Measure What Matters to Improve Government Performance

Welcome and Topics

Topics

- Derive meaningful performance measures for government programs
- Use a disciplined process for identifying measures that matter, with examples
- Budget for performance with OpenGov
- Use performance information to better inform decision making

Howard Rohm
Co-Founder and President, the Balanced Scorecard Institute

Scott Coble
Director, Solutions Engineering, OpenGov

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Over 300 organizations in 40+ countries, and over 10,000 delegates, in six languages.

Leading Agencies & Governments choose OpenGov

- Responsive multi-channel US-based support
- Timely implementation based on best-practices
- Proven Results
  - 80% less time spent on reporting
  - 50% less time spent on budget development
  - 1% budget reallocation
A Disciplined Process for Measuring What Matters

Measurement Systems Support Many Government / Public Sector Needs

Showcase Program Effectiveness/Value

Improve Accountability for Results

Inform Program/Service Decisions

Inform Budget Processes

Inform Process Improvement

Reduce Uncertainties

Source: Adapted from Performance Measurement, Gary Cokins, 2009
Common Measurement Challenges

- Key Performance Indicators (KPIs) are not linked to the results that the organization wants to achieve – KPIs focus on inputs and activities, not outputs and outcomes
- KPIs are lagging (after the fact) indicators that don’t give much guidance on where the organization is headed or should head
- No ownership or accountability is attached to performance measures
- KPIs are selected because they are easy to count — e.g., number of citizens served, number of potholes filled, number of FTEs
- KPIs are picked because “everybody uses these”

How Do You Create Measures Now?

These approaches inform, but they are not a substitute for a disciplined process
A Formal Approach to Performance Management
Answers Key Questions and “Connects Dots”

Performance Questions:
• “What are we trying to accomplish?”
• “How will we know success when we see it?”
• “How will we monitor and report success using simple, concrete terms?”

Getting to a Disciplined Process

Use Performance Information to Improve

Find the Right Measures
Find the Right Measures

Launch the Program
- Engage Leadership
- Communicate "Why formally measure performance?"
- Establish Teams and Roles
- Agree on Process and Procedures
- Consider Automation
- Foster a Performance Culture
- Articulate and Communicate Strategic Intent

Develop Measures
- Describe the Intended Result(s)
- Understand Alternative Measures
- Select the Right Measurement(s) for Each Objective
- Define and Document

Use Performance Information to Improve

Adapt

Analyze and Draw Conclusions
Collect and Visualize Performance
Implement Improvement Initiatives

Set Targets and Thresholds
Report, Share, and Learn

Measure

Perform

A Family of Measures Provides Performance Information to Support Decision Making

Department Measures

Operational Measurements
- Inputs (e.g., FTE’s, program budget)
- Process (e.g., cycle time to process a disaster relief application)
- Outputs (e.g., no. people served)

Project Measures (e.g., schedule, resources, scope, risk)

Program Measures

Strategic (Impact) Measurements
- Intermediate Outcomes (e.g., relief is provided in a timely manner)
- End Outcomes (e.g., people’s lives improve)

Report, Share, and Learn

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Example: Measure Progress and Results

**Operational**
- **Inputs**: cost of *Dropout Prevention Programs* in $ or FTEs.
- **Process**: delivery of program quality or consistency measures.
- **Outputs**: # of programs held or # of people attending parenting programs.

**Project**
- **Project**: Curriculum redesign schedule and resource attainment.

**Employee**
- **Employee**: Instructor skills measures.

**Risk**
- **Risk**: parental, child, or cultural backlash; negative behavior results.

**Strategic**
- **Outcomes**: parent program graduations or behavior improvement; child school attendance; *child dropout rates*.

Measures Focus On the Intended Results of Objectives

- **Mission**
- **Vision**
- **Strategy**
- **Strategic Objective**
  - Intended Result 1
  - KPI 1 (measures)
  - KPI 2...
  - Intended Result 2...
  - KPI 1
  - KPI 2...

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Alternative Candidate KPIs Are Developed Using Various Tools

KPI Development Steps:
1. Describe the Intended Result(s)
2. Understand Alternative Measures
3. Select the Right Measurement(s) for Each Objectives

A Powerful Tool for Measuring What Matters – The Strategy Map

- **Perspectives** are performance lenses to view the organization
- **Objectives** are continuous improve action statements
- **Strategy Map** shows upward flow of value creation and cause-effect relationships
Translate Strategy Into Action—
University Example

Intended Result

Performance Measures

FY 2021 Targets

Initiatives

End Outcome

Another Powerful Tool: Visualize Connections
Between Processes to Identify Candidate Measures

Strategy: Operational Excellence

Improve Resourcing
• Money
• Workforce
• Infrastructure

Improve Programs/Services
• Quality
• Efficiency
• Timeliness
• Output

Improve Customer Interaction
• Accurate information
• Customer experience

Improve Product/Service Delivery
• On-time delivery
• Correct delivery order

Improve Citizen/Stakeholder Satisfaction
• Recommendations
• Satisfaction

Desired Result:
high quality programs and services delivered on time

% waste or reworked
% accurate
% delivered on time
% new users from recommendations

% produced / # input
% satisfied with service from government employee
% repeats
% delivered correctly
% satisfied

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Example: Leading and Lagging Performance Measures – Stop Smoking Program

Leading Indicator:
An indicator of performance that is a precursor of future success.

Lagging Indicator:
An indicator of past performance that shows how successful we were in achieving results.

Example: Government Balanced Strategic Plan and Management System

Be a world-class model for a successful urban community
Provide effective and fiscally responsible services in a manner that promotes high standards for community life

Government Reform
Maintain an ethical and transparent government that engages its constituents and provides effective and efficient services.

Nurturing Children and Families
Create a safe, thriving, and engaged community so families can flourish through achievement of social, mental, physical, and cultural well-being.

Public Safety
Create and maintain a safe, secure community-oriented city that is clean and vibrant.

Economic Abundance
Offer abundant opportunity for financial stability and advancement for all socioeconomic levels.

<table>
<thead>
<tr>
<th>Strategic Objectives and Strategy Map</th>
<th>Measures</th>
<th>Targets</th>
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Performance-Based Budgeting Software Demonstration

OpenGov Cloud

Public Engagement and Transparency

Budgeting & Planning

Procurement

Citizen Services

Reporting & Transparency Platform

Dashboards and Analysis Performance Measures
Levels of Performance Management

01: Basic
>> Not a part of the annual budgeting process
>> Ad hoc data tracking, possibly tied to high priority project
>> No people, process or systems in place
>> Desire to advance their processes

02: Advanced
>> Not a part of the annual budgeting process, only done ad-hoc.
>> Look at historic metrics, but do not project out.
>> Track some data, may/may not have a system to collect data.
>> Do not have staff dedicated to performance management.

03: Sophisticated
>> A part of your annual budgeting process.
>> Project out measures.
>> Systems in place to collect data.
>> Dedicated staff that oversees performance management.
>> Annual performance reviews with departments, continuous look at how effective measures are tying to strategic outcomes

Budgeting & Performance
- Performance Management
- Workforce Planning
- Capital Planning
- Transparency
- Strategic Plans
- Engagement Surveys
- Board Reporting

- Operating Budgets
- Online Budget Book
- Trend Analysis
- Budget vs. Actuals
- KPI / Outcome Reporting
- Interactive Dashboards

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Next Steps: How Else Can We Help You?

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KPI Certification

KPI Management Software

KPI Consulting & Facilitation

Strategic Budgeting Software