

How To Use the Value vs Effort Model

WHAT IS THE VALUE VS. EFFORT FRAMEWORK?

Value vs. Effort allows teams to assess their initiatives based on how much value they will bring and how difficult they'll be to implement. This method has the advantage of visualization as the team will plot their items in a quadrant to decide how to distribute and prioritize initiatives.

In order to be more objective, the placement of the items could be defined quantitatively by a decision matrix (see weighted scoring).

Your team creates a prioritization matrix with Business Value as the Y-axis, and Effort as the X-axis. You then break the matrix down into four quadrants, as shown in the example (next page): high value & low effort; high value & high effort; low value & low effort; low value & high effort. From this starting point, your team will be able to plot each initiative in the relevant quadrant.

! Please note

The Value Vs. Effort model is sometimes called a "prioritization matrix", which is another term for decision matrix. Don't get confused.

WHEN AND WHY SHOULD YOU USE THE VALUE VS. EFFORT FRAMEWORK?

Due to its flexibility, intuitive implementation, and objective approach, it can be applied to numerous prioritization cases. This is particularly useful when you are timeboxed or have very limited resources, as well as when your team is developing a new product, or if you'd simply like to remove bias and have a more objective approach to initiatives that your team might feel strongly about.

Oftentimes we reject an initiative and assume it's not worth it because of the effort it entails, or quite the opposite when our team is very keen, but upon shedding some light on its business value by plotting them in the quadrant we might reconsider.

HOW DOES THE VALUE VS. EFFORT FRAMEWORK WORK?

