**Prioritizing Projects with the COST Model [[1]](#footnote-1)**

**Elizabeth Harrin**

**Introduction**

In my book, [*Managing Multiple Projects*](https://www.koganpage.com/product/managing-multiple-projects-9781398605503)*:* *How Project Managers Can Balance Priorities, Manage Expectations and Increase Productivity* (Kogan Page, 2022), I share a number of different methods for prioritizing your workload to make it easier to focus on the projects that really matter. One of those methods is the COST model, a simple way of ordering projects by category. COST stands for compliance, operations, strategic and tactical and in this article, I’ll share why prioritizing your multi-project workload is essential and how to do it with COST.

**Prioritizing your workload**

Putting projects into a priority order helps you think about how much time and effort to spend on each one. But everything is a priority, right? While you might hear that from colleagues or managers, it can’t be true – and even if it was, it’s unrealistic to expect project managers to work on everything all at the same time. That’s not how work works.

Having said that, if you only worked on the project that is your top priority, you would never make any progress on projects that appear lower down the list. There is a balancing act in ensuring your priority projects get more of your time but the lower priority projects still get some attention – because no doubt your boss expects those to be moved on at least a little instead of ignored each month. In practice, you’ll be spending time on all your projects. While you wait for a decision on a high priority project, you can be moving a lower priority piece of work forward. Use the gaps in higher priority projects to work to focus on other tasks.

Knowing the priority of your projects, and the priority of tasks within your projects, lets you make informed decisions about where to spend your time. Ideally, the project sponsors or your manager will help you identify the priority work on your list. However, if they are unable (or unwilling) to do so, it is up to you to establish the relative priority of what you are working on so that you can effectively manage your own time.

**Techniques for prioritizing the work**

There are a lot of different ways to prioritize activity. In a [survey](https://rebelsguidetopm.com/managing-multiple-projects-the-research/) for *Managing Multiple Projects*, 30% of project managers reported using more than one way to prioritize. It is OK to use different techniques in different situations, so you don’t need to stick to one method all the time. Popular methods for prioritizing work include:

* The [Eisenhower matrix](https://www.forbes.com/sites/bryancollinseurope/2018/11/08/use-this-former-presidents-productivity-secret-to-tame-your-to-do-list/) (42% of survey respondents reported using this)
* [MoSCoW](https://www.agilebusiness.org/page/ProjectFramework_10_MoSCoWPrioritisation): Must have, Should have, Could have, Would have (20% reported using this)
* [ICE](http://www.slideshare.net/startupfest/startupfest-2015-sean-ellis-growthhackerscom-how-to-stage): Impact, Confidence, Ease (18% reported using this).

However, it’s interesting to note that 14% of respondents relied on their professional judgement in an informal way, either by making their own priority-based To Do lists or by using upcoming deadlines from their project schedules.

Given that different tools help for different reasons, I always find it useful to have an overflowing toolbox so I can select the right approach for the right reason. The COST approach is another way of prioritizing projects that might fit your workload.

**The COST model**

The COST model is a simple way of prioritizing projects by the value they offer the company. COST stands for compliance, operations, strategic and tactical. Projects are categorized into those four groups and then they can be worked on in that order.

Compliance projects are initiatives that ensure the organization meets regulatory and compliance requirements. If these projects were not done, the organization would have to cease operations. Examples include:

* Changing processes to meet new regulatory requirements
* Carrying out the work required to meet an external audit or industry assessment
* Updating and configuring software and hardware to meet new legal standards for data protection.

If you have any projects in your personal workload that fit into the compliance category, they should be your top priority. It’s likely that they will be subject to increased scrutiny and governance given their critical nature for the organization. It would be best to stay on top of these and keep them moving forward because the consequences of failing to do so are substantive.

