

# Countywide Performance Measurement Program

## Final Report

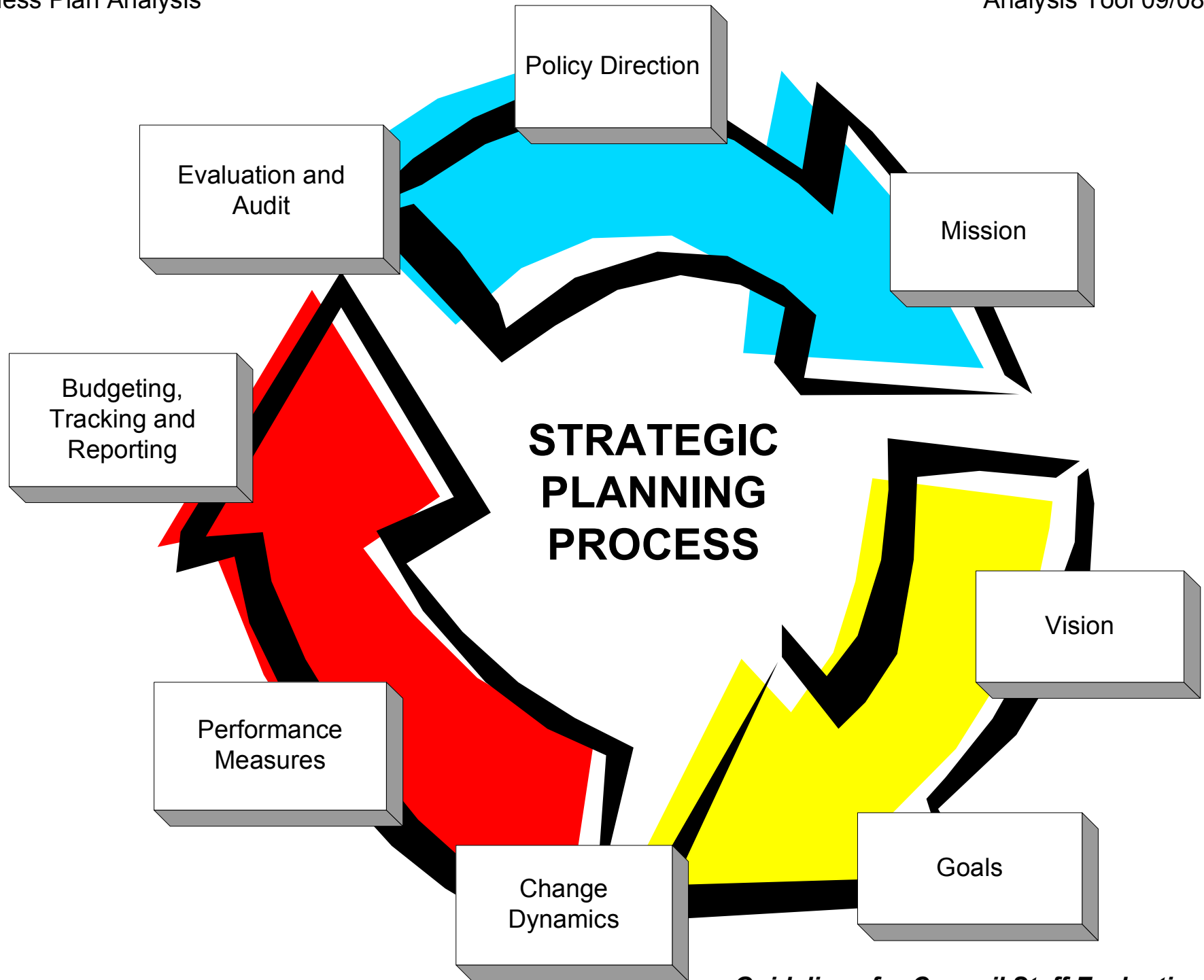
August 31, 2004

*Appendix B - Performance Measurement Work Group Business Plan and  
Performance Measurement Guidelines*



*Prepared by:*

SMG/Columbia Consulting Group



## Analysis Overview

--

## Policy Direction

Legislative policy direction provides the charter for why a government entity should exist. It includes relevant laws, ordinances, motions, and other forms of articulated policy. Policy direction should provide focus for the business plan and performance measures.

