

STRATEGIC TRADE-OFFS & INVESTMENT PRIORITIES

*For Public Sector
Organisations*



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THE ADAPTABILITY FACTOR



PRIORITISATION FRAMEWORK

WHERE DO WE HAVE CHOICE?

Strategic investment and resource allocation requires explicit choices acknowledging that simultaneous investment in all priorities is neither feasible nor effective. This chapter discusses the vexed topic of prioritisation.

The Challenge

Public sector organisations often identify multiple valid strategic priorities simultaneously, yet lack the capacity, funding or organisational readiness to pursue all of them at once. Traditional prioritisation frameworks often fail to account for the "must do" versus "choose to do" distinction critical in public sector organisations.

Beyond Simple Resource Allocation

There is a need to understand regulatory obligations before strategic choices, while keeping an eye on organisational capacity constraints. This creates the fundamental challenge: how to allocate resources across mandatory compliance, strategic enhancement and future readiness while maintaining operational service delivery excellence and public accountability.

THE THREE PRIORITY TYPES LOGIC

Using a framework that organises all potential investments into three categories based on their role in public service delivery is a useful way to wrestle with the necessary strategic trade-offs.

FOUNDATIONAL



MUST-HAVE.

Compliance, statutory
& operational
non-negotiables.

Full investment.

DIFFERENTIATING



STRATEGIC CHOICE.

Elevates service
quality & public value.

*Discretionary
investment.*

EMERGING



FUTURE READINESS.

Anticipates change,
technology &
community shifts.

*Small targeted
investment.*

DEFINING PRIORITY TYPES

	FOUNDATIONAL	DIFFERENTIATING	EMERGING
Definition	✓ Non-negotiable investments essential for meeting statutory and mandatory obligations	✓ Strategic investments high in significance for customer, community, environment or stakeholder value & government priorities	✓ Future-oriented investments that build readiness for anticipated changes, technology shifts or evolving community expectations
Criteria	❑ Mandatory rather than optional ❑ Failure to invest creates service delivery risk or regulatory non-compliance ❑ Often regulatory, safety, compliance or infrastructure-driven ❑ Essential for license to operate	❑ Significant choice in level of ambition and investment ❑ Direct impact on service quality and stakeholder satisfaction ❑ Cannot pursue all enhancement opportunities simultaneously ❑ Require careful trade-offs within budget and regulatory constraints	❑ High flexibility in timing (now, next, or later) ❑ Preparatory rather than immediately service-enhancing ❑ Option value for future service delivery requirements ❑ May become Differentiating or Foundational priorities over time
Investment	✓ MUST HAVE Full funding required	✓ STRATEGIC CHOICE Variable based on ambition level and available resources	✓ FUTURE READINESS Often smaller, exploratory investments initially
Timing flexibility	✓ Limited - often driven by regulatory deadlines or asset condition	✓ Moderate - aligned with government priorities and funding cycles	✓ High - can be accelerated or deferred based on government and other priorities

APPLICATION OF PRIORITISATION

This priority model, based on defining priorities in terms of degree of choice and the three horizons of 'Do Now, Do Next, Do Later', provides the combined executive and board group with a structured approach to cut through the complexity of competing strategic priorities. Rather than debating or ranking which strategic themes are more important, the framework enables systematic classification based on clear criteria.

Practical session application

The combined leadership team can begin by mapping all potential strategic initiatives across the three categories using the established criteria. **Foundational priorities** will largely self-identify through regulatory requirements and service delivery necessities - addressing the emphasis on understanding "must do" obligations before strategic choices. This eliminates debate about non-negotiable investments and focuses discussion where genuine choice exists.

For **Differentiating priorities**, the framework provides structured trade-off discussions within realistic resource constraints. Instead of trying to pursue all strategic themes simultaneously, the leaders can explicitly choose which initiatives create the most public value within available resources. The allocation guideline and timing prevents overcommitment while ensuring strategic ambition.

Emerging priorities receive proportionate attention (10-15%) without overwhelming immediate capacity. Leaders can identify future-focused pilots and capability building that align with agreed strategic priorities while maintaining flexibility to scale successful initiatives or defer lower priority experiments.

