

Case Study: Using the Balanced Scorecard to Move from “Management by Experts” to Managing for Results through Data-driven Decisions

By John McGillicuddy, Mecklenburg County General Manager

Abstract

Today's heightened emphasis on accountability requires a new model of managing publicly funded resources. No longer can local government rely on department directors making subjective decisions as the resident expert in their field. Implementing a balanced scorecard provides a comprehensive and consistent approach to managing for results using data-driven decisions aligned with the organization's mission, vision, goals, and strategies.

In 2001, Mecklenburg County began its journey with a long-term vision of the community in 2015. Seven years later, Mecklenburg County has achieved approximately 51% of its 15-year balanced scorecard goals. In addition, in 2008, nearly all County departments met or surpassed annual agency goals that support the Board of County Commissioners Community & Corporate Scorecard.

Although there is still a long way to go and a lot more goals to achieve, Managing for Results (M4R) and the use of the balance scorecard has been an unqualified success for Mecklenburg County. This philosophy has transformed the organization from one where accountability was vague or isolated to a few subject matter experts, to a system of widespread accountability and transparency based on data-driven decisions.

This case study will discuss the top lessons learned by Mecklenburg County, NC during seven years of implementing and using the Balanced Scorecard Institute's *Nine Steps to Success*[®] framework as its primary performance management tool.

Introduction

Mecklenburg County is the largest and most urban county in North Carolina. In 2008, the population was estimated to be approximately 902,000 residents, according to the Charlotte Chamber of Commerce. Over the past decade, the population has increased more than 3% a year on average. This sustained growth during the last decade is larger than the total population of the fifth largest county in the state. Consequently, the demand for new infrastructure (e.g., schools, jails, courts, parks, libraries) has made debt service one of fastest growing expenses in Mecklenburg County's budget.

During the latter years of the millennium, the State of North Carolina was challenged with a fiscal crisis that resulted in financial impacts at the county level. (In North Carolina, counties serve as local agents of the State.) In the case of Mecklenburg County, state lawmakers reduced state funding previously provided by \$25 million, equivalent to 3 cents on the property tax rate at that time. In return for reduced funding, the State allowed counties to levy an additional sales tax. The elected Mecklenburg Board of County Commissioners levied the sales tax, but in the subsequent election the Board's majority switched political parties. The newly elected majority decided to reduce the property tax rate by three cents to offset the increase in revenue from the recently levied sales tax. As a result, the Board and the County Manager were faced with deciding how to cut \$25 million from the annual budget.

In previous similar situations, the elected officials and senior managers often chose to make across-the-board cuts. While this is an easy decision to make, the consequences often cut higher priority and better performing services in favor of lower priority and lower performing services. Other options also included cutting vacant positions first, to reduce the likelihood of laying off people from their jobs. However, this approach also cut vital jobs simply because of the timing of the vacancy. For example, one year there happened to be several vacant jobs in the customer service section of Tax Collector's Office (OTC), so these jobs were eliminated to save money. However, during a revaluation of property values, the OTC was overwhelmed by increased volume of calls regarding their tax bills, and therefore also was unable to process tax payments. In retrospect, it was clear that cutting these vital positions simply because they were vacant was a poor strategy for reducing costs.

It also should be noted that Mecklenburg County is a highly political environment, with the political majority of the board of county commissioners open to change in virtually every two-year election. Changes in the elected majority are often accompanied by swings in political priorities, resulting in changes in funding for services. However, prior to 2001, there was no consistent model used for making decisions based on priorities. This resulted in a very unstable and non-sustainable approach to achieving desired results. Essentially, the community and County staff seemed to be experienced alternating between two diametrically opposed views. On one hand was the view that county government could be all things to all people; the other philosophy was that there is never a good reason to raise taxes. With this backdrop, County Manager Harry Jones, appointed by the Board in October 2000, sought to develop a model and structure for decision making that could be sustained regardless of economic conditions or political ideology.

I. Starting with Vision

There's an old adage that if you don't know where you are going, any road will do. Said differently, the first step in an important journey is deciding where you want to end up. As it relates to Mecklenburg County's M4R journey, where it wanted to end up was established through a visioning process conducted by the County's elected leadership.

In May 2001, the Board of County Commissioners adopted a long-term vision for the community. This vision is summarized by the tag line: In 2015, Mecklenburg County will

be a community of pride and choice for people to LIVE, WORK and RECREATE. In July of that year, County Manager Jones made a commitment to Managing for Results (M4R) using the balanced scorecard as the primary performance management tool. The M4R philosophy centered around making data-driven decisions based on objective measurement of results achieved. By January 2002, Jones provided a recommended balanced scorecard that was approved and adopted by the Board. This "Community & Corporate Scorecard" included desired outcomes tied directly to the Board's 2015 vision for the community. More than 8 years later, the Board's vision has remained the same, despite numerous changes in members of the Board and despite various changes in political majority of the Board. In addition, the Board continues to use (and amend as needed) its Scorecard in reviewing performance and establishing priorities.