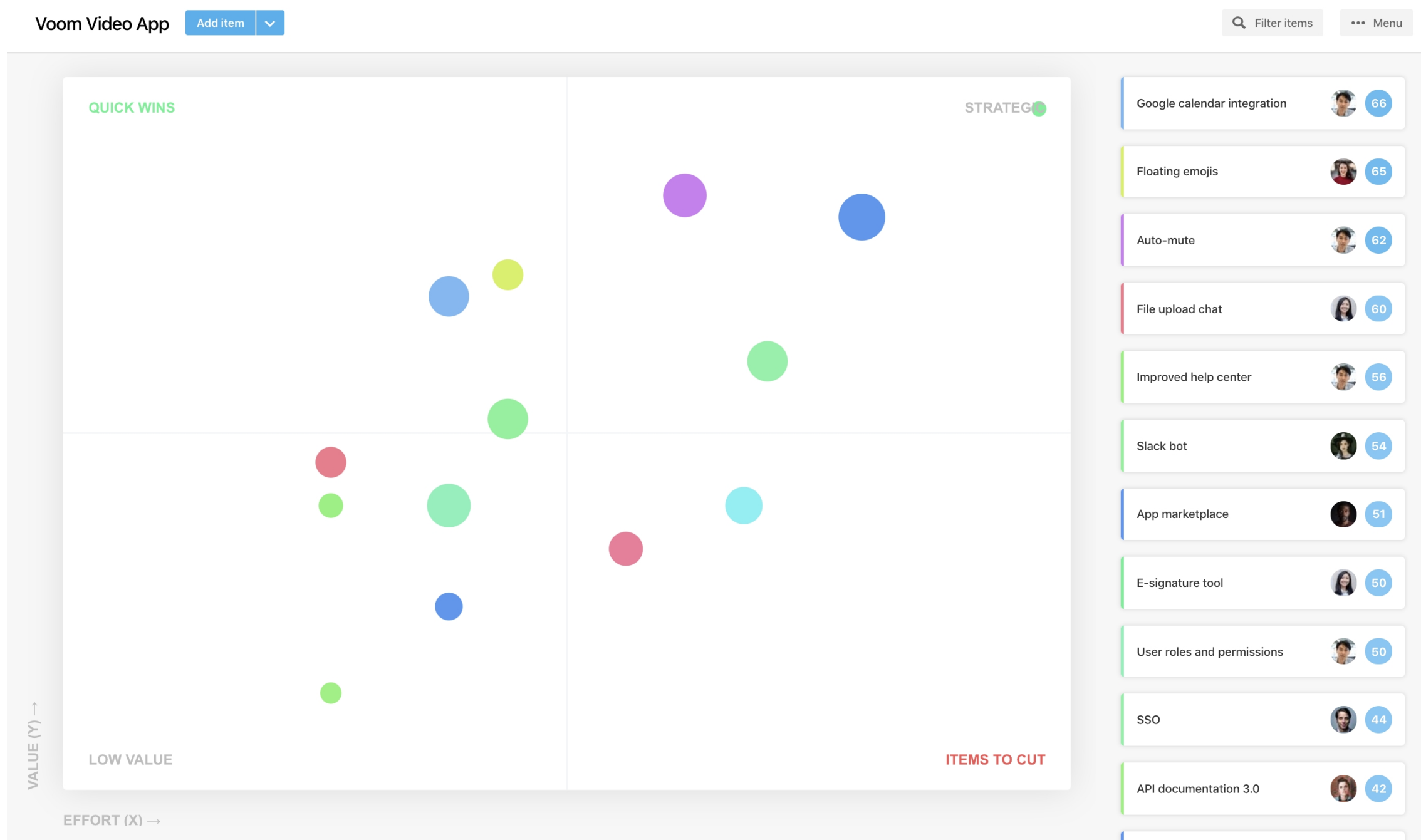
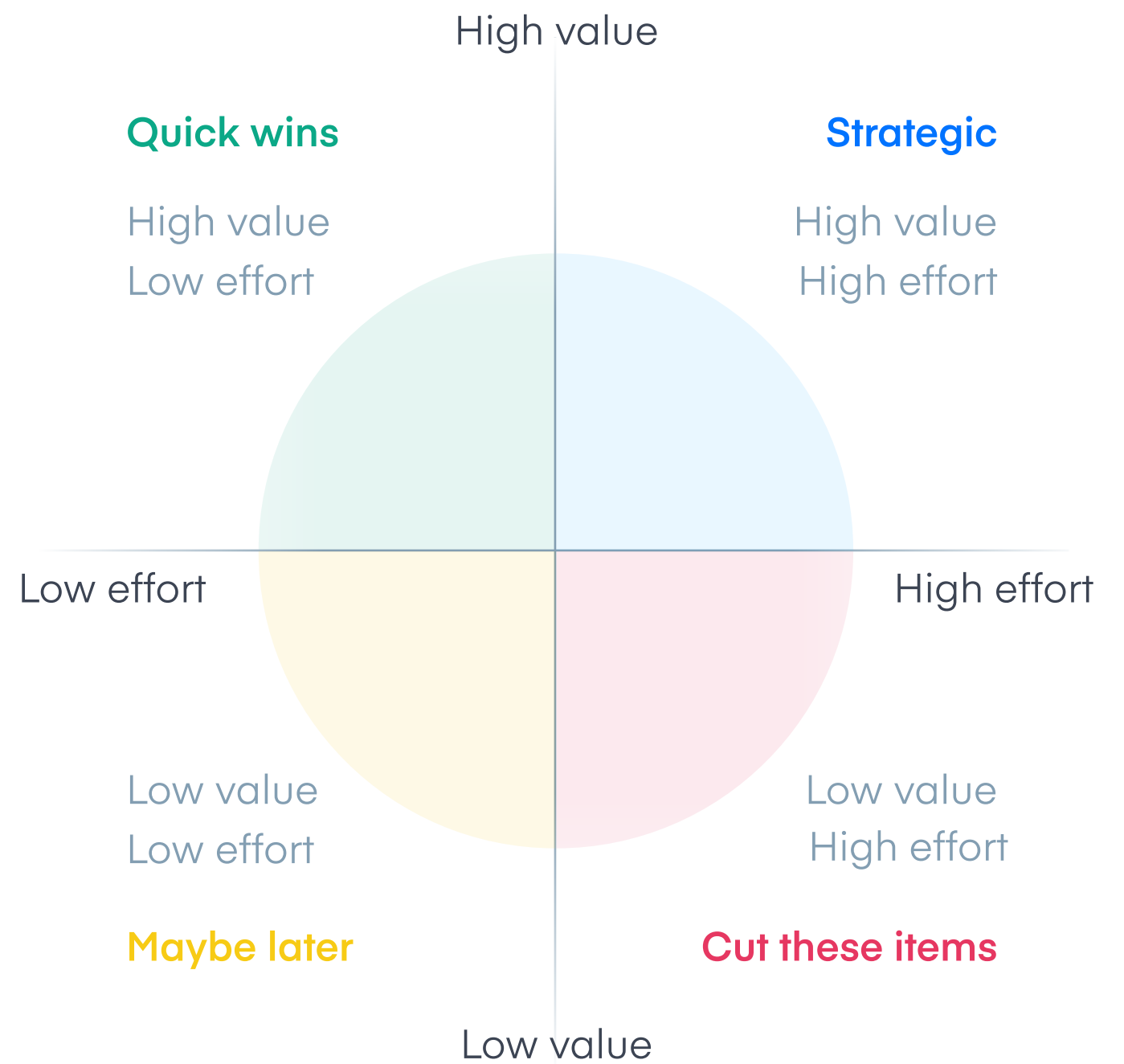
In order to place your items on the chart, you first need to assess each item you want to prioritize against the following questions:

