



Project Selection – Qualitative Methods

Developing a Balanced Approach
to Selecting Projects and
Qualitative Selection Methods

By Donald Ardiel





Lesson Summary

- In this presentation, we will:
 - Consider the application of a specific project selection method for a given project selection situation.
 - Introduce a variety of methods for selecting projects
 - Discuss the Weighted Scoring Method of qualitative project selection





Strategic Planning Process

Gray & Larson; Project Management: The Managerial Process, Pg. 25





Project Selection Process

- Reduce the negative impact of internal politics
 - Influence on organization that affects decision making in cases of disagreement
- Focus stakeholder attention on achievement of mission and objectives
- Efficient & effective allocation of resources
- Set of integrated criteria for selection
- Decision support system to build consensus and buy-in





Failure to Adopt a Prioritizing System

- “All of your projects are strategic!”
- “It’s obvious which projects are most important.”
- “Change is too rapid. Setting priorities and meeting strategic objectives will lock us in when we have to respond FAST.”
- “A selection process could devalue my political influence in the organization.”
- “The process will be usurped by pushy people.”





Methods: Delphic Method

- Delphic Method
 - A list of selection criteria or projects are reviewed and ranked by independent external experts
 - The rankings are consolidated
 - Experts continue to rank until agreement is reached.



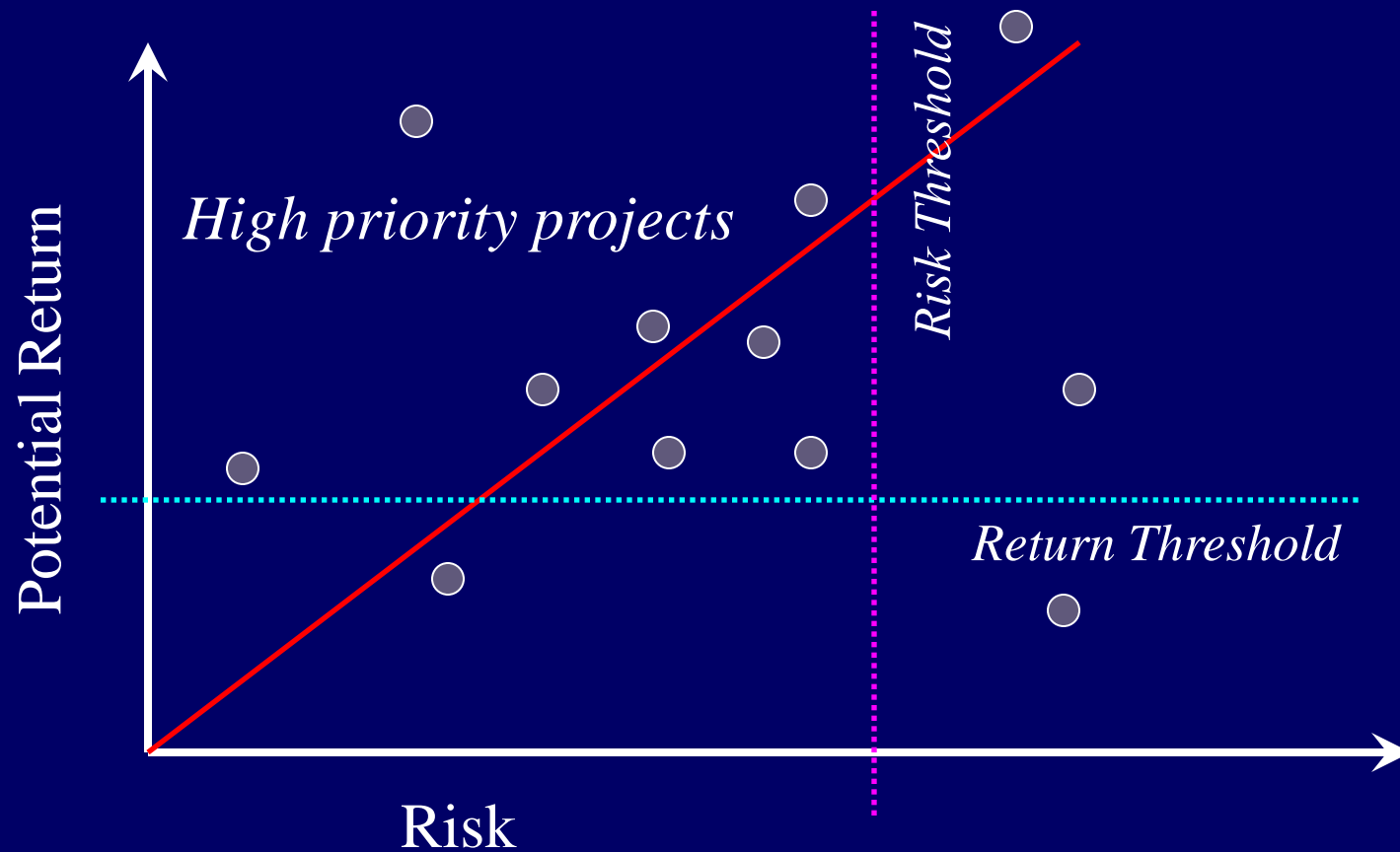


Methods: Balanced Portfolio

- Balanced Portfolio
 - Financial and non-financial factors balanced
 - Return/Risk
 - Best selection through balancing risk among a number of projects (similar to investment)



Balanced Portfolio Method



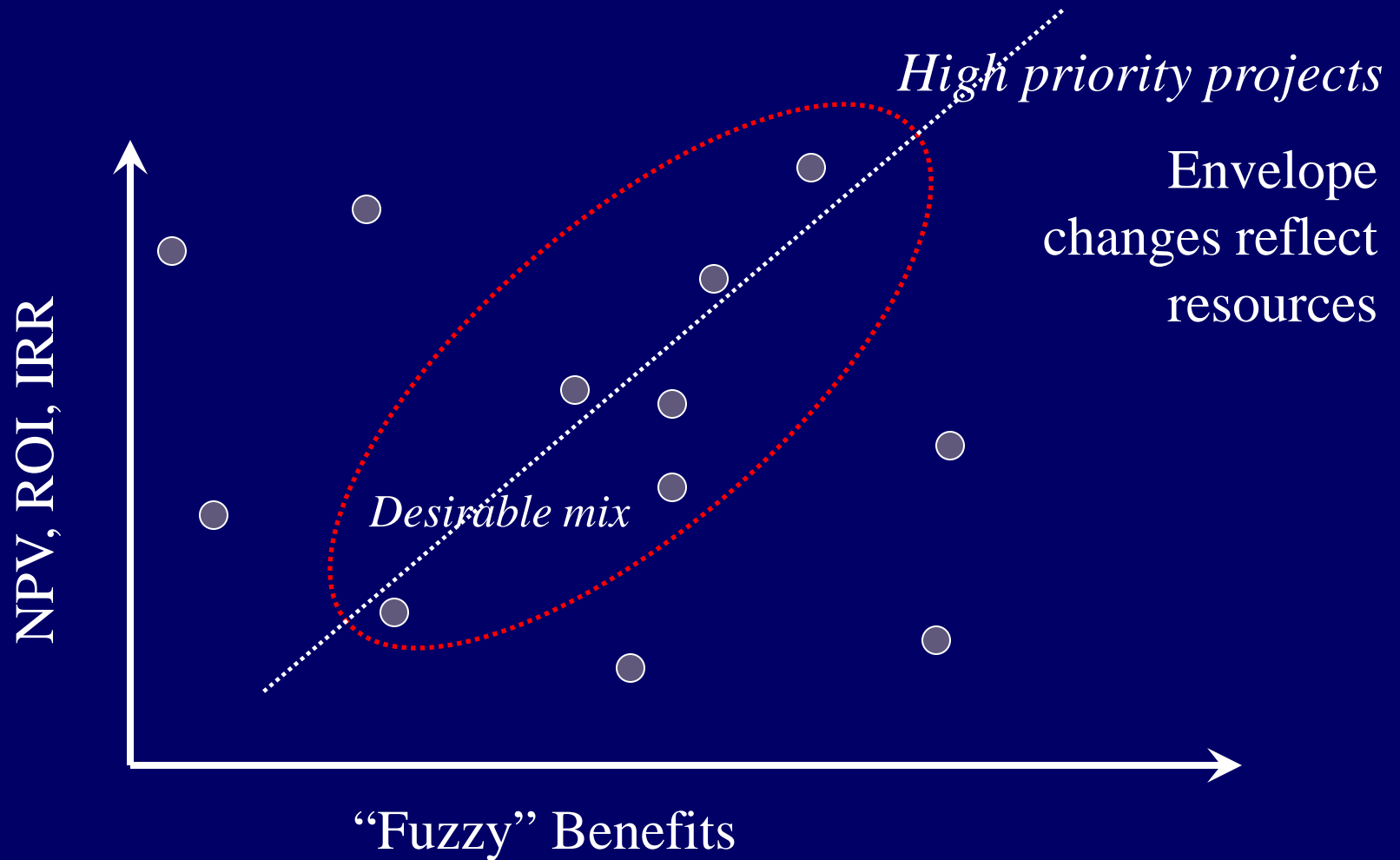


Methods: Powell Barkhi

- Powell Barkhi Method
 - Financial and “fuzzy” criteria compared
 - Thresholds established that “weed out” projects for failure to achieve the lowest acceptable level of important criteria



Powell Barkhi Method





Methods: Weighted Scoring

- Project Scoring
 - Develop criteria against which to evaluate project success
 - Weight the criteria
 - Typically criteria use a weighting scale of **1** (moderate importance), **2** (very important), or **3** (critical importance).
 - Alternately, total weighted criteria must equal 1.0
 - Evaluate project against criteria



Weighted Scoring Method

Evaluation criteria

	A	B	C	D	Score
Criteria Weighting	<i>n</i>	<i>n</i>	<i>n</i>	<i>n</i>	
Project 'Tom'					
Project 'Dick'					
Project 'Harry'					





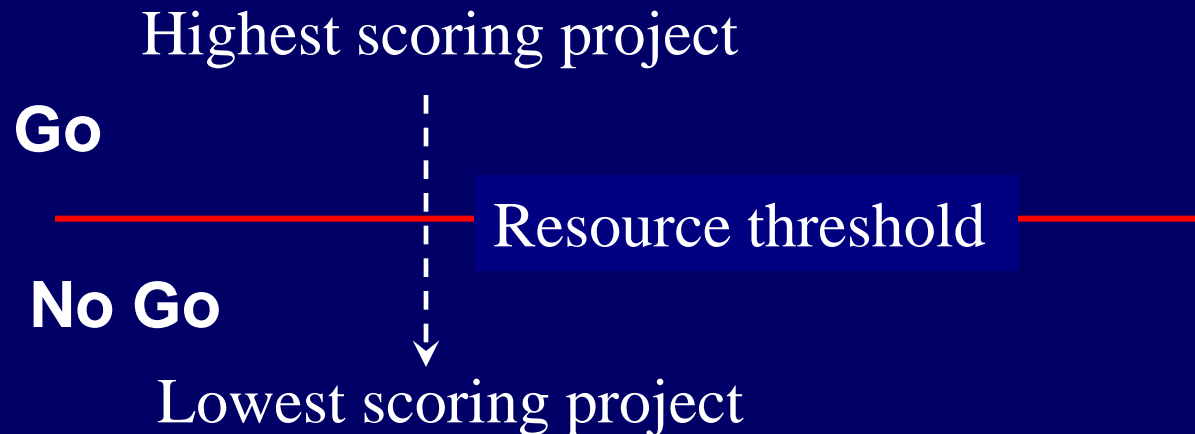
Weighted Scoring Method - Steps

- Step One
 - Consider the criteria/factors for successful outcomes
 - Establish filter criteria I.e. “if the project doesn’t score 15% IRR it is not worth considering”
- Step Two
 - Assign a weighting of those factors
- Step Three
 - Score the projects for the potential to achieve the criteria



Project Scoring Method - Steps

- Step Four
 - Calculate the weighted score
 - Rank the projects from high score to low score





Lesson Summary

- In this presentation, we:
 - Considered the application of a specific project selection method for a given project selection situation.
 - Introduced a variety of methods for selecting projects
 - Discussed the Weighted Scoring Method of qualitative project selection