This vision was established before there was any inkling that Mecklenburg County, as an organization, would embrace a Managing for Results philosophy and before anyone in the government organization knew much of anything about a tool called the balanced scorecard. In this sense, while the elected leaders created something they knew had value, they could not have recognized the depth of value this vision would bring or the vital role this vision would play in changing the way Mecklenburg County would operate. Ultimately, this vision served – and continues to serve – as the foundation for Mecklenburg County's M4R journey. It also is the basis for every element of Mecklenburg County's Community & Corporate Scorecard.

An important feature of the Board's Vision 2015 that has been incorporated into Mecklenburg's Scorecard is that it is a vision for the community rather than merely a vision for the government organization. This is why Mecklenburg's Scorecard is called the Community & Corporate Scorecard; it reflects goals for both the community and the government "corporation." As best as can be determined, this approach is unique among local governments using the balanced scorecard. However, it reflects the dual accountability of the elected Board of County Commissioners. The first accountability is to establish and strive for goals as leaders of the community. The second accountability is to set the policy (goals and standards) for the operation of Mecklenburg as a government agency unit serving the community.

As this duality is incorporated in the Community & Corporate Scorecard, it manifests itself in the distinction between goals for which the government unit is the primary service provider, and goals for which others are the primary provider of service. Still, there is no difference in the level of importance or emphasis on these two types of goals in terms of accountability: the Board is accountable for all the goals on its Community & Corporate Scorecard.

II. Sustainable, Comprehensive Approach

Having an elected board reach consensus on a vision for the community can be challenging. Translating that vision into action is even more difficult, and equally important. This stark reality led Mecklenburg County to develop a sustainable cycle of strategic activities based on a set of defined principles. The key criteria for this cycle is that it be a sustainable, comprehensive approach to planning, budgeting, performing,

measuring and evaluating for results (i.e., managing for results). This cycle has five components, depicted in the graphic below.



In addition, because this approach represented a new way of doing business, Mecklenburg County decided that there needed to be clear differences between this new way and previous management methods. To do this, the County Manager established six Transformation Principles that would define and distinguish the Managing for Results approach, particularly in the context of funding decisions.

These six Transformation Principles are:

- **Understandable** – Being transparent and clear in decision making and reporting results
- **Responsible** – Being responsive to the needs of the community and proactive in preventing community problems
- **Sustainable** – Maintaining momentum in addressing long-term needs
- **Affordable** – Operating within the financial means of the community
- **Choices & Consequences** – Identifying all viable options and making informed decisions based on objective evaluation of projected outcomes
- **Accountable** – Focusing on results and being accountable for decisions

In addition to having a set of principles and a defined cycle of performance management activities, Mecklenburg County implemented and customized the balanced scorecard to institutionalize the M4R approach across the organization.

Developed in the early 1990s at the Harvard Business School by Robert Kaplan and David Norton, the balanced scorecard enabled private companies to look beyond financial measures as key indicators of performance. The balanced scorecard provides a clear prescription as to what companies should measure to “balance” their performance by reporting results in four specific perspectives. In addition to the financial perspective, the balanced scorecard calls for companies to also view performance from these three additional perspectives:

- Learning and Growth – How well does the organization learn and innovate?
- Internal Business Process – How well does the organization excel at key processes?
- Customer – How well does the organization satisfy its customers?

Although the balanced scorecard espouses performance indicators beyond just financial measures, in the private sector financial results remain the ultimate goal (i.e., maximizing shareholder value). Therefore, the financial perspective sits atop the balanced scorecard hierarchy, where the other three perspectives serve as strategic enablers of financial success.

However, this model does not necessarily work in the public sector. While local governments should be good stewards of public funds and remain financially solvent, the ultimate mission of government is different than private companies. Using a version of private sector terminology, the mission of government is to maximize stakeholder value, with stakeholders being taxpayers and other residents within the community.

Howard Rohm of the Balanced Scorecard Institute had built a balanced scorecard framework specifically for government organizations. His *Nine Steps to Success*[®] methodology was what the County needed to help with their scorecard development. As a result, in September 2001 the County Manager contracted with the Balanced Scorecard Institute to facilitate development of the balanced scorecard for Mecklenburg County.

In developing its Community & Corporate Scorecard, the Board of County Commissioners used the Balanced Scorecard Institute's framework and put the Customer Perspective atop the scorecard. In addition it was decided to rename this perspective as Customer and Stakeholder. This nomenclature is intended to recognize that Mecklenburg County must seek to satisfy not only its direct customers (i.e., those people it provides service to directly) but also must seek to satisfy its stakeholders.

Another important change was made to the title of the Learning and Growth Perspective. Mecklenburg County chose to call it Employee and Organizational Capacity to recognize and amplify the vital role its employees play as a primary source of innovation and creativity that drives performance improvements.