How much value will the item bring? Both on a business level, and directly to the user.

How much effort is required to build it?

IN PRACTICE

Items in the high value & low effort will be deemed top-priority as these are considered quick wins. On the other end of the spectrum, there are the low value & high effort items, which are likely items to cut as they are difficult to implement and promise low business value.



VALUE

While considering value, we must ask ourselves: what does value mean for our business? And what does it mean to our user personas?

Business value

This requires you to estimate how much value particular initiatives can yield for the company. This value can be determined by factors such as whether an initiative will generate new revenue, increase customer lifetime value, acquire new users, retain existing ones or reduce churn, among others. Another thing to consider is the impact on brand awareness.

User value

This describes the value each initiative will bring to your user. You should consider their pain points and how far it goes to reduce them. Is the market demanding this feature? Will it improve your users' efficiency (or other similar metric)? Will it benefit a large number of users or only a small group?

EFFORT

How do you measure the effort required? This question can only really be answered on a case by case basis. For most product teams this could be as simple as estimating the total amount of developer hours a certain initiative will require. However, oftentimes it involves a combination of other categories, including risk, among others...

Some of the most common considerations to score effort are:

- Developer hours
- Overall resource hours needed (man days, persons per month)
- Overall operational costs
- Risks (risk of failure, unanticipated perceived value upon delivery)
- Costs (internal or buying external goods and services)
- Story points

Which sub categories you use is up to each team to determine, depending on their resources and priorities.

DETERMINING YOUR PRIORITIES WITH THE MATRIX

Now that you've plotted your initiatives on the different quadrants of the matrix, it is time to decide which to include in your roadmap, and in what order.

This is how each quadrant will help you prioritize them:

! Please note

Instead of placing your items on the quadrants manually, you can back your ratings with weighted scoring to make more objective decisions. Then place them on your "map"

This allows you to have a specific weight for each subcategory depending on what's most important to your business right now.

By using a dedicated prioritization tool, this can be done with just a few clicks.

Quick wins

These can be labeled as quick win, and should be at the top of your priorities due to the low anticipated effort and high value yield. Therefore, these are where you'd like to start on your roadmap.

These scored low on business value, but could still be good opportunities. These initiatives could be small additions to your product, that have a positive impact. Typically seen as nice-to-have features, perhaps quick fixes, and since they don't require a lot of effort, you should consider them.

