

## H4 Consulting Brief

# Prioritisation

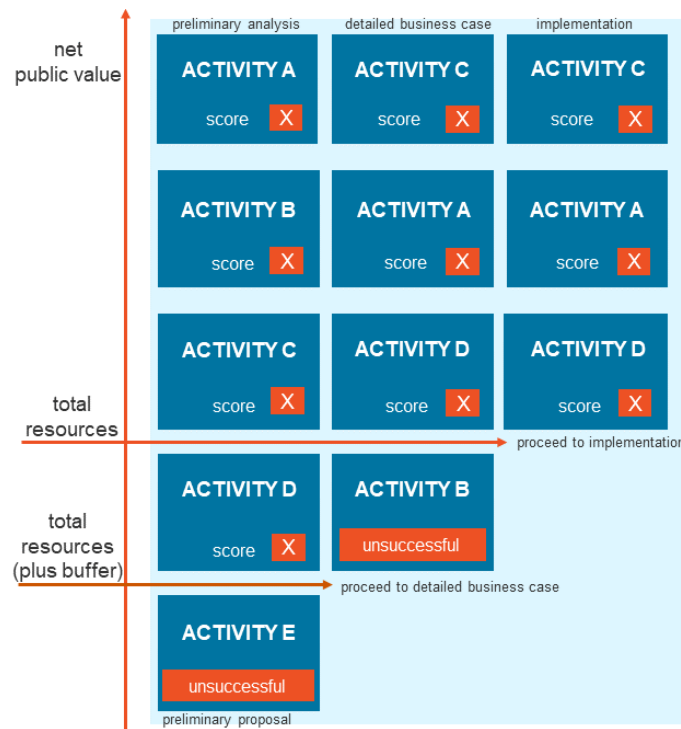
Publicly funded organisations work hard to balance infinite demand with finite resources. Taking a systematic approach to prioritisation of effort can identify those activities – services, processes, and projects – that will deliver the maximum public value for public funds, while limiting the administrative burden of analysing alternatives.

One of the challenges of working in publicly funded organisations is striving to maximise the value of finite resources compared with seemingly infinite demand. Making evidence-based investment decisions is a resource intensive and costly process.

It is particularly difficult to choose between proposals that offer different types of public benefits. This is often more straightforward in private sector organisations, where maximising shareholder value offers a consistent basis for comparing alternatives.

Maximising public value requires a more nuanced consideration of strategic alignment, costs, benefits, risks, and stakeholders. This more complex basis for comparison also tends to increase the time and resources required for, and the degree of uncertainty in, the analysis.

The people preparing proposals are often not expert in estimating costs and benefits, and may require significant assistance from functions such as finance and human resources, as well as external advisers.



High standards of transparency and rigour are also enforced by processes such as formal business cases, scrutiny from central agencies, public consultation, Government decision making, and media attention.

A two-stage prioritisation process brings rigour to difficult comparisons, while minimising resources expended on detailed analyses of proposals that are unlikely to succeed.

In the first round, brief preliminary proposals should be considered, containing minimum sufficient information to assign scores to weighted criteria. The proposals can then be ranked, lower ranked proposals culled, and similar or related proposals combined or eliminated.

In the second round, additional analysis and expert advice should be allocated to preparing a robust business case for each remaining option. This should include not only more accurate estimates of costs and likely benefits, but also more detailed information about the proposed approach to implementation.

Effective prioritisation processes in publicly funded organisations are essential to maximise public value by identifying investments that offer the maximum net public benefit for identified policy objectives. Efficient prioritisation processes are also essential to minimise the resources consumed in preparing and evaluating proposals and to maximise the resources available to deliver direct public value.

To find out more about how you can use this approach in your organisation, contact us: [info@h4consulting.com.au](mailto:info@h4consulting.com.au)  
Find additional resources at [www.h4consulting.com.au/resources](http://www.h4consulting.com.au/resources)