuable but time consuming projects so that you can assess them against each other.

! Don't forget

There are externalities or criteria that RICE fails to consider that might influence what you work on first, such as dependencies, available resources of key-personnel, or perhaps you simply feel like working on a project first due to other externalities. But RICE will allow you to see the trade-offs of making such decisions.





Why we love it

Bang for your buck perspective

It allows teams to determine how much their effort is worth relative to their overall value. Which is exactly what we would like to maximize.

Paints a big comprehensive picture

Criteria is based on factors that have the biggest impact on the product and user through alignment of vision and initiatives.

Compatible visualization

As it can be plotted on a value vs effort chart for quick visualization and decision making.

Reduced impact of bias

Due to quantification and confidence on how much data backs our factors.

Based mostly on metrics

As the product progresses through its lifecycle we can continue making further improvements.



A few downsides

Lack of accuracy

Sometimes evaluating the reach or future impact of a project can be difficult.

Dependencies are not taken into account

This fails to consider that a low scored product could take precedence over a high priority one.

Blind to criteria that are not considered



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