

ACCOMPLISHING RESULTS

Part 1: Defining and Achieving Results
Technology Center Conference Room
8:30-11:30 a.m., Oct. 31, 2017

WELCOME AND INTRODUCTIONS

1. THE PURPOSE OF PERFORMANCE MEASUREMENT

- a. A consistent and intelligent method to measure results
- b. *Exercise – Heavy Metal*
- c. The four purposes of performance management

2. DEFINING RESULTS

- a. Start with Why
- b. Mission Statements
- c. *Exercise – Mission Statement*
- d. Alignment Models
- e. *Exercise – Alignment Models*

BREAK

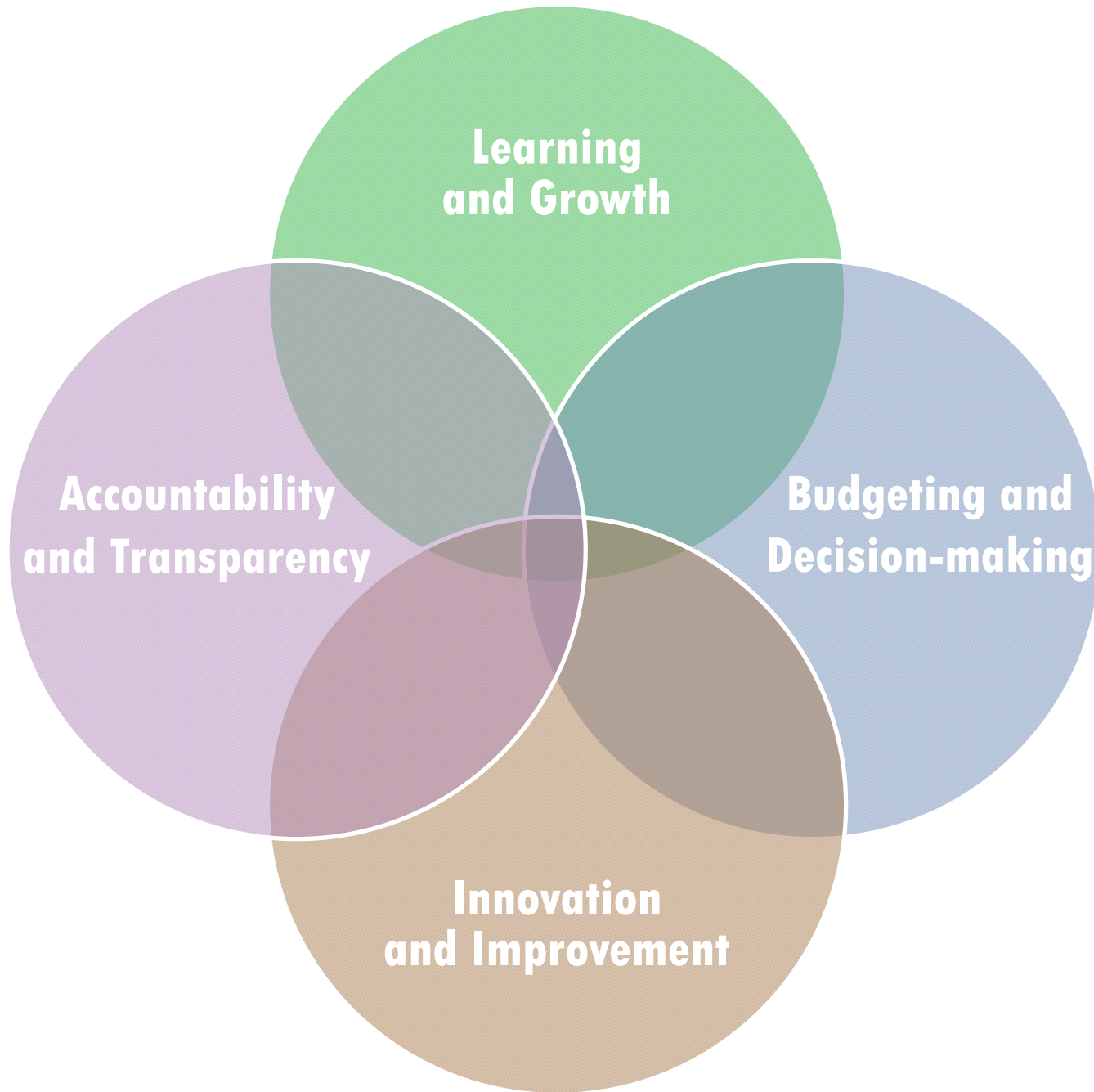
3. ACHIEVING RESULTS

- a. *Exercise – What does a dashboard tell you*
- b. Measures and indicators
- c. *Exercise – Identifying Measures*
- d. *Exercise – Using the Model to Identify Measures*