Finally, Mecklenburg County included notations – through the use of dotted versus solid lines in the graphic representation of scorecard desired results – where the county government organization is not the primary service provider. This subtle indicator is not intended to deflect or defer accountability. Instead it is an example of seeking to be transparent about the role of Mecklenburg County government and its strategy of developing partnerships to achieve community goals.

III. Participative Leadership

Although developing a balanced scorecard is often a top-down approach, it became clear that an autocratic leadership approach would not create buy-in throughout the organization. In addition, County Manager Jones' management philosophy is to provide broad direction, specific accountabilities, appropriate resources, and get out of the way.

Therefore, Mecklenburg County involved every department in the development of scorecard that would be recommended to the Board. This resulted in the involvement of every department director and in many cases the senior or division managers one or two levels below the department director.

This participative leadership created significant buy-in among the organization's leaders because they had – and continue to have -- a large say in decisions where they also have a large stake. Many of those involved in the early stages of developing the Community & Corporate Scorecard went on to become internal consultants on the balanced scorecard within their departments. This further advanced the knowledge and awareness of the scorecard among employees, and established a structure – though informal – that has helped Mecklenburg County perpetuate participation, support, refinement and use of the balanced scorecard within each department.

To develop the Community & Corporate Scorecard from the Board's 2015 vision, the key leaders identified and analyzed the major elements of the Board's vision. These leaders concluded there were 14 key elements contained with this vision. Through a process facilitated by the Balanced Scorecard Institute, these leaders grouped these 14 elements into four broad categories, which they called focus areas. The four focus areas and the respective key elements were as follows:

Community Health & Safety

- **Community Health**
- **Community Safety**
- **Senior Citizens**

Growth Management & Environment

- **Preserve History/Landmarks**
- **Protecting Natural Resources**
- **Economic Development**
- **Transportation/Transit**
- **Parks/Open Space**

Social, Education & Economic Opportunity

- **Celebrate Diversity**
- **Education and Literacy**
- **Arts & Cultural Activity**

Effective & Efficient Government

- **Responsible / Accountable / Inclusive Stewardship**
- **Partnerships**

Goals were identified for each focus area based on the vision elements. Then, the county leaders developed recommended strategies as the “theory of action” to achieve these goals. Therefore, it was through this participative process that Mecklenburg County's key leaders began to build its balanced scorecard from the Board's vision of the desired future.

IV. Branding M4R

In 2001, to introduce the M4R philosophy and the concept of balanced scorecard to the organization, Mecklenburg County's Public Service & Information Department developed an internal communications campaign that began to build the brand of M4R as “good government.” This began with erecting signs and posters with the message of: $M4R = G^2$. This mysterious equation simply appeared in all Mecklenburg county office buildings

without any additional explanation for more than two weeks. This generated significant word-of-mouth “buzz” and speculation among employees as to the meaning. Subsequently, clarification was provided to employees at a time when they were most interested in listening and learning what this was all about.

The impact of this approach led to great awareness of this new concept called Managing for Results and an early introduction into the purpose of M4R. Essentially, it served as the initial branding of the M4R name and its promise.



In 2002, this branding was expanded with the creation of an M4R logo that has remained constant. This logo design coincided with the decision to use the traffic light as the icon for M4R and the use of green, yellow and red lights to signify the level of performance results (a green light means the 2015 goals has been attained; a yellow light indicates performance is mixed; a red light means performance is below the acceptable threshold). Later, a gray light was added to indicate when a performance measure was under development and/or when data were not available to report performance (usually coinciding with a baseline year).

While creating a brand including a logo may seem relatively trivial to articulating a vision or creating a scorecard and establishing priorities, it remains an important element to success. Developing awareness of M4R and the balanced scorecard, particularly internally, is crucial to being transparent and having a sustainable approach to performance management. This branding and marketing of the brand enables all stakeholders (the Board, county staff, customers, taxpayers) to have a consistent understanding for the basis for decision making and the objectives being sought. This consistency is the foundation of an effective M4R cycle.

V. Re-slice, Realign Budget

In 2003, the Board of County Commissioners was faced with making significant cuts in funding and services or raising taxes to maintain current services. However, because the county's budget was organized by department, it was difficult to discern not only what the services were within the departments but also to what scorecard desired outcomes the services were aligned. And because the Community & Corporate Scorecard was in its infancy, there was little in the way of solid performance data on individual services or at the department levels.

This situation led to the Board conducting a comprehensive review of every program funded by the County. However, rather than conducting the review by department, the Board opted to review the programs and services according to the Scorecard desired result with which the programs and services were aligned.

Because the county budget was not organized that way, county staff recalculated and realigned the budget and performance data manually according to the Scorecard desired results. This resulted in the creation of 50 program categories comprising 267 separate services. The Board spent 50 hours meeting between September and December to read documents and receive presentations. This provided transparency for the Board, the county manager and the public about what services were funded, at what level, for what desired goal, and to what result.