Questions To Ask:	Analysis:
1. What is the overall legislative intent of the organization?	
2. What are the policy drivers that set direction and budget priorities for the department? (such as adopted policy, task force and commission reports or Council policy)	
3. Are there conflicts or gaps between Council policies, policy directives of the Executive or other elected officials, and the department policies?	

### **HELPFUL HINTS**

- Confirm applicable laws and ordinances.
- Look for statements of policy or lack thereof.
- Policy often is unclear. Does it need clarification?
- Policy needs to be linked throughout the business plan and performance measures.

## Policy Direction - continued

Suggestions for Future Improvements:

## Vision

<p>The vision statement describes a picture of what the agency would like to achieve by delivering on the stated mission. The vision should be stable and can be very long-term and difficult to achieve. The main issue is that the vision needs to be specific to the mission of the organization.</p>	
Questions To Ask:	Analysis:
<p>1. Does the vision directly relate to a state that results from pursuing the mission of the organization?</p>	
<p>2. Is the vision consistent with policy guidelines?</p>	

### **HELPFUL HINTS**

- Vision statements should be inspiring, yet they still need to be specific enough to describe an end state that is related to the department’s mission. For instance, the Department of Development and Environmental Services vision seems broad yet it still describes an end state that the department can affect, “DDES is a regional leader promoting responsible development and environmental protection for quality communities.”
- It is limiting to describe specific strategies of how the organization plans to fulfill their purpose, because the strategies will and should be encouraged to change over-time.

## Vision - continued

Suggestions for Future Improvements:

### Mission

<p>The mission statement should state the purpose of the organization.                  The purpose needs to be described in terms of the outcomes or results the organization wishes to achieve.</p>	
Questions To Ask:	Analysis:
1. Does the mission describe the purpose of the organization?	
2. Is the purpose described as outcomes or limited by specific strategies for delivering the purpose?	
3. Is the mission consistent with the policy guidelines provided?	

**HELPFUL HINTS**

- It is limiting to describe specific strategies of how the organization plans to fulfill their purpose, because the strategies will and should be encouraged to change over-time.
- For instance, it is more appropriate for a transportation department to state their purpose as providing mobility - versus providing bus service to the public?

Suggestions for Future Improvements:



## Goals

Goals are outcomes that the organization plans to focus on in the coming 3-5 years.  
 Goals are not intended to state every result or mandate of the organization - only the areas of focus.

Questions To Ask:	Analysis:
1. Are goals aligned with policy direction?	
2. Are the goals outcome/results oriented?	
3. Does it seem realistic that the organization could act on all of the goals identified?	

### **HELPFUL HINTS**

- Goals may change from time to time - but should not regularly change with annual updates of the business plans.
- Goals should be reasonably specific and measurable.
- Goals should be linked to County-wide goals whenever practical.
- Goals should relate directly to policy direction.

Suggestions for Future Improvements:

## Change Dynamics

Every County agency or department business plan should include a discussion of change dynamics that impact the organization.

Change dynamics are significant positive or negative factors that can be internal or external to the organization that affect the organizations efforts to fulfill their mission and vision.

Questions To Ask:	Analysis:
1. What are the internal and external issues/opportunities that the organization will face in the next 3-5 years?	
2. What strategies will the organization take as a result of these issues and opportunities?	
3. Are strategies consistent with the overall policy direction provided to the organization, as well as the goals?	
4. Is there a link between strategies and budget priorities?	

## Change Dynamics - continued

### **HELPFUL HINTS**

- Internal change dynamics could be something like exceptionally high staff turnover rates that impact the organization's ability to retain knowledge or develop leaders.
- Other internal issues of concern could be dramatic changes in the status of current technology or staff competencies that would impact the organization's ability to fulfill the mission.
- External change dynamics could be changes in economics or funding, changes in customer/population mix, or developments in technology that could affect the organization in fulfilling their mission.
- The most important aspect of including change dynamics in the business plan is that each issue should be associated with a strategy for taking advantage of opportunities that present themselves or mitigate the impact of negatives influences.
- Strategies to address change dynamics should be consistent with policy direction.

Suggestions for Future Improvements:

### Performance Measures

Performance measures that are most important from an oversight perspective normally include outcome, efficiency and effectiveness measures.	
Questions To Ask:	Analysis:
1. Are there outcome measures for every goal? Do they accurately describe progress towards the goal?	
2. Do goals have both efficiency and effectiveness measures to present a balanced view?	
3. Are there too many or too few measures?	