- e. A consistent and intelligent approach to measuring performance
- f. *Exercise – Best Example of Measure for Outcome of Customer Loyalty*
- g. Finding the best (available) outcome measures

“What matters is not finding the perfect indicator, but settling upon a *consistent and intelligent* method of assessing your output results and then tracking your trajectory with rigor.”

Jim Collins





**Learning
and Growth**

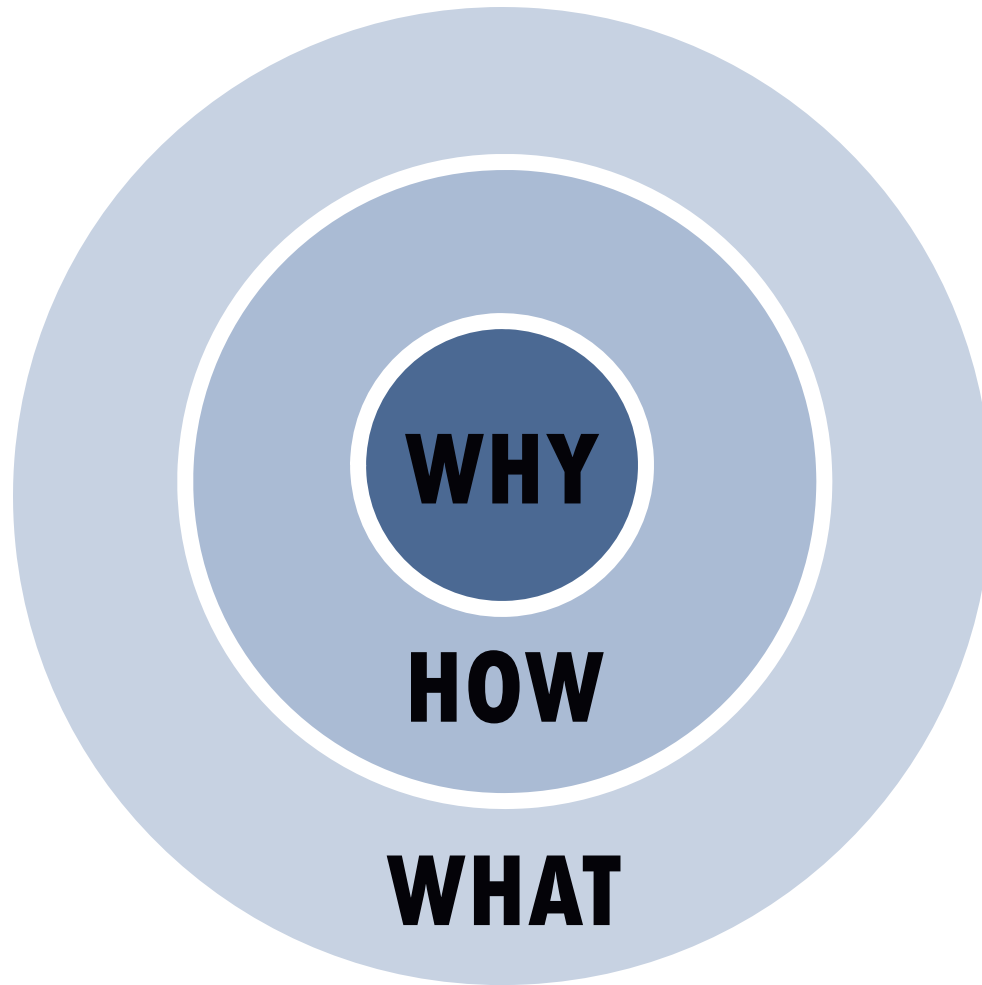
**Accountability
and Transparency**

**Budgeting and
Decision-making**

**Innovation
and Improvement**



**Start
with
Why**



Adapted from The Golden Circle, Simon Sinek, Start with Why

Mission Statement

The mission of _____
(name of group)