Operations projects are those designed to keep the company operational and meeting its requirements to customers. Think of these projects as the ones that ‘keep the lights on’. If these projects were not done, the organization would cease to be viable longer term. Customers would leave and products and services would not be maintained. Examples include:

* Technical software and hardware upgrades to ensure the IT estate is fit for purpose and remains within service contracts
* Process improvements to address issues with customer support
* Procuring a fleet of vehicles to replace old vehicles that are end-of-life.

Operations projects are your next priority because without them, the organization’s viability is at risk. They might not get a lot of attention as they are often the building blocks and infrastructure work that underpins the day-to-day functions, but they are essential for preserving and improving the viability of the organization.

Strategic projects typically get more visibility and attract more oversight because they might have higher cachet. They exist to help the organization turn its strategic plan into reality. Projects are how organizations deliver strategy and get the business closer to its goals. If these projects were not done, the company would fail to deliver on its strategic plan. Examples include:

* Launching a new product or service
* Improvements that relate to cost savings
* Initiatives with the aim of improving customer or employee satisfaction.

While strategic projects might sound like they are top priority – and draw attention from senior executives – they actually rank third in this model. This group of projects is normally work to do with making change and improvements.

It is worth noting that compliance projects and operations projects would also be mentioned on a company’s strategic plan. Staying in business and meeting regulatory requirements would be a key part of any organizational strategy, although they might not routinely make the Town Hall briefings or ‘top projects for the year’ presentations. However, we split out those compliance and operations projects and use the strategic category for work that is of strategic importance but does not qualify as compliance or operations.

Tactical projects are everything else, typically discretionary improvements that would be nice to have but that don’t take priority over the other categories. These projects have been recognized as good ideas but don’t have to be implemented right now. If the projects are not done, there’s no substantive impact. However, today’s tactical project can become tomorrow’s strategic project, as business needs change over time, so it is always worth revisiting your prioritization on a regular basis to check your categorization remains correct. Examples include:

* Acting on some comments from the employee suggestions scheme
* User suggested software enhancements that don’t affect functionality
* Process improvements.

These are the lowest level of priority for you and – if you have projects that fit into any of the other categories – should be timetabled to take up the least of your time.

**Conclusion**

In summary, you are aiming to prioritize the work that makes the most impact and offers the most value balanced against the time, budget and effort it will take to achieve it. There are a number of prioritization methods available to you, and it is worth having a range of approaches so you can best structure your project list to meet the needs of the organization. The COST model is one, simple, way to put projects into priority order, but as with project management more generally, it is helpful to be able to tailor your prioritization techniques to best match your situation. You don’t have to prioritize your personal workload in the same way that projects or prioritized across the portfolio.

To manage the priorities in your multi-project workload, you can choose the COST model, any of the techniques mentioned above, something else entirely, or a blend of methods. Most managers will be open to listening to why you have prioritized the projects the way you have, as long as you can explain your thinking. The important part is putting in the time to reflect on what each project involves so you can include priority in your personal portfolio and keep everything moving forward at an appropriate pace to meet stakeholder expectations.

About the Author



**Elizabeth Harrin**

United Kingdom



**Elizabeth Harrin** holds degrees from the University of York and Roehampton University and is a Fellow of the Association for Project Management.

Elizabeth is a project management expert and founder of the popular website, RebelsGuideToPM.com. She also runs [Project Mangement Rebels](https://projectmanagementrebels.com/), a mentorship and training community for practitioners.

An author of several project management books, mentor and experienced practitioner, Elizabeth prides herself on her straight-talking, real-world advice for project managers which helps them deliver better quality results whilst ditching the burnout.

As a practitioner, Elizabeth has over 20 years of diverse experience in business change and technology projects predominantly in the healthcare and financial services industries. She specialises in helping mid-career professionals manage multiple projects, engage stakeholders and still leave the office on time.

Elizabeth can be contacted via LinkedIn or her website, [https://elizabeth-harrin.com](https://elizabeth-harrin.com/).

1. How to cite this article: Harrin, E. (2022). Prioritizing Projects with the COST Model, *PM World Journal*, Vol. XI, Issue V, May. [↑](#footnote-ref-1)