INVESTMENT LOGIC

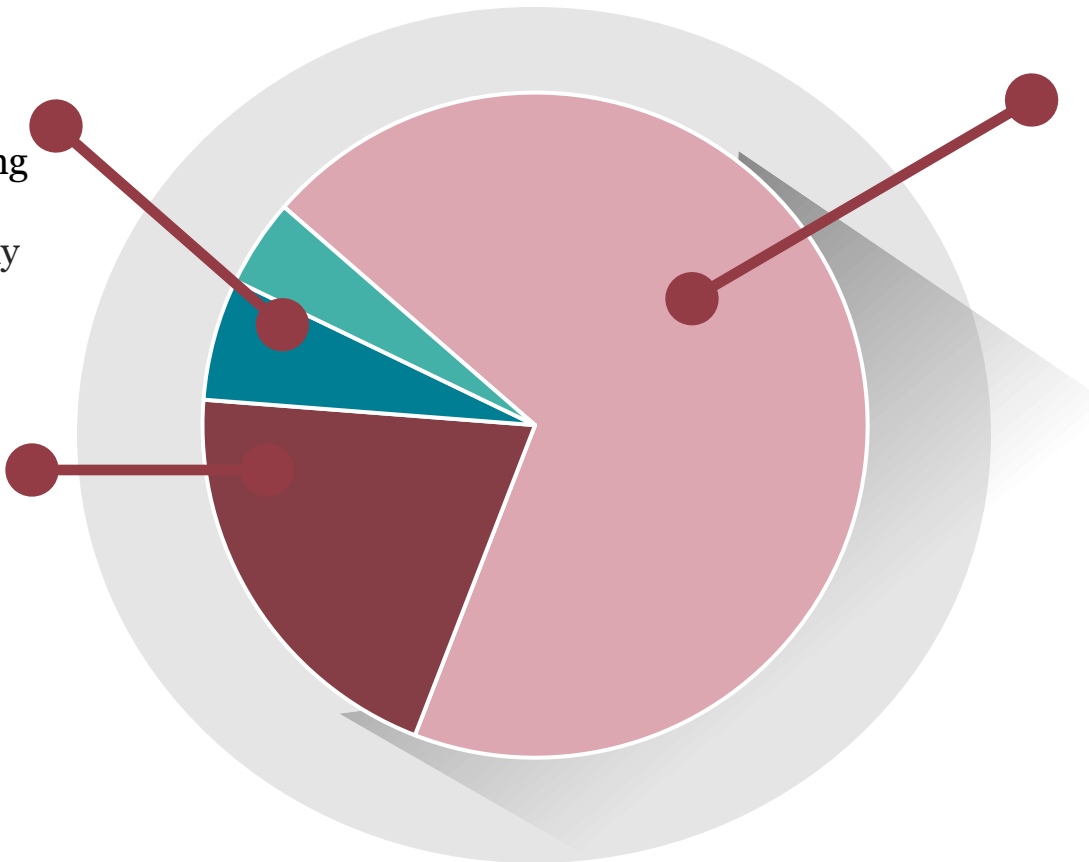
This investment logic transforms overwhelming strategic complexity into manageable decisions by establishing clear boundaries where genuine choice exists (Differentiating priorities at 20-30% of resources) while securing essential compliance (Foundational at 60-70%) and reserving capacity for Emerging priorities aligned with future readiness (at 10-15%).

Future Readiness:

Reserve capacity for **Emerging priorities**, with flexibility to scale up initiatives that align with evolving government policy or future organisational needs (approximately **10-15%** of available investment)

Strategic Value Creation:

Allocate remaining resources among **Differentiating priorities** based on government priorities and internal and external stakeholder needs (approximately **20-30%** of available investment)