### **HELPFUL HINTS**

Departments can have a variety of measures. Some types of measures that are useful in providing oversight to an organization include:

**Outcome measures** quantify the impact of program services on the customers.

- Every organization goal in the business plan should have outcome measures associated with it.
- Outcomes could include measures of the status of community health, safety, quality of life, etc.
- A problem with some outcome measures is that the outcome is so long-term or broad that it is difficult to say that one organization affected the outcome.

## Performance Measures - continued

- For instance, who can say that an improvement in the County's public health was achieved as a result of the work of the public health department? In these cases, one option might be to provide additional sample outcome measures that relate to customers that receive direct services from the organization - such as the health status of health department clients over-time.
- Or, another option is to provide output measures (that measures units of product or service produced) that are proven or at least seem likely to contribute to the desired outcome, such as % of children that are immunized.
- **Effectiveness measures** are intended to measure the degree to which the organization has achieved its desired outcomes.
- Effectiveness measures could include measure of customer satisfaction or frequency of meeting customer expectations for quality or timeliness of services.
- Effectiveness measures should relate to organization goals.
- **Efficiency measures** monitor the cost effectiveness of services.
- Cost per unit process measures of key strategic processes can be valuable in assessing efficiency relative to history and industry benchmarks.
- Efficiency measures should relate to organization goals.

Suggestions for Future Improvements:

## Performance Targets

A target is a quantified statement of what level of performance a program or agency plans to achieve.	
Questions To Ask:	Analysis:
1. Are there short and long-term targets? Are they consistent with goals and objectives?	
2. Are there any objectives or rationale for performance provided? How do they change from year to year?	
3. What will the organization do differently to take full advantage of successes or mitigation short-falls in performance?	

### **HELPFUL HINTS**

- Targets should reflect the expected impact of department strategies on progress towards achieving department goals and objectives (which indicate the measurable change or target to be achieved in a specified time period).
- Targets should be realistic, based on resource levels and, to the extent possible, benchmarks (see below).
- Ideally, business plans should show long-term targets of success and short-term targets to show planned progress towards goals.

## Performance Targets - continued

Suggestions for Future Improvements:

### Performance Benchmarks

A benchmark is standardized level of good performance that provides a basis for comparing and understanding actual performance.	
<b>Questions To Ask:</b>	<b>Analysis:</b>
1. Are the benchmarks external or internal?	
2. Do they seem to have validity?	
3. How does actual performance compare to the benchmark?	

**HELPFUL HINTS**

- Benchmarks for performance measures can be either external or internal.
- Benchmarks should show desirable levels of performance based on what others [external] have done or what a program/agency itself [internal] has achieved.

Suggestions for Future Improvements:



### Budgeting, Tracking, and Reporting

Performance information and data can inform and support the budget and appropriations process.	
Questions To Ask:	Analysis:
1. Does outcome and output data track the performance of the department, division, or program? How does it link to policy directives?	
2. Has performance changed significantly over time? Are such changes explained?	
3. How does actual performance compare to targets and benchmarks?	
4. Do efficiency measures exist? Is there any unit cost data? How would an increase or decrease in budget likely affect performance targets?	
5. How have council or executive priorities been incorporated in the budget?	

**HELPFUL HINTS**

- Budget submissions should address performance-related information consistent with the components of a strategic business plan.

## Budgeting, Tracking, and Reporting - continued

- Identify performance anomalies such as radical changes or missed targets and seek clarifications and explanations.
- Analyze whether the funding submission linked the request to projected outcomes.

Suggestions for Future Improvements:

### Audit and Evaluation

Review department or program performance outside of the budget process to identify strong and weak performance based on outcomes.	
Questions To Ask:	Analysis:
1. Can program results and performance (efficiency and effectiveness) be evaluated using the strategic business plan?	
2. Is performance consistent with the mission, vision, and goals? 3. What is causing variances between goals/targets and actuals?	
4. What is the justification (& validity) for the performance measures and targets	
5. How are outcomes (& outputs) influenced by how resources are deployed or budget levels?	

#### **HELPFUL HINTS**

- Performance audits such as those performed by the King County Auditor can provide in-depth reviews of performance. They may provide answers to questions when performance data is not reported.
- Other types of policy and impact reviews may be conducted by council or department staff.
- Use outcome information and make comparisons, as appropriate, to other jurisdictions.
- Schedule follow-up activities as needed.
- Assert performance criteria if the agency does not have any.

## Audit and Evaluation - continued

Suggestions for Future Improvements: