

Performance Measurement Handbook for Managers

KENT COUNTY



A Results-Driven Methodology

2014

Foreword

This *Handbook* has been created to assist County departments and managers in the development and reporting of performance measures to improve the efficiency and quality of services for our citizens. Performance management can serve as a tool to help us all reach our goals as public servants, regardless of the function, department or service area in which we work. The intent is that County operations will be better able to achieve the best possible performance, given our economic and financial challenges. The information detailed in this document provides a better linkage of mission, goals, objectives and indicators, as well as a more balanced picture of performance through the use of the “Family of Indicators” – *Outcomes, Efficiencies and Outputs*.

There are two concepts underlying the expectations for performance management generated in this Handbook:

1. What we do is measurable in the same way that a manufactured product is measurable. In other words, we believe that the key activities in which we engage create what might be called “widgets” for a manufacturing environment. For our purposes, we will call them deliverables. This concept of deliverables (“widgets”), will be further defined and related to the development of department performance measures in later sections of this Handbook.
2. Every service we provide and every activity we undertake has a “customer.” Customers can be internal or external. The importance of our customers/clients/stakeholders cannot be overemphasized, as they help determine the goals and objectives of each department. Only customers can let us know how often, when, to what degree, where, and in what format our deliverables should be delivered.

The Handbook can be considered a “work in progress” as we continue to refine the approach and the method used in Kent County for performance management. Because we measure performance in order to continuously improve, it is just as important that we strive to continuously improve performance management as well.

The Performance Measurement Review Team will continue to work with departments to fine-tune their performance measures and, more important, the outcomes we strive to accomplish. We look forward to working with County departments to integrate performance management in all management processes in order to achieve maximum benefit and to ensure continuous improvement in all the services we provide to the citizens of Kent County. We will also work to ensure a greater linkage to the County budgeting process.



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Kent County Administrator/Controller

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Purpose of the Handbook for Managers

This Handbook plays a vital role in helping us to improve our measurement of performance in Kent County. This Handbook is designed to:

- Explain the importance of performance management and the reason we seek to improve our system.
- Provide information about the components of a performance management system – mission, goals, objectives and indicators – and how they should be linked and presented.
- Provide guidance on how to focus goals on outcomes, determine service areas, focus objectives on outcomes, and develop indicators that give us the feedback we are seeking.
- Provide guidelines on allocating costs to service areas in order to calculate various indicators.

As mentioned in the Foreword, this Handbook is a starting point and will continue to be improved according to identified needs. As our experience and understanding grow, additional information, examples, techniques, and tips will be added. We invite your ideas and request that they be directed to any of the members of the Performance Measurement Review Team listed on page 27 of this document.

I. INTRODUCTION

What is Performance Management?

Performance management is measuring, studying, improving, and reporting a program or service area's performance. It is a system that monitors the results of activities and collects information in order to track progress toward planned results. It uses this information to inform program decision-makers; to advance organizational learning; and to tell the County's story.

The primary tools of this systematic process are performance measures. They tell department employees and citizens what level of service the County provides. They also tell how effective the County is at meeting its service goals.

Managing performance is a conscious effort to respond to Kent County's mission, "to be an effective and efficient steward in delivering quality services for our diverse community." This mission is achieved by the regular collection of specific information regarding the results of County services.

Performance management

- Focuses on improving the quality of life for all citizens while managing the financial resources of the County
- Includes the measurement of how we are doing, and addresses the effect our efforts have in our community
- Is important because the process helps all departments to remain focused and to deliver quality services to our community

Together with strategic planning, performance management forms the nucleus for managing for results.

A good performance management system should provide answers to the following questions.

- What was achieved?
- How efficiently was the work done?
- How were citizens helped by the effort?

Why Measure Performance?

The most powerful reason for measuring performance is to see if the programs and services we offer really make a difference in the lives of others. Citizens are continually demanding more responsive and responsible government. Other reasons include:

- Ensuring that programs improve service
- Allowing the County to recruit and retain talented staff
- Preparing long range plans

- Increasing internal efficiency
- Developing and justifying budgets

Performance management and the use of performance measurements help us to see the results of action, the value of resources, and how well resources meet goals and objectives. Over the past decade, revenue growth has been limited, yet citizens still expect high quality services. Balancing these realities has been, and will continue to be, one of the most significant challenges facing us. In this quest the need for sound information about the *performance* of services remains vital.

The performance management system answers four driving questions:

- Where are we now?
- Where do we want to be?
- How well are we doing in managing resources to get there?
- What action must we take to make progress and to hit our target?

Benefits of Performance Management

In addition to the reasons listed earlier, many governments report good changes to their organizational culture as a result of performance management. We have seen similar benefits accrue to Kent County. In general, governments that measure performance do so because it:

- Supports strategic planning and goal-setting
- Makes government accountable
- Improves decision-making
- Improves customer service
- Assists in deciding how best to use resources

Performance Management Approach

Opportunities for improvement have centered on the following findings. Over time, Kent County has endeavored to improve its performance management approach. Areas we continue to highlight in our review process include the following:

- **Aligning measures and objectives.** At one time, almost one-third of the measures presented in the performance measures did not correlate with stated objectives. This has improved dramatically, but we are still conscious of the need to further improve.
- **Orienting Goals, Objectives and Measures toward Outcomes.** Again, at one time, almost 84 percent of the measures tracked workload or output rather than service quality, efficiency and outcome. As an organization, we have improved dramatically in this area, but we can continue to improve.

The Performance Measurement Review Team (PMRT) examines with each department its mission statements, goals and objectives, and then determines if indicators are

sufficient to measure performance. This process is intended to improve operational and resource planning, and should result in improved goal statements, objectives, and performance indicators which are published in the annual Public Budget Document.

II. Kent County's Performance Management System

Timetable for Performance Management

The timetable for Performance Management is designed around the existing budget process to avoid delays in routine budget development and to have updated performance measurement information available both to support the Operating Budget Review Team, and for publication in the Public Budget Document. The timetable also references the biennial 30-minute Department Presentation to the Legislative and Human Resources Standing Committee, and the biennial five-minute Department Overview process, which is described in detail in the next section.

Month	Activity
Mid-January	<p>Departments begin populating the performance measure database. This includes identifying significant accomplishments, current year end estimates, and projected goals for the next year.</p> <p>The Performance Management Team (PM Team) will be available to assist departments with improving and updating their measures. Departments are encouraged to “work early and often” with the PM Team to resolve issues.</p>
Late January	<p>Staff from Fiscal Services and the Administrator’s Office review, analyze and compile Departmental performance measurement information submitted in preparation for inclusion in the new fiscal year Public Budget Document.</p> <p>Departments produce Performance Measurement actual results and estimates for the current.</p>
March – December	<p>The County Administrator and the Legislative and Human Resources Committee meet with selected departments to discuss their performance measurement results for the previous fiscal year.</p> <p>The Operating Budget Review Team receives data results for use during the budget review process.</p>
August	<p>The Operating Budget Review Team utilizes PM data results for use during the budget review process as needed.</p>

Department Submission Process

Submission for Presentation to the Legislative and Human Resources Standing Committee

Every two years, representatives from a department provides a 30-minute presentation to the Legislative and Human Resources (LHR) Standing Committee. These presentations allow a department to highlight significant accomplishments, as well as to review in detail the individual objective indicators. This presentation is a good opportunity to explain to the committee why any new indicators have been added, or any old indicators deleted.

In the off-year, a department presents a five-minute overview of accomplishments since the previous year's presentation.

The Administrator's Office is responsible for coordinating the schedules for these two meetings with the Board Office, and also to set up meetings with the PMRT representatives to meet with the department well in advance of the presentation to review the department's performance goals and achievements. Additionally, the PMRT assists the department to finalize the report and submits it to the Board Office for inclusion in the LHR meeting materials.