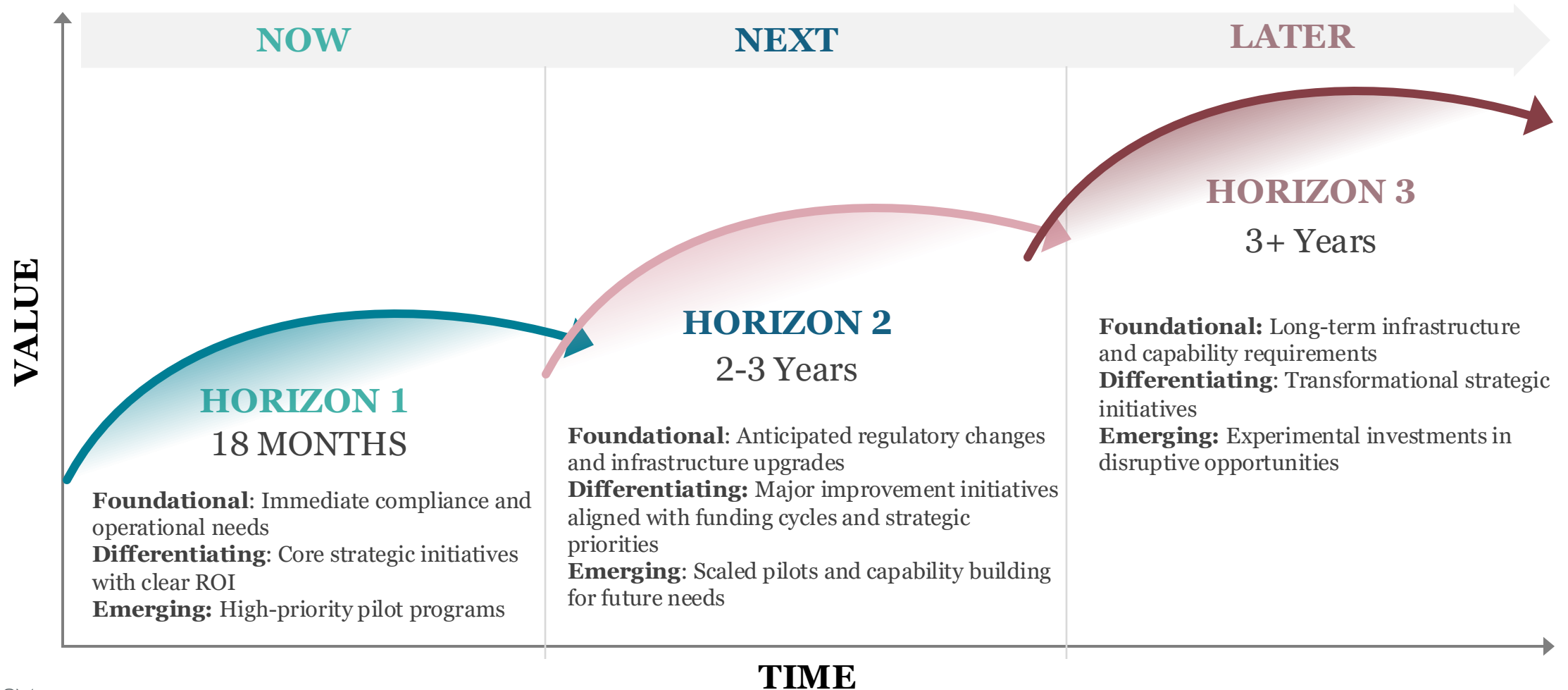


Operational Service Delivery Excellence:

Ensure all **Foundational priorities** are adequately funded first. (approximately **60-70%** of available investment)

THREE HORIZONS INTEGRATION

Each priority type operates across three time horizons enabling strategic sequencing: Now (0-18 months) for immediate requirements and core initiatives, Next (1-3 years) for major improvements and scaled pilots, and Later (3+ years) for transformational and experimental investments.



STRATEGIC DECISION FRAMEWORK

STRATEGIC DECISION MAKING

A Board Strategic Direction session represents the definitive decision point for an organisation's strategic future, requiring specific choices about strategic priorities and capacity for implementation based on comprehensive analysis.

Strategic choices and decision making

During the sessions, we will be targeting majority consensus with commitment rather than 100% agreement on details, focusing on strategic intent rather than implementation specifics. It is important to build momentum through decisive action rather than take more time for extended deliberation.

We will be examining priorities as discussed and exploring a horizon approach of "do now, do next, do later" recognizing 8-10 consistently identified strategic themes cannot receive equal priority simultaneously without potentially compromising organisational effectiveness, resource capacity and / or current levels of service delivery.

Boundary Definition: "Must Do" vs "Choose To Do"

It may be worth reviewing your legislative obligations, including relevant Acts, statements of obligation and regulatory performance requirements, as a starting point for understanding the foundational priorities that you 'must do'.

MEASUREMENT OF SUCCESS & PERFORMANCE

There will be some time dedicated to hearing from leaders about suggested improvements to the measurement of success of the strategy alongside performance monitoring of the organisation. The suggested measurement improvements move beyond traditional operational metrics to capture strategic transformation success.

Budget transformation shifts from annual expense management to investment portfolio tracking, measuring strategic capability development returns alongside operational efficiency to ensure transformation investments deliver expected organisational advancement rather than just expenditure compliance.

Performance metrics are developed to integrate financial efficiency measures with strategic change progress indicators, to assist the Board in monitoring whether strategic investments in cultural change, partnership development and adaptive capacity are producing measurable organisational improvements.

This measurement evolution enables the Board to track strategic progress while ensuring operational excellence maintenance.

WANT MORE?

Book a call with Jo to discuss how this framework could support your organisation's prioritization or contact using the details below:

BOOK A CALL

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