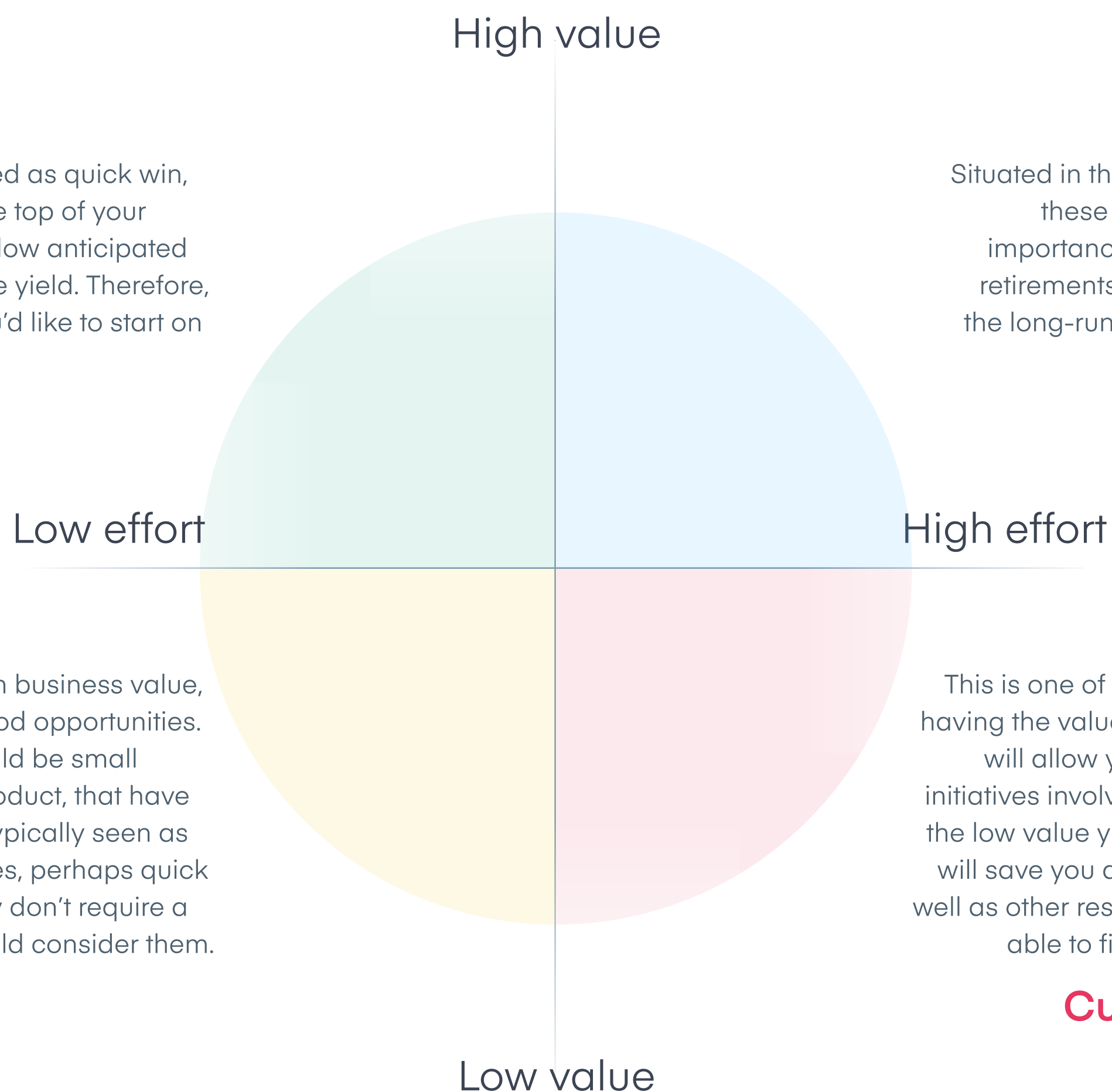
Maybe later

Strategic

Situated in the top-right quadrant, these initiatives are of great importance but give their effort returns, you should plan for the long-run as they are typically larger projects.

This is one of the great benefits of having the value vs effort matrix, is it will allow you to uncover which initiatives involve too much effort for the low value yield. Identifying them will save you development time, as well as other resources, and you'll be able to finally cut them loose.

Cut these items





Why we love it

Extremely flexible and intuitive

Applicable across any type of product, organization, and industry due to value and effort criteria taking on a range of metrics.

Can be done qualitatively or quantitatively

Resource allocation Enables you to focus on items that will have the largest impact based on their goals and effort.

Objective perspective

Having inputs from different stakeholders or team members allows us to standardize how we prioritize different initiatives.

Aligns stakeholders

Reaching a common ground on how to prioritize our initiatives allows for stakeholder buy-in.



A few downsides

Could be subject to systematic error:

usually this is introduced by those estimating how much value or effort each initiative represents. This may result in results being skewed too high or too low.

Best for small teams: it's hard to implement for teams with large pipelines as well as large teams.



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