

# H4 Consulting Brief

## A Firm Baseline

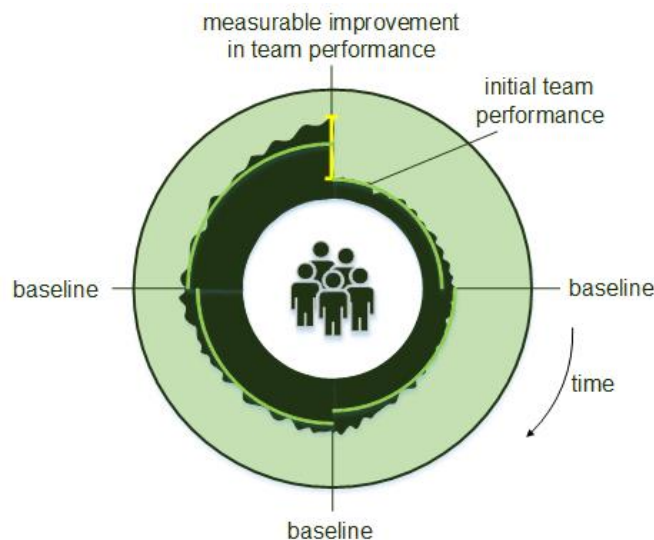
Most people working in publicly funded organisations want to do their jobs well, but do not have a good sense of how changing the way that they work could contribute to different outcomes. It is difficult to develop a culture of continuous improvement when workers cannot readily assess the current value of their work and track the changes in outcomes when they do something differently.

Public value can be hard to measure. The work to create it often exists outside markets that could assign a price, and it is easy to mistake the cost of providing a service for the value of that service. This makes it difficult for people and organisations to determine the value of their efforts, or to compare the relative value of different ways of working. Unable to differentiate between options, people sometimes assume that the work they currently do offers the best possible value.

Establishing a baseline of team processes, inputs, and outputs, helps to define the value of current effort. This can be expressed in metrics other than price, such as service volumes or outcomes. Inputs should include all resources used in the work process to create outputs.

In the absence of a robust baseline, most people rely on assumptions about the value of current effort, such as how many resources are required to deliver a volume of services. A culture of experimentation and continuous improvement requires baselines to be specific, measurable, and built on sound assumptions.

Measures specified at the right level of aggregation can detect variations caused by a change in process or practice. Baseline performance for a state education system, for example, will be defined differently from a baseline for one class. Assessing relative benefits relies on being able to distinguish degrees of difference, usually through quantitative measures. The assumptions underpinning these measures, or hypotheses, must be tested rigorously.



People with a robust baseline of the value they currently deliver, have an opportunity and an incentive to 'beat' that baseline. Clearer links between inputs and outputs encourage awareness of, and accountability for, incremental improvement. Changes in process or practice are rewarded with useful insight into how different actions contribute to creating value.

With clearly defined baselines, individual or team variations become opportunities to learn and adopt more successful strategies from peers. Without a baseline, these variations are often attributed to permanent differences in capability or commitment, rather than changeable differences in process or practice. Individual baselines give everyone the opportunity to strive for a personal best.

Establishing baselines is not a discipline that comes naturally to every profession or worker, but all professionals and workers benefit from measuring themselves against their own prior performance.

Over time, a cycle of continuous experimentation and improvement gradually raises the baseline, so that performance, and performance goals, both increase. These benefits escalate as more successful processes and practices spread through teams and organisations.

For people working hard to maximise the public value they create, a baseline is a firm spot on which to stand. To be our best selves, we all need to know where to start. Now you do.

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)