is to _____
(key services delivered)

to / for _____
(customers)

so that _____.
(results to be achieved)

Mission

Why do we exist? What is our purpose?

Goals

What are our main focus areas to achieve the mission?

Objectives

What specific actions are needed to achieve the goals?

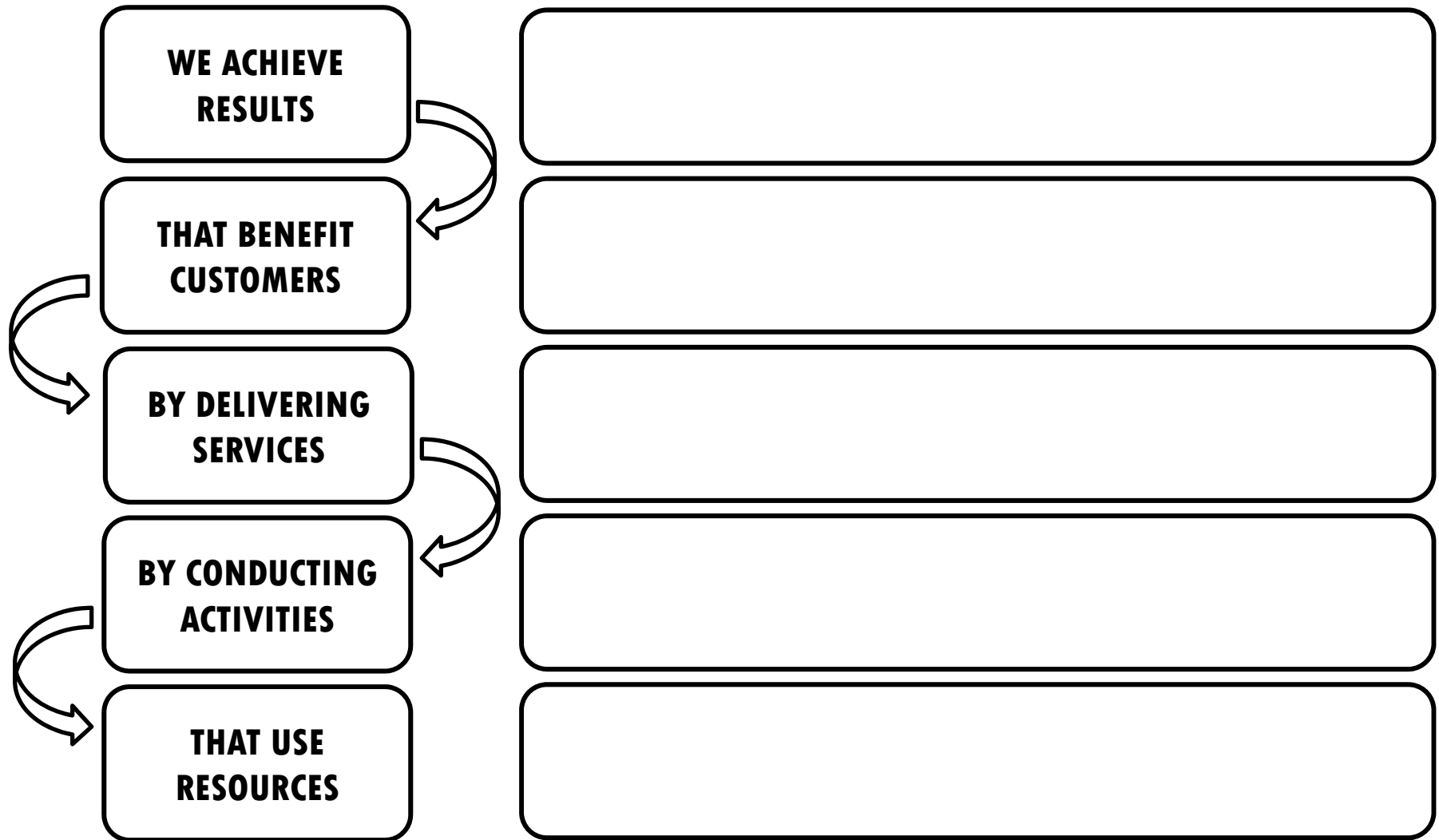
Initiatives

What specific projects are needed to achieve the objectives?

