# The Last One Per Cent

People in publicly funded organisations are held to high standards and strive to achieve them, often searching for perfectly proven solutions based on comprehensive data before taking any action. Seeking protection in perfection, without regard to the incremental costs of resources and time, diverts effort from other uses that could make more difference, failing the broader test of public value by chasing the last one per cent for each question.

People working in publicly funded organisations tend to strive for perfection. They want to do the best work possible to maximise outcomes for, often vulnerable, members of the public. Hired for specialist expertise, many workers believe that achieving 100% quality answers to individual policy questions is the best way to achieve overall organisational goals.

Publicly funded organisations often allocate long and flexible timeframes to initiatives, implying that the highest possible standards are more important than time or cost. Risk-averse cultures, and a belief that accuracy reduces vulnerability to criticism, can also reinforce perfectionist tendencies. When perfection is seen as both desirable and attainable, it seems sensible to try for 100% of everything.

In most cases, however, the costs of incremental improvements increase as a solution approaches perfection, and may not produce significantly better results at scale. A polished, but not perfect, answer can often be achieved at comparatively low cost, delivering most of the value of any initiative quite quickly, with resources left over to invest in answering other questions or solving other problems.

This can be especially true of increasingly precisely modelled calculations that are driven by many imperfect assumptions. Each additional one per cent of accuracy in a model consumes significant time and resources that could be used to deliver initiatives that have met a reasonable threshold for action. Chasing that last one per cent reduces aggregate public value.
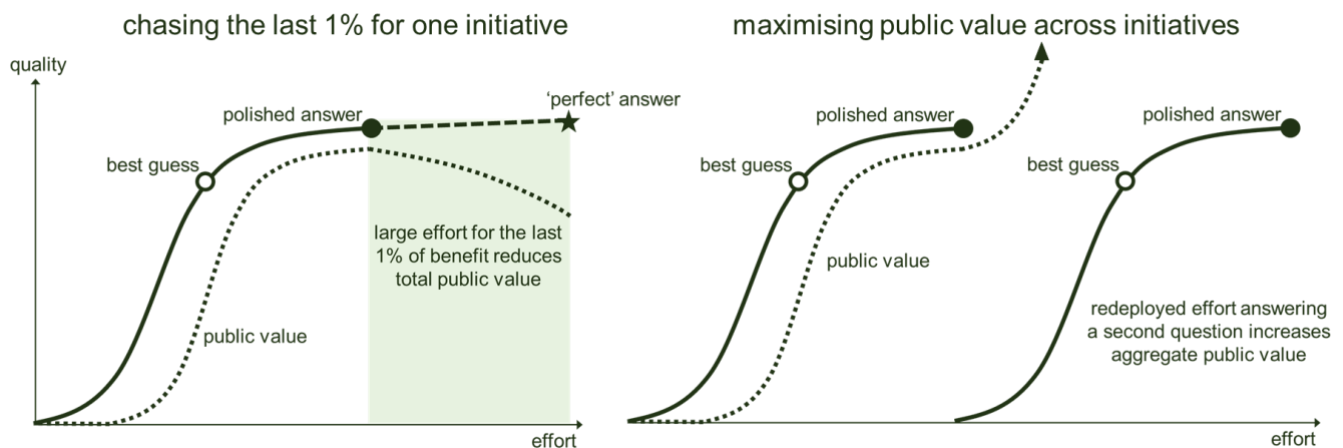
The value created by the time and effort publicly funded organisations invest in designing solutions is seldom linear. A best guess based on immediately available data can often support a pretty good working model that delivers most of the potential value. That best guess can be quickly and cheaply challenged and refined by questioning and testing underlying assumptions, then polished through methodical validation and small-scale experimentation. A polished answer, while not perfect, usually delivers most of the potential value for one problem, and better return on public investment across many problems.

The key is to recognise the point when additional effort will yield negligible incremental benefits, or will not improve decisions, and stop there. Where this point is located depends on the nature of each problem.

Public needs are infinite, but public resources are limited, particularly within individual policy domains. Workers and decision makers tend to think about initiatives in isolation, striving to maximise the quality of each one, even if it is only a tiny part of the work of the organisation. But doing many things well enough, to polished, but not perfect, standards can deliver more value overall than doing a few things perfectly.

Quality is important, but not the only driver of public value across many initiatives where the opportunity cost of pushing any one question beyond a 'good enough' polished answer exceeds the incremental value achieved. By resisting the urge to chase the last one per cent for every question, organisations can invest more effort in defining and delivering workable answers to many more questions and have a better chance of passing broader tests of public value.