BREAKOUT
GROWTH PARTNERS

Clear Priorities & Trade-offs

The most sophisticated analysis becomes theater when priorities are fuzzy. Executive teams routinely ask for "growth *and* margins," "speed *and* safety," "innovation *and* risk control"—but until you make the **trade-offs** explicit, models will politely confirm whatever each sponsor already believes. This paper shows how to turn purpose into **measurable value**, set **guardrails** that reflect non-negotiables, and choose across **multiple objectives** without pretending you can maximize everything. It builds on earlier pieces in this series: once you've **framed the right question**, generated **real alternatives**, and assembled **relevant, reliable information**, **Clear Priorities & Trade-offs** makes your priorities operational so downstream reasoning and commitment actually stick.[1,2,3]

The theory in brief (why priorities and trade-offs determine strategy)

Great strategies don't start by comparing the options on the table; they start by asking **what we value** and how we will recognize it when we see it. That is the core of **Value-Focused Thinking (VFT)**: articulate a small set of **fundamental objectives** (ends), distinguish them from **means objectives** (how we get there), and express each in an **attribute**—a clear, observable scale that captures the intent (e.g., "serious safety incidents per million hours," "12-month retention"). A good objectives hierarchy is **complete but concise**, and good attributes are **unambiguous, controllable, and practical** to monitor.[4]

Once objectives are measurable, executives face the "apples vs. oranges" problem—growth versus margins, speed versus quality. Decision analysis resolves this by translating each attribute to a common **0–100 value scale** (a single-attribute value function) and then **combining** those values using **weights** that reflect strategic priorities. The familiar **additive** form is appropriate when objectives are **preferentially independent**—when your preference on one measure doesn't depend on the level of another—which is common in top-level strategy work and keeps the logic communicable.[5,6]

Weights should reflect what **actually moves enterprise value**, not whatever happens to be easy to measure today. **Swing-weighting** makes that explicit: consider the **full-range improvement** on each attribute (from its credible worst to best), rank those "swings," assign 100 to the top, and ratio-weight the rest. Done well, this anchors priorities in leadership's **real trade-off judgments**, not in data availability or noise.[5,6]

Because you can't maximize everything at once, trade-offs must be expressed in **magnitudes**, not slogans. **Even Swaps** is a practical way to do this: convert a difference on one attribute into an equivalent difference on another until dominated options drop away or the preferred choice

becomes clear. The discipline is to answer "**how much less of A for how much more of B**," not "which is more important."[7]

Finally, strategy needs **guardrails as well as goals**. Treat **thresholds** (non-negotiable "musts") differently from **targets** (aspirations). Thresholds encode values and risk limits and should enter the model as **constraints** or steep **value penalties**; targets pull the system toward excellence. Blurring the two invites **goal displacement** and metric gaming (Goodhart's Law). Modeling the **value curve** between threshold and target preserves nuance about marginal value across the range and prevents "hitting the number" from distorting outcomes.[6,8-10]

When leaders make values measurable, trade-offs quantified, and guardrails explicit, three links in the Decision Quality chain tighten at once: **priorities & trade-offs** become auditable, **information** concentrates on a few **swing variables**, and **reasoning** is transparent enough to defend and to implement. The result is **dominance clarity**, **sensitivity insight**, and faster **alignment** on choices that actually reflect the enterprise's priorities.[1,5,6]

From theory to practice: six moves to make priorities operational

Each move pairs **Why it works** (theory) with **What good looks like** (executive-ready practice).

A. Build the value hierarchy (ends before means)

Why it works.	**What good looks like.**
Starting from **fundamental objectives** prevents existing alternatives from dictating priorities; a concise hierarchy improves coverage and reduces redundancy.[4]	A one-page **Value Map**: 5–8 fundamental objectives, each with a plain-English **outcome statement** and a proposed **attribute** (unit, direction, feasible best/worst).

B. Make measures operational (attributes you can live with)

Why it works.	**What good looks like.**
Decision-useful attributes are **valid** (reflect the intent), **clear** (unambiguous scoring), and **controllable** (influenceable by choices). Poor measures invite Goodhart/goal displacement.[8,9,10]	An **Attribute Sheet** per objective: definition; unit/scale; data source & refresh; feasible **Best/Worst**; monotonic **value direction**; a straw-man **value function** with 2–3 anchor points.

C. Find the swing variables (and weight them)

Why it works.	What good looks like.
Not all attributes move value equally. **Swing-weighting** focuses attention on the *full feasible improvement* ("worst → best") for each objective, which is what people actually care about when trading off. Use an **additive value model** when objectives are **preferentially independent**; if material interactions exist, document them and test a non-additive form or evaluate policy bundles.[5,6]	A **Weight Table** from swing-weighting: full-range improvements ranked and ratio-scored (top = 100), with brief rationales; **Top-3 swing drivers** highlighted for focus.

D. Separate thresholds from targets (guardrails vs. goals)

Why it works.	What good looks like.
Thresholds (must-haves) protect viability; **targets** (nice-to-have levels) guide improvement. Mixing the two invites **goal displacement**—teams game the proxy rather than increase true value. Modeling thresholds as constraints (or steep penalties) and targets on the value curve keeps incentives aligned.[8,9,10]	A **Guardrails Panel**: for each objective, list the **Threshold** (walk-away/constraint), **Target** (aspiration), and a sketch of the **value curve** (linear/concave/convex). Flag any **infeasible** options early.

E. Choose with Multi-Criteria Decision Analysis (MCDA)

Why it works.	What good looks like.
MCDA (Multi-Criteria Decision Analysis) makes the trade-offs **explicit and repeatable**: alternatives are scored on value functions for each objective, combined with the agreed weights to produce a transparent **overall value** (or EV in money terms when feasible). When weights are contested, **Even Swaps** clarifies real trade-off magnitudes before finalizing the model.[5,6,7]	A **Value Scorecard**: alternatives × objectives with 0–100 value scores and weights; highlight (i) dominated options, (ii) the **swing drivers** of the winner, (iii) **flip points** (where the decision changes), and (iv) the **trade-off sentence** ("We accept ↓A to gain ↑B because …").

F. Encode decision rules & governance (so priorities travel)

Why it works.	What good looks like.
When value logic and guardrails are documented, teams don't re-litigate priorities; they execute within **clear rules**.[6]	A two-page **Decision Memo**: frame; alternatives; **Value Map**; **Guardrails Panel**; **Weight Table**; chosen option with the **trade-off sentence**; **leading indicators** and a **review date** tied to thresholds.

Evidence note. Organizations that institutionalize explicit objectives, attributes, and documented trade-offs report fewer late-stage reversals and faster alignment in implementation; effects vary by context but are consistently positive when leaders use swing-weights, thresholds, and sensitivity reviews.[5,6,7]

Practical limitations (and how to work with them)

- **Metric myopia & gaming.** Poor attributes invite Goodhart's Law. *Work with it:* test validity, add **counter-metrics** where gaming risk is high, and use **value curves** (not single hard targets).[8,9,10]
- **Weight instability & false precision.** Weights can swing with framing; point scores feign accuracy. *Work with it:* record **swing-weight rationales**; show **P10–P50–P90** (10th/50th/90th percentile) ranges on uncertain inputs; run **one-way/tornado** sensitivity; report **flip points** instead of spurious decimals.[5,6]
- **Threshold confusion.** Teams treat thresholds like soft targets or set "targets" that are actually non-negotiables. *Work with it:* publish a **Guardrails Panel**; make **threshold breaches infeasible** in the model or impose steep penalties; review thresholds annually.[6,9,10]
- **Stakeholder value conflict.** Competing objectives (e.g., resilience vs. near-term margins) can stalemate. *Work with it:* surface **fundamental vs. means** objectives; use **Even Swaps** to negotiate magnitudes; document the **trade-off sentence** leaders accept.[7]
- **Model overreach.** Additive aggregation can mislead when objectives interact. *Work with it:* check **preferential independence**; when interactions matter, use **non-additive** terms or evaluate **policy bundles** explicitly.[5,6]

Generative AI as scaffold (not substitute)

Where AI helps. Draft a first-pass **Value Map**; propose **candidate attributes** with feasible ranges; compile **outside-view benchmarks** for thresholds/targets; scan sources for **contradictions**; and produce quick **sensitivity views** that highlight swing drivers (reducing *extraneous* load so humans spend attention on values and judgments).[11]

Where it does not. Don't outsource **weights**, **thresholds**, or the final **trade-off sentence**—those are leadership choices. Require **source-tagging** for any benchmark and human validation before adoption.[11]

Example prompts:

1. **Value Map starter (at kickoff).** "From this strategy brief, list **fundamental objectives** and **means**. Propose **attributes** (unit, direction, feasible best/worst) for each fundamental objective; flag any objective that lacks a measurable attribute."
2. **Swing-weighting prep (before the executive session).** "Given these attributes/ranges, describe the **full-range swings** and suggest a **ranked swing list** with draft 100-based weights; note where preferential independence may fail."[5,6]
3. **Guardrails builder (prior to option scoring).** "For each objective, propose a **Threshold** (walk-away/constraint) and a **Target** (aspiration), sketch the **value curve** shape, and cite one external **benchmark**."[8,9,10]
4. **MCDA sensitivity aide (in the decision meeting).** "With these weights/scores, identify **dominated** options, the **top three swing drivers** of the current winner, and the **flip points** that would reverse the choice."[5,6]

Bottom Line: Make the trade-off sentence explicit

Clear priorities are the antidote to analysis theater. When an executive team can say, in one sentence, **what it is willing to give up to get what it most wants**, strategy becomes operational: alternatives are scored on what truly matters; thresholds prevent accidental value violations; and the choice can be defended—and executed. As value theorists remind us, important decisions necessarily span multiple objectives; you **accept less on some to achieve more on others**. The craft is to decide **how much less for how much more**, write it down, and lead accordingly.[5,6,7]

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Exhibit: Value Architecture Canvas (one-page)

Use when evaluating alternatives against multiple objectives; complete during option scoring to make weights, thresholds, and trade-offs explicit before commitment.

Value Architecture Canvas

Decision: _____

_____

☐ **Type 1** ☐ **Type 2** **Date:** _____ **Owner:** _____ **Version:** _____

PURPOSE: Make priorities operational by building value hierarchy, setting guardrails, and making trade-offs explicit. Use when evaluating alternatives against multiple objectives; complete during option scoring.

① FUNDAMENTAL OBJECTIVES & WEIGHTS

#	OBJECTIVE	MEASURE (unit, direction)	WEIGHT
1			
2			
3			
4			
5			

② THRESHOLDS VS. TARGETS

THRESHOLDS *Must-haves / Walk-away constraints*	TARGETS *Aspirations / Excellence goals*

③ TRADEOFF STATEMENT OFF STATEMENT

④ SENSITIVITY & DECISION RULES

Top 3 Swing Drivers	Key Flip Points	Review Trigger

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