

Healthcare Project Prioritization: 5 Steps for Initiating a Project Portfolio Ranking System



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Today's healthcare environment is marked by transition and uncertainty. Healthcare managers must regularly juggle multiple project initiatives with limited time and resources, which often means making tough decisions about which new and ongoing projects to pursue.

Because determining project priorities can be inherently challenging, using a ranking methodology can help you better manage your project portfolio. By having an agreed-upon governance structure and ranking approach, you will have a sound basis for objectively prioritizing, sidelining or abandoning projects. It also helps you choose projects that align with your organization's strategic goals and promote competitive growth.

Many software tools specialize in project portfolio prioritization. If your organization is new to this process, you can adopt a manual method using a spreadsheet to start.

Healthcare Project Portfolio Guidelines

Below are five important guidelines to consider for prioritizing a healthcare project portfolio.

1. Determine Stakeholders and Governance Process:

Create a project governance structure, if board-level executive leadership support and commitment does not exist. This should involve a project's manager, sponsor (or executive board), owner and other stakeholders. Identify a select group of senior-level, experienced resources as the project portfolio stakeholders and create an accountable governance body to deliver and maintain the governance process and decisions. The governance body should gather input from units and stakeholders directly impacted by the project and its potential changes. Project governance has two fundamental components. The first links projects to the organization's mission and strategic goals so the right projects are selected. The second confirms organizational capacity to deliver the projects and provide sustainable value; therefore, the ones selected are those most likely to succeed.

2. Agree on a Project and Portfolio Ranking Methodology:

Get agreement on the project ranking methodology, including the selection criteria and scoring system. While obtaining senior leadership agreement is often challenging and time-consuming, even a limited set of agreed-upon evaluation criteria is important. To create wider buy-in, projects should be selected based on sound data and their anticipated value, not merely due to executive leadership's gut feeling or a "first in, first out" approach.

The following represents a governance team's most common selection categories for prioritization:

- Alignment with strategic goals
- Regulatory compliance
- Potential return on investment
- Establishment/improvement of a competitive advantage or elimination of a disadvantage
- Length of project timeline
- Resources required
- Dependency on other projects
- Level of project risk

Not all criteria are relevant to every organization or every project. Initially, limit your selection criteria to no more than six to eight agreed-upon items; otherwise this process may become cumbersome.

3. List All Active and Potential Projects:

Create a single, comprehensive list of all known active or planned projects to support the governance team's ability to make informed decisions on resource management, and the organization's capability for new and ongoing projects.

First, review individual projects. An agreed-upon minimum threshold may be set to determine if a project should be pursued. In most cases, the number of projects on this list far exceeds the resources available. If a project does not meet the minimum threshold, remove it from consideration or indefinitely place it on hold, and make sure you clearly communicate this decision to the requestor and organization, if needed.

4. Apply Ranking Methodology to All Projects:

As you apply your project ranking methodology, assign a total score to each project. Your scoring methodology, overseen by the governance team, can be as simple as using a High (5 points), Medium (3 points) and Low (1 point) approach. It is important to assign a weight to each criterion, with greater weight given to mission-critical criteria. For example, regulatory criteria might receive double weighting. It is also helpful to list ranking criteria in order of importance and then assign weights.

Occasionally, projects are identified that have overlapping objectives and can be combined. Ranking clarifies which projects should be immediately implemented or fast-tracked and in what order. Sometimes, one project is best implemented following the completion of another. Frequently, a project may be perceived as having a high value and will be deferred until appropriate resources are available.



Figure 1 represents a simplified project portfolio ranking methodology with 5 criteria, a weighting score applied and a “High-Medium-Low” rating applied.

5. Regularly Review Project Portfolio Status:

Establish and maintain an ongoing project portfolio management review process to update rankings as additional information emerges and market conditions change. Project portfolio ranking is not a one-time activity. Customarily, a standing review meeting of the governance stakeholders is scheduled either monthly, quarterly, or semi-annually. Representatives for new projects are asked to present to the governance team, using the agreed-upon templates and scoring methodology. Staff members leading existing prioritized projects or projects on hold provide status updates.

Prioritizing Healthcare Projects: The Value of a Portfolio Ranking Process

Initiating a healthcare project portfolio ranking process is valuable for healthcare organizations. Identifying stakeholders and putting a governance structure in place enables objective decision-making. Agreeing on a ranking methodology that supports an organization’s strategic objectives and is uniformly applied facilitates a

level playing field. Regularly reviewing and adjusting project status and risks allows an organization to improve the [project management process](#) and respond to environmental changes.

If embarking on a project portfolio ranking process in your organization, the most important first step is to start the process and obtain leadership buy-in. Organizations which prioritize resource allocation stand a greater likelihood of long-term project success.