
## $100 Prioritization

Inspired by Aurora and Socialnet: Everyone gets $100 in fake money to invest in companypriorities.

It's planning time! Should you get your board's input on your planning priorities?

I've seen a few sub-optimal patterns for how leaders typically handle this. Here are two errors at opposite ends of the spectrum:

- Some just wait until the end and report out the results. The board now has to react to a fully baked proposal when it's hard to give real input.
- Others try to involve their board in the minutiae of planning. Having them review long sets of strategy planning memos, long list of OKRs, etc. This tends to go too far the other way. The board should provide perspective, not detailed direction.

There's a sweet spot in the middle where board members are involved early without diving too deep into the weeds. The best boards use two guiding principles to strike that balance: do no harm, and be a front-seat advisor. This process can be useful in any prioritization question: strategy, products, finance, hiring, or others.

### A board's Hippocratic Oath: "do no harm"

As a board, one of your first priorities and top positions must be "do no harm." In a practical sense, this means you have to be careful with the volume and scope of your feedback. It's easy for a board member to unintentionally do harm within a company. Boards are usually more likely to break a company than they are to make it.

I saw this firsthand at my first startup SocialNet. I was a fledgling entrepreneur, and everyone on the board had more experience than me. Unfortunately, the board members knew this and used their experience as authority for issuing commands. “You should run television ads!” “I’m much more expert than you, so you should listen to me.” Don’t get me wrong, I made a lot of mistakes as a rookie entrepreneur. But instead of adding value, SocialNet’s board was actually breaking the company. When we made mistakes, we were learning quickly about what needed to change. Unlike the board, we were spending 100+ hours a week trying to learn and evolve our specific position in the market.

## Be a front-seat advisor

The second guiding principle is that board members should be a front-seat advisor. I’ve often said that starting a company is like jumping off a cliff and assembling a plane on the way down. Great board members aren’t asleep in the back seat, but they also aren’t in the pilot seat calling all the shots. The entrepreneur is the pilot, and your role as a board member is to sit in the front passenger seat and help navigate.

It’s easy for board members to believe that they should take control of the plane, since they have more experience than an entrepreneur. This bias always leads to more harm than good. Remember, the hero is the entrepreneur, and the board member is the invited partner in the room. Rather than yelling at the pilot to “turn left” or “brake”, the best board members provide navigational guidance around financing, strategic insights, key risks, and new market opportunities.

The Aurora board has done this phenomenally well. Instead of coming to board meetings and demanding that the company “execute strategy X” or “ship feature Y”, Aurora’s board members asked thoughtful questions with a curious mindset. For example, “You know, I’ve thought really hard about this strategy you’ve been pursuing, and the following thing strikes me as a risk. Do you think it’s a risk or not? I thought of a way to measure it, or to mitigate it. What do you think?”

It is true that the board does have the power to change the pilot (CEO), but you never want things to come to that.

Instead, board members should aspire to moments where entrepreneurs say, “This journey would’ve been so much different without you.

You’ve increased value exponentially, decreased risk, and helped us make decisions faster than we did before.” That should be every board member’s personal OKR.

## Allocate $100 across priorities

My experiences at SocialNet and Aurora inspired me to develop one of my favorite techniques for including boards in planning: the $100 prioritization exercise. The premise is simple: the executive team proposes a set of initiatives, and then the board allocates $100 each amongst the initiatives. Then you have a discussion on the spread.

A few reasons I love it:

- Recognizing tradeoffs. It’s too easy to say “do more of X” without realizing that you likely need to “do less of Y” to make that happen. What would everyone really trade?

- Forced weighting. Strength of conviction is often hard to judge by just saying, “I would do more of X and less of Y”. It’s helpful to know that a board member recommends doing X fifty times more than doing Y.
- Get everyone on the record. Board meetings can be flowing discussions where you don’t actually know where everyone stands.
- Have a direction discussion. Inevitably, there will be initiatives that everyone thinks should be funded, while others are universally panned. What you want to focus on are the ideas where there are real difference of opinions, so that you can understand why people feel the way they do. This ritual helps you identify initiatives that have no clear-cut consensus.

## A $100 prioritization ritual

Before the board meeting, executives list the major company priorities in the table below and choose a time horizon in the prompt.

During the board meeting, each board member gets $100 to spend on the priorities listed below. Everyone works individually and silently. Board members can add priorities to the table if needed. Remember, you can spread your money across several priorities, or invest your entire $100 into a single priority — it’s up to you!

### Big Rock $100 prioritization

Big Rocks
The key is not to prioritize what's on your schedule, but to schedule your priorities.To learn more about The 7 Habits of Highl...
https://youtu.be/zV3gMTOEWt8

The core idea is simple: if you’re trying to fill a jar, you put the big rocks in first. Then there’s plenty of room for small rocks, sand, etc to fill in the rest. But if you put the sand first, then the small rocks, then the big rocks, the big rocks won’t fit.

We loved this analogy at YouTube and regularly referred to “Big Rocks.” And a key part of our H1 / H2 strategic planning was picking this set of Big Rocks. We tried many ad-hoc ways to do this, but the most productive technique was the $100 exercise: If you have a fictitious $100 to spread between each of the candidate Big Rocks, how do you distribute them?

A key to this process was distributing privately, then collectively looking at the results.