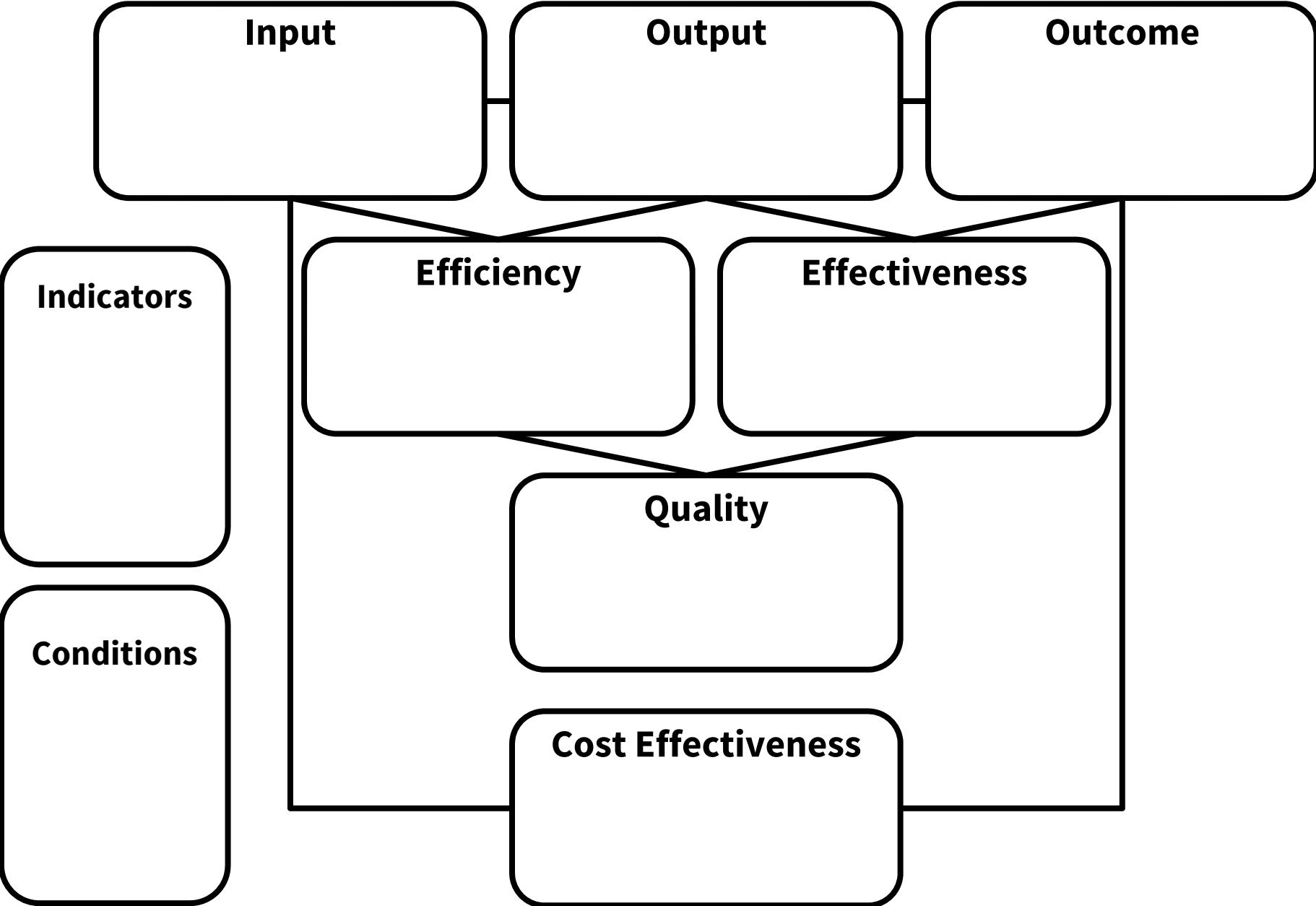
Measures

How will we know if we are achieving results?

Exercise – Alignment Model



Exercise - Measures

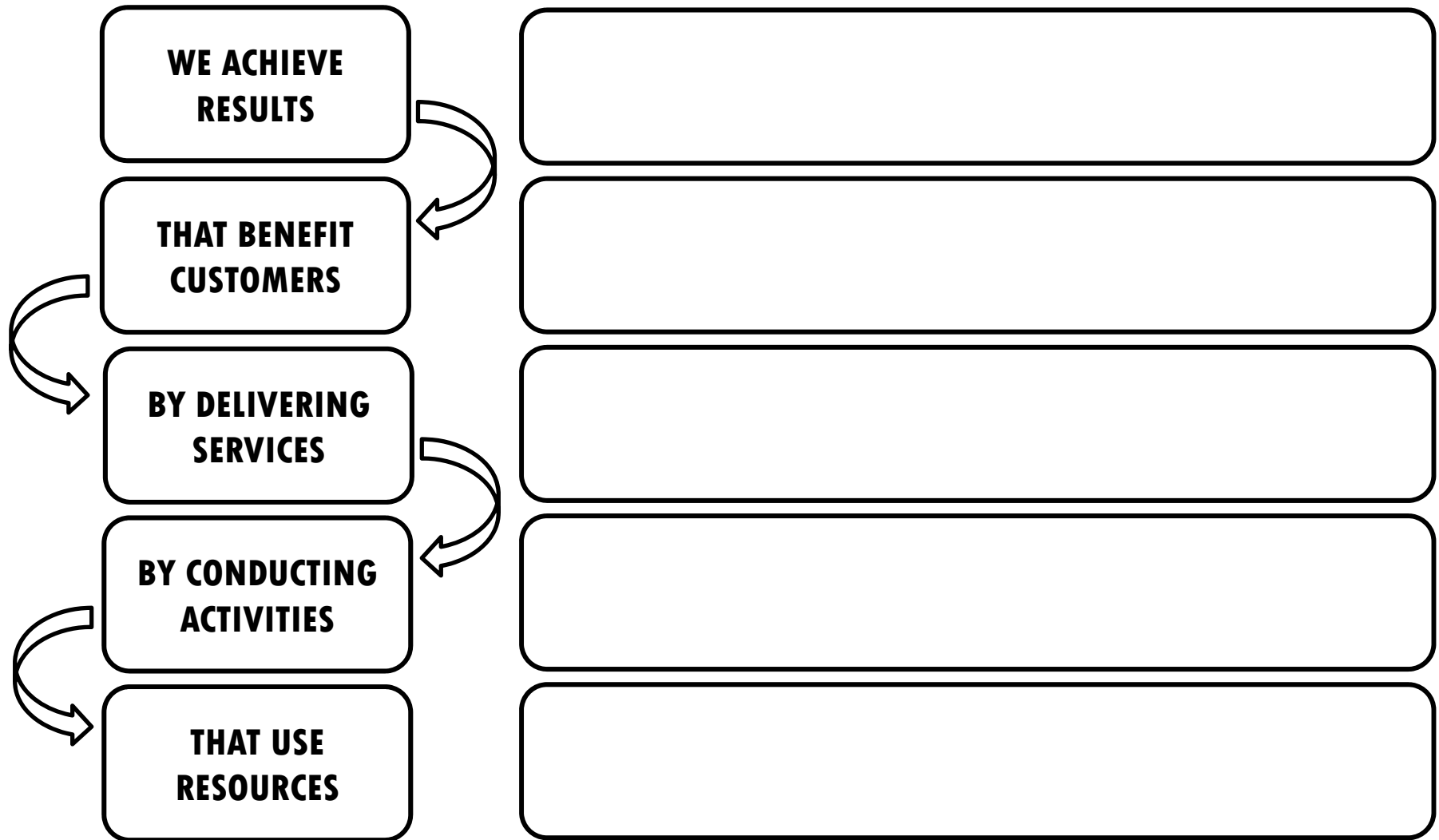


Performance measures are meaningful quantitative evidence used to monitor and track progress towards achievement of desired results.

Type	Description	Explanation	Examples
Outcome	The desired end result that demonstrates the impact of the services delivered	Typically qualitative, they are quantified through effectiveness measures, which compare them to a target or standard. Identify outcomes clearly so you can identify the measureable factors that will get you the results you desire.	<ul style="list-style-type: none"> ▪ City facilities are clean, well-maintained and open ▪ Streets and roads are well-maintained and clean ▪ Travel/transit times are reasonable & predictable
Cost-Effectiveness	Amount of outcome achieved per amount of resources used	Another way to measure effectiveness is to measure how economically it is done. This is different from “efficiency” measure, which are the ratio of outputs created to inputs used. You can also measure the cost-effectiveness of different levels of service.	<ul style="list-style-type: none"> ▪ Per customer cost to provide after-school programs ▪ Cost to provide 24-hour turnaround service on all building inspections
Effectiveness	Amount of achieved results, or the level of quality relative to the amount of work done	Called outcome measures because they measure the extent to which outputs achieve desired customer-focus results. They tell you how effectively you are providing the service, but don’t tell you how efficiently it is being done.	<ul style="list-style-type: none"> ▪ Citizen, employee and customer satisfaction, quality and timeliness ratings from surveys ▪ Pavement condition index (PCI) ▪ % of improperly repaired meters
Quality	Amount of quality work done per amount of resources used	Results achieved compared to a standard of acceptability or norm. Calculated by dividing an efficiency (or input) measure by an effectiveness measure. Quality measures are an effectiveness measure that measures amount of quality work done per amount of inputs used. Difficult to do, but quality measures encourage both effectiveness <u>and</u> efficiency.	<ul style="list-style-type: none"> ▪ % of 9-1-1 calls dispatched within <u>30 seconds</u> ▪ Cost per <u>properly</u> repaired meter ▪ Cost per vacancy filled <u>successfully</u> ▪ % repaired within 24 hours