The culmination of this process was that in January 2004, the Board used this information to establish priorities for funding based on the value provided by the services in each program category (see section VI below). In addition, the county manager made a commitment to continue this program review at the staff level each year, reviewing one-half of all services each year (see section VII below).

Eventually (2006), Mecklenburg County purchased a new budget system that allows the re-sliced and realigned budget method to be conducted electronically, and to incorporate performance data.

VI. Priority Setting

In 2004, Mecklenburg County was armed with a long-term vision that defined the Board of County Commissioners' goals for the community and the county government organization. It also had in place a balanced scorecard that served as the primary performance management tool to translate that vision into definable action. It had redefined its decision-making process to increase accountability and to commit to objective standards for funding. It also aligned services and resources with scorecard goals, and increased transparency of funding and results. Finally, the elected Board had invested considerable time in an extensive strategic review of services to identify what was working well and where improvements were needed. All this activity set the stage for the Board to establish its priorities.

Interestingly enough the Board did not establish priorities based on the needs in the community, which is perhaps the traditional method for elected bodies. Instead, the Board's priority setting was based on three criteria it had used in its program review:

- Relevance – To what degree should and is Mecklenburg County be in this business?
- Performance – What results are being achieved?
- Efficiency – How efficient is the use of public funds in providing services?

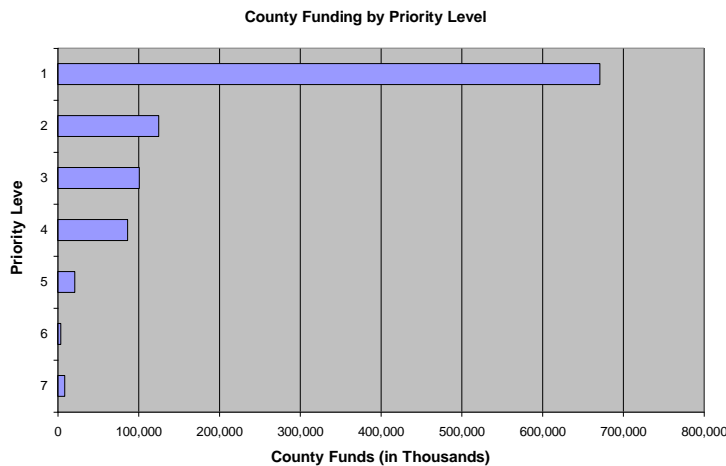
The Board's priority setting process sought to rank each program category into one of seven priority levels. A program category is a bundle of services aligned with one of the Scorecard desired results. This bundle could be one service or many services, depending on what was funded in the current fiscal year. Each priority level could have no more than 8 program categories, which forced the Board to make choices (i.e., it was not able to make all program categories the top priority).

To facilitate the Board members in making choices – and in discussing and negotiating among themselves – the Board was provided with electronic keypads that allowed somewhat anonymous “voting.” The results were projected on a large screen, allowing the Board members to see where there was consensus or a wide variance in ranking. Rules were established for the number of votes for a program category to be automatically placed in one of the priority levels. For example, a vote of six out of nine members automatically placed the program category. Five votes or fewer left the program category in discussion mode until at least six votes were made.

This approach gave members of the minority political party a greater opportunity to be involved in the decision making, since something akin to a supermajority was required for decision making. When most of the 50 program categories had been placed into one of the seven priority levels, the Board set aside the electronic keypads to refine and complete its priority setting. This step included open discussion and consensus decision making about how to fit in the final few program categories by moving other program categories up or down a level. Before ending the session, each member of the Board was provided one final opportunity to advocate for making one change in priorities. A majority vote was needed to make the change. At the end of this process, each of the nine members of the Board expressed satisfaction with the ranking.

It is important to note that the Board was not provided funding information as part of its priority setting. While it had received this information during its program review, the priority setting exercise was not intended as a method of developing the budget. Instead, it was intended to determine the view of the Board regarding the effectiveness and efficiency of county-funded programs and services.

Months later, when the Board adopted its annual budget, funding was allocated according to the seven priority levels, with one exception. The third priority level received slightly more in funding dollars than the second priority level. Since that time, however, the Board has funded program and services in proportion to its priority levels. Below is the most recent example, from fiscal year 2007-2008.



VII. Program Review

As mentioned above, the Board conducted the initial program review in 2003 at a strategic level. In addition, the County Manager made a commitment to continue this annual review of programs at the service and program levels.

The initial program review required that County staff invent a method by which the Board could understand and evaluate the relevance, performance and efficiency of services. However, to ensure consistency in methodology for an ongoing review, a more definitive and structured approach was needed. To do this, Mecklenburg County adopted and modified the Program Assessment Rating Tool (PART) used by the U.S. Office of

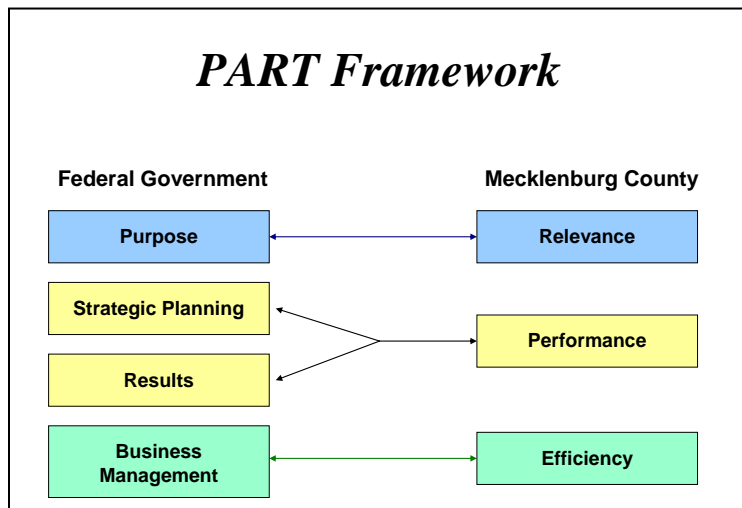
Management and Budget (OMB). Fortunately, the PART criteria were very similar to the criteria used by the Board in its strategic program review in 2003.

The OMB's criteria comprise four sections:

- Purpose
- Strategic Planning
- Results
- Business Management

As depicted below, these criteria aligned nearly identically with the Board's criteria of:

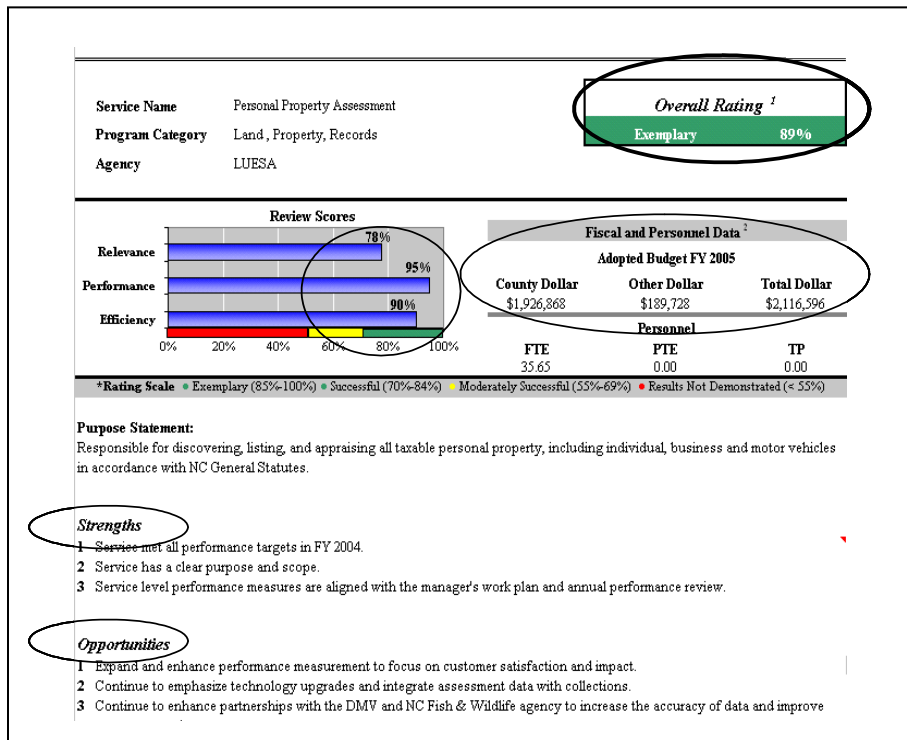
- Relevance
- Performance
- Efficiency



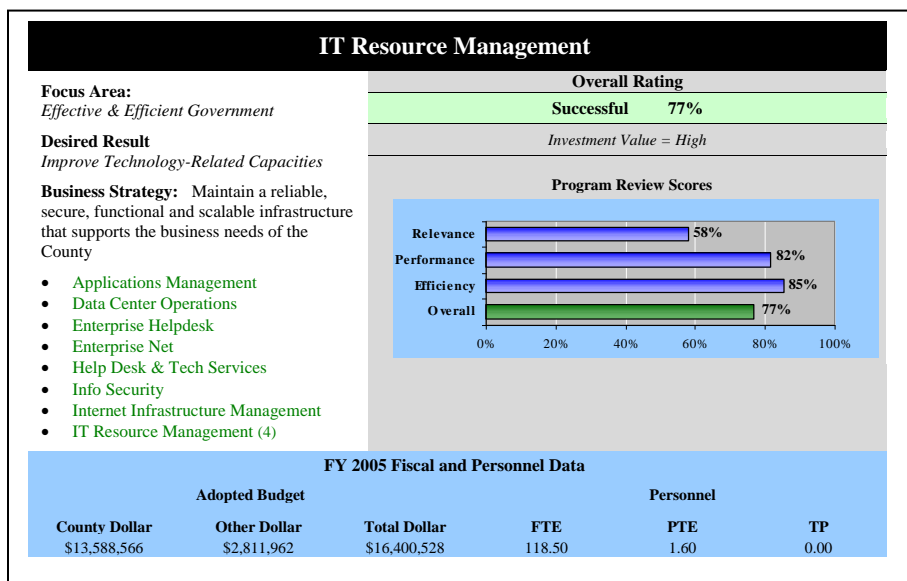
Mecklenburg County chose the PART framework because of its consistency with Mecklenburg's criteria as well as its field-tested and proven reliability of use by the OMB.