Efficiency	Amount of work done per amount of resources used	Efficiency is the ratio between outputs delivered and inputs used to produce the output. Efficiency measures tell you the quantity done relative to the inputs used; they do not tell you the quality of work done.	<ul style="list-style-type: none"> ▪ Number of transactions per FTE ▪ Cost per work order completed ▪ Expenditures per case closed ▪ Road rehab expenditures per lane mile
Output	Amount of work produced or services delivered	Outputs are the amount of work done by the organization or contractors – the completed products of <u>internal</u> activity. They are also known as workload measures and can be compared with prior years to see if volume is up or down. They can be divided by indicators such as population to compare relative levels with other organizations. Outputs reveal the <u>quantity</u> of work done, but say nothing about the quality of the work or efficiently it was done.	<ul style="list-style-type: none"> ▪ Tons of residential refuse collected ▪ Number of lane miles swept ▪ Number of applications processed ▪ Number of sets of city council minutes prepared ▪ Number of arrests ▪ Number of trees planted
Input	Amount of resources used (or available) to provide services	Inputs contribute to the production and delivery of an output, such as expenditures, labor units or physical resources. The amounts that were actually used (not the amounts budgeted) are the relevant numbers. Input measures don't really tell you anything about performance, but are necessary to create other measures.	<ul style="list-style-type: none"> ▪ Employees or full-time equivalents (FTEs) hours/2,080 ▪ \$ Expended ▪ Paid Hours ▪ Supplies used– electricity, water, gas, steel, cement, asphalt
Indicators	Describe the environment in which the service is provided	Indicators describe the external environment and provide context on operations, including those factors that impact services. Also called descriptors. Measures are controllable, indicators are usually not, but may be influenceable.	<ul style="list-style-type: none"> ▪ Population ▪ Square Miles ▪ Crime Rates
Conditions	External requirements or demands that impact service delivery	Conditions are external requirements or demands that impact services. Include procedural requirements, but also things to which you must be responsive.	<ul style="list-style-type: none"> ▪ Laws ▪ Regulations ▪ Calls for service ▪ Citizen Complaints

Exercise – Use Model to Identify Measures



Developing a consistent and intelligent approach to performance measurement

Goal:

- develop a consistent and intelligent method to measuring performance and
- identify a set of initial measures to track efficiency and effectiveness

Steps to identifying a set of initial measures:

1. What do you do? Describing your purpose

- Write a short description of your area or your position. What is your reason for existing?

2. Why do you do it? Identifying outcomes

- Who are your customers? Briefly write down the customers that you serve
- Thinking about these customers, which customers are your primary customers (people whose lives are changed through the organization's work)? Which customers are supporting customers (both inside and outside the organization) who must be satisfied?
- What benefits do you provide your primary customers? For the identified primary customers, briefly write down the benefits you provide to that customer. What is the value you provide to fill a specific need, provide satisfaction, or offer a benefit that they do not receive from another source?
- What desired results are you trying to achieve? Briefly write down the desired results or outcomes, from a customer perspective, that you are striving to achieve. Outcomes can be defined by changed lives and/or changed conditions – people's behavior, circumstances, health, competence, capacity, etc.
- What external requirements impact how you provide services? Such things as: Legal requirements or government regulations

3. How do you do it? Counting inputs and outputs

- What services do you provide?
- What resources (inputs) do you have available?
- What activities (outputs) do you perform?
- Thinking about your outcomes, which activities have the biggest impact on your outcome?

4. How well do you do it? Measuring efficiency & effectiveness

- What options do you have for measuring the efficiency?
- What options do you have for measuring the effectiveness?
- Thinking back to your description, which combinations lead to the best overall snapshot of your performance? What other measures and indicators should be included for context?

5. Can you explain it to others?

- Review your proposed measures through three filters to determine it is a consistent and intelligent approach.
 1. From your customers perspective
 2. From the organization's perspective (management and employees)
 3. From the City Council's perspective
- Ask - Is this relevant, understandable and complete?
If not, what changes are needed?

Step 1. What do you do?	Definition. Describe in one-sentence what you do... why it exists.		
Step 2. Why do you do it?	Customers. Who are your primary customers? Who benefits from the work you do?		
	Outcomes. What desired results are you trying to achieve from the perspective of your customers? What difference do you make?		
	External Indicators and Conditions. What external indicators and demands impact what you do and why you do it?		
Step 3. How do you do it?	1. Service	2. Service	3. Service
	Context Measures (Inputs/Outputs/Indicators).	Context Measures (Inputs/Outputs/Indicators).	Context Measures (Inputs/Outputs/Indicators).
Step 4. How well do you do it?	Efficiency Measures	Efficiency Measures	Efficiency Measures
	Effectiveness Measures	Effectiveness Measures	Effectiveness Measures

Which of the following is the best example of a measure for the outcome of “Customers are loyal to our coffee shop.”

- A. Repeat visitors – Percent of customers who indicated they visit our coffee shop more frequently than other coffee shops in the city, from a random monthly survey
- B. Implement customer loyalty rewards program by December 2014
- C. Customer share of wallet – the average across all our customers of the percentage of their expenses for coffee that is spent with our coffee shop, from a monthly random sample of customers.
- D. Product awareness – percentage of local coffee drinkers who are aware of our coffee shop.
- E. Customer loyalty—Number of members in our customer loyalty program

An outcome measure is...

**a comparison that provides
objective evidence of the degree
to which a performance result is
occurring over time.**

Stacey Barr