Each section of the PART employs a set of questions and established criteria for rating programs/services. When applied to Mecklenburg County, it results in reports (see below) at the program category level (aggregating performance of all services within each category) as well as at the service level (reporting on performance of each service). Each report provides an overall rating as well as a rating for each of the three criteria. The Board, county manager, department directors and others use these reports to evaluate performance and the value of the public's investment, and to set priorities for future investments.

Program Category Report



Service Report



VIII. Work Plans Make It Real

In 2005, Mecklenburg County took an important step in making the balanced scorecard real for all department directors. At the beginning of the year, department scorecards became the work plans for department directors. Although the department scorecards had been used as a reference for performance evaluation, this change meant that the scorecard itself served as the primary basis for the department director's evaluation.

Although all department directors had participated in the development of the Community & Corporate Scorecard and in cascading the scorecard to their department, this step made the scorecard very real. Now, for the first time, the accountability for achieving scorecard goals was tied to a formal performance evaluation, which is linked with pay.

In fact, it became so real that a few department directors immediately wanted to amend their department scorecard, mostly to shed accountabilities “hooked to” from the Community & Corporate Scorecard for which they suddenly believe they should not be held accountable.

This step also began the process of fostering department directors to cascade the department scorecard to lower levels within their department. Specifically, the early adopters took the step of cascading their work plan to the work plans of their direct reports. This had the same affect – suddenly the scorecard became very important and very real to managers, especially desired outcomes and performance measures associated with employee motivation and satisfaction.

As a result, the departments and department directors that have cascaded the scorecard and aligned work plans to the manager and supervisor level are the highest performing departments and department directors in Mecklenburg County.

IX. Committed to Data-Driven Decisions

Historically, many areas of Mecklenburg County services were operated based on the expertise of one person, usually a department director or an assistant county manager. Decisions, especially those involving complex situations, were pushed up the traditional chain of command for a decision. Such decisions often were based on the subjective judgment of someone who was acknowledged as having considerable expertise in a particular field associated with the question at hand, such as social work or mental health or human resources.

This is not to say that Mecklenburg County operated without performance data or without good decision making. However, it is clear that sometimes the performance data were not results-oriented (i.e., data focused on inputs and outputs, primarily), and that good decision making was often reliant solely on one person’s wisdom and experience. This decision making model limits the opportunity for various perspectives and options to be included. More importantly, it does not provide a means to quantify the efficacy of the decision or the decision making process. Therefore, while subject matter expertise is an important ingredient in any decision making model, Mecklenburg County came to recognize that it should not be the sole or primary element for making decisions, particularly at the strategic level. Therefore, Mecklenburg County committed to data-driven decisions that incorporated experience and expertise.

Again, the use of the balanced scorecard greatly facilitated having this commitment become a reality of action. Implementing the balanced scorecard from the top down and through all departments provided a consistent methodology and expectation for decision making. Still, as referenced earlier, the commitment becomes “real” when people are held accountable to this commitment.

X. Few Perfect Measures

As mentioned above, having pertinent data is important in making quality decisions. Still, one of the lessons Mecklenburg County has learned is that few measures are perfect indicators of performance. With some desired outcomes, such as customer satisfaction, it was relatively easy to determine the appropriate measure (i.e., customer satisfaction with services), and to decide on a data collection method (satisfaction survey). Other results require more thought in terms of determining either the right measure or how data can be gathered cost-effectively.

For example, one of Mecklenburg County's desired outcomes is to have a workforce representative of the community it serves. However, when trying to determine the best measure, county staff confronted significant problems. The first problem involved acquiring current census data for the community. There also is a problem matching U.S. Labor Department data on the availability of workers in various job categories with Mecklenburg County's job categories. For these and other reasons, Mecklenburg County did not establish performance measures for three years. This resulted in this desired result being largely neglected (proving the tenet that what gets measured gets attention).

Unable to find the perfect measure, in 2005 Mecklenburg County went forward anyway with a performance measure and data gathering methodology for this desired outcome. When the annual performance report revealed the results, the Board, the county manager and department directors all objected, saying the measure and data were misleading and therefore not useful. Although this sent county staff back to the drawing board, the real outcome was that the experience stimulated new attention and discussion of this desired outcome.

The Mecklenburg experience is that, sometimes, the best way to determine the right measure and most effective data collection method is to fail and try again.

XI. Elected Officials' Buy-In

According to Mecklenburg County Manager Harry Jones, few if any of the M4R activities and progress could have been possible without the significant involvement and buy in from the elected Board of county commissioners. In fact, the genesis of M4R began with Board's long-term vision and its acceptance and adoption of the balanced scorecard. In addition, the Board's investment of time in conducting a strategic review of all county-funded programs was a testament to its commitment to M4R. When this program review was immediately followed by innovative priority setting, it became clear that M4R and the balanced scorecard had and would continue to change the Mecklenburg County way of doing business. Finally, when the Board began making funding decisions based on all these factors, the public took notice – particularly regarding the transparency in annual performance reporting.

This is not to say that M4R and the balanced scorecard has eliminated partisan political decision making. But it has provided the Board, county management and the public with a more transparent, responsible, sustainable, accountable approach to considering choices and consequences. And it has focused all parties on results.

Still, as M4R and the use of the balanced scorecard help county government improve performance, the question of affordability remains a hotly debated topic. Program review reveals that most Mecklenburg County-funded services are performing well. However, the cost of providing services often outpaces the growth of new revenue at existing tax rates. This is particularly true when factoring in the cost of building public infrastructure such as schools, courts, jails, parks, libraries and more.

As a result, the journey from vision to results continues...at least until 2015.

Conclusion

In 2001, Mecklenburg County began its journey with a long-term vision of the community in 2015. Seven years later, Mecklenburg County has achieved approximately 51% of its 15-year balanced scorecard goals. In addition, in 2008, nearly all County departments met or surpassed annual agency goals that support the Board of County Commissioners Community & Corporate Scorecard.

Although there is still a long way to go and a lot more goals to achieve, Managing for Results (M4R) and the use of the balance scorecard has been an unqualified success for Mecklenburg County. This philosophy has transformed the organization from one where accountability was vague or isolated to a few subject matter experts, to a system of widespread accountability and transparency based on data-driven decisions.

About the Mecklenburg County, North Carolina

Mecklenburg County government serves over 1 million residents throughout Charlotte, Cornelius, Davidson, Huntersville, Matthews, Mint Hill & Pineville, NC. Mecklenburg County was formed in 1762 from the western part of Anson County and the first official governmental action took place in February 1763. Learn more about the history of Mecklenburg County government at www.mecknc.gov.

About the Balanced Scorecard Institute (BSI)

BSI provides consulting, training, and professional certification services to organizations worldwide related to strategic planning, balanced scorecard, KPI/performance measurement, and strategic project management.

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Appendix A:

M4R and Balanced Scorecard Timeline

2000

- October: Harry Jones appointed as Mecklenburg County Manager

2001

- May: Board adopts Mecklenburg Vision 2015
- July: County Manager commits to Managing for Results (M4R) philosophy using balanced scorecard
- August: County Manager reorganizes to create Planning & Evaluation Director position with County Manager's Office to manage developing and implementing balanced scorecard
- September: County Manager contracts with Balanced Scorecard Institute to develop balanced scorecard for Mecklenburg County

2002

- January: Board of County Commissioners adopts Community & Corporate Scorecard based on Mecklenburg Vision 2015
- March: County Manager establishes Focus Area Leadership Teams to provide strategic oversight of Community & Corporate Scorecard's four focus areas
- April: County conducts first employee climate survey, repeated annually, to collect data for Scorecard outcomes measurement
- July: Approved first eGovernment Strategic Plan that articulates the use of the Internet (and other automation) as a primary means of providing services efficiently and effectively
- September: County publishes first Performance Report using Community & Corporate Scorecard, continued annually
- November 2002: County Manager reorganizes to create Office of Strategic Organizational Improvement (SOI), dedicating staff and other resources to institutionalize and consolidate strategic planning, budgeting, performance management and organizational development functions for the organization
- December: Community & Corporate Scorecard cascaded to department/agency level

2002 Performance Report – 15% of goals for 2015 achieved	
Community Health and Safety	● ● ● ● ● ● ●
Growth Management and Environment	● ● ● ● ● ●
Social, Education and Economic Opportunity	● ● ● ● ● ●
Effective & Efficient Government	● ● ● ● ● ●

2003




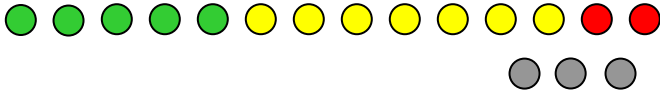
- May: County Manager's Recommended Budget includes \$21.9 million on cost efficiencies and service reductions based on M4R prioritization
- August: Balanced scorecard reporting software purchased
- September – December: Board conducts first Program Review of all 267 County-funded services. Services were reviewed by Scorecard desired outcome rather than by department – requires manually recalculating funding by desired outcomes and programs aligned with outcomes
- October: County establishes consistent customer service philosophy and standards throughout the organization; communicates and trains employees on standards; assigns accountability to department directors for customer satisfaction
- December: Balanced scorecard reporting software implemented
- Received Achievement Award for the Managing for Results Initiative from the National Association of Counties

2003 Performance Report 42% of goals for 2015 achieved	
Community Health and Safety	● ● ● ● ● ● ● ●
Growth Management and Environment	● ● ● ● ● ● ● ●
Social, Education and Economic Opportunity	● ● ● ● ● ● ● ●
Effective & Efficient Government	● ● ● ● ● ● ● ●

2004

- January: Board conducts prioritization of funded services using Program Review data – placing 50 program categories in 7 priority levels, establishing an annual priority setting approach
- February – September: County Manager's Office and Human Resources Department conducts revision to job classification system to implement broadband approach, while also conducting a survey of market pay to determine the average pay in the market for each job classification
- May: County Manager's Recommended Budget proposes pay-for-performance compensation approach, approved by Board in June
- May: County Manager commits to continuing Program Review annually at service level
- June: Board approves establishing Technology Reserve to be funded annually by the value of one-half cent of the property tax rate
- June: Board approves annual budget based on priority categories established in January
- July: County Manager announces Managing for Results Agenda for change focusing on:
 - Strategic Human Capital Management

- eGovernment
- Performance Budgeting
- Strategic Collaborative Leadership
- Competing for Results
- August: County adopts and modifies U.S. OMB Program Assessment Rating Tool (PART) to conduct annual Program Review
- September: County conducts first customer/stakeholder satisfaction survey, repeated annually, to collect data for Scorecard outcomes measurement
- November: County Manager reorganizes governance structure around focus areas, naming department directors to focus area leadership team that report to County Manager's Executive Team; clarifies roles, responsibilities and accountabilities for focus area leadership teams. All department directors report to Executive Team as a group.
- December: Department scorecards cascaded to division level
- Received Achievement Award for Mecklenburg County's Program Review from the National Association of Counties

2004 Performance Report – 38% of goals for 2015 achieved	
Community Health and Safety	
Growth Management and Environment	
Social, Education and Economic Opportunity	
Effective & Efficient Government	

2005

- February: Established corporate governance structure for consolidated/shared services model for IT services and prioritizing IT investments
- May: County Manager's Recommended Budget proposes implementing market pay for market performance approach to employee compensation, requiring additional investment to increase the pay of 49% of workforce to pay at average of market for each job; approved by Board in June
- June: GIS services consolidated to form self-direct work team separate from any County department, marking the first enterprise service not aligned with any specific department
- June: Board adopts and publishes three-year strategic business plan (FY05-07) and adopts FY2005 budget organized by Community & Corporate Scorecard desired outcomes and Program Categories rather than departments
- July: Implemented first phase in establishing a 311 telephone service in partnership with the City of Charlotte, creating a one-stop customer contact center

- September: Revised eGovernment Strategic Plan to align eGovernment priorities and strategies with Scorecard goals and priorities (Plan revised again in 2007)
- December: Department director work plans and department scorecards become one-in-the-same, formally aligning accountabilities to scorecard desired results and performance measures.
- Received the City & County Performance Management Award from the Performance Institute

2005 Performance Report – 40% of goals for 2015 achieved	
Community Health and Safety	● ● ● ● ● ●
Growth Management and Environment	● ● ● ● ● ●
Social, Education and Economic Opportunity	● ● ● ● ● ● ●
Effective & Efficient Government	● ●

2006

- March: Consolidated human resources governance and resources using a shared services business model
- March: County Manager identified four organizational areas that should be managed corporately:
 - Strategic planning/budgeting
 - Technology investment and IT services
 - Human capital management
 - Public information/communications
- May: County Manager’s Recommended Budget proposes establishing a Fleet Reserve to be funded by the value of one-quarter cent on the property tax rate, and funding the Capital Reserve at one-quarter cent on the property tax rate (patterned after the Technology Reserve) to ensure sustained funding for these business imperatives; approved by Board in June
- July: Diversity Management Plan approved, linking diversity performance goals and measures directly with three of the goals and measures on the Community & Corporate Scorecard
- December: Board establishes strategic priorities for next three years, based on Scorecard performance regarding desired outcomes

2008

- February: County Manager's initial M4R Agenda achieved; County Manager calls for new M4R Agenda for change to be developed
- July: Consolidated resources to manage public information/communications corporately; reorganized governance (planning, budgeting and performance management) structure around Scorecard focus area to align communications services with focus area priorities and strategies
- Received the Balanced Scorecard Institute's Award of Excellence for outstanding implementation of the balanced scorecard framework

2008 Performance Report – 51% of goals for 2015 achieved	
Community Health and Safety	
Growth Management and Environment	
Social, Education and Economic Opportunity	
Effective & Efficient Government	