III. Linking Performance Management to the County's Mission and Vision

In 2010, the Board of Commissioners engaged a Visioning Session to create a description of the County they desire for 2020. To support this Vision, the Board also identified several policies and directives. In 2013, the Administrator/Controller Board convened a series of small group discussions with Commissioners to identify specific strategies to be pursued to achieve the Vision, and to guide policy-level and administrative decision-making for the next two to three years. The process creates the basis for setting priorities with respect to maintaining the County's sound fiscal condition and determining resource allocation.

These documents and statements – Visions, Directives and Strategies – build on the County's mission statement and serve as a road map for building and aligning leadership and performance at all levels of the organization. As this process has evolved, the need to align departmental missions, budgets and performance measures with the County mission statement and overarching vision has become increasingly clear. The County Mission, together with the Vision, Directives and Strategies provide a structure for identifying what we want to achieve collectively and how we can go about achieving it.

Kent County's Mission, Vision, and Strategies

Mission Statement

The mission of Kent County government is to be an effective and efficient steward in delivering quality services for our diverse community. Our priority is to provide mandated services, which may be enhanced and supplemented by additional services to improve the quality of life for all our citizens within the constraints of sound fiscal policy.

The following Vision Statements and Directives were established by the Board of Commissioners as the result of its strategic planning process in 2010, and the Strategies were identified in 2013:

Vision Statements

- **Stable Revenues:** Kent County will have stable and predictable revenues to cover expenses.
- **Efficient Use of Resources:** Kent County will provide services through the most efficient means
- **Safe Community:** Kent County will be a safe community
- **Citizen Participation:** Kent County will provide opportunities for citizens to be aware of and involved in County government
- **Proactive & Innovative Government:** Kent County will seek-out innovative solutions and address issues systemically.
- **High Quality of Life:** Kent County will maintain a high quality of life that will be attractive to growth and development

Directives

Stable Revenues:

- Kent County will support legislative changes that address unfunded mandates
- Kent County will advocate for legislative solutions to address stable State revenue (Revenue Sharing; County Jail Reimbursement Program)

Efficient Use of Resources:

- Kent County will seek employment terms that preserve core services
- Kent County will seek a retirement plan design that supports employees within the current economic climate
- Kent County will maintain a performance management system that focuses performance on measurable outcomes
- Kent County will thoughtfully determine what issues it will address, and will base its determination on its ability to deliver high quality programming that will have a measurable, positive impact on the community

High Quality of Life:

- Kent County will partner and invest in initiatives that promote economic growth and demand
- Kent County will partner and invest in programs/services to promote the long-term health and welfare of the community

Proactive and Innovative Government:

- Kent County will advocate for solutions to make consolidation of services efficient and desirable

Citizen Participation:

- Kent County will provide and improve access and information related to governmental functions
- Kent County will provide total transparency in all of its financial transactions and policy discussions

Safe Community:

- Kent County will invest in initiatives that promote the safety of our community.

Strategies to Achieve the “Vision for 2020”

- *Establish an effective strategy for internal and external communications within our communities and to our statewide leadership*
- *Continue to control costs by utilizing technology, implementing best-practice/enhancing performance measurement, and managing long-term financial obligations*
- *Be proactive, innovative, and responsive to emerging community issues*
- *Continue to enhance Board processes to promote efficient and effective governance*
- *Promote efforts that will create a countywide vision on emerging issues through cooperation, collaboration, and/or consolidation*

Performance Management and Alignment with Departmental Missions, Goals and Objectives

Identifying why an organization exists (MISSION), what it would look like if it achieved its mission and the concrete steps (GOALS and OBJECTIVES) it must achieve to realize that mission. While most performance measurements will focus on daily operations, some may focus on measurement related to achieving department operational goals. Certainly department performance goals should have some link to the mission of the department, and the daily operations of the department as well as support the Board's vision for the County as a whole. In this way, meeting future needs can be planned and incorporated into daily operations when the need arises.

If the mission, goals and objectives of the department are thought of as the blueprint for the future, then the performance measurements for the department's operations can be seen as the existing structure within which the construction of the future department will take place. Developing goals and objectives based on customer needs and expectations will ensure that the department is consistently moving forward and is poised to meet the future needs and demands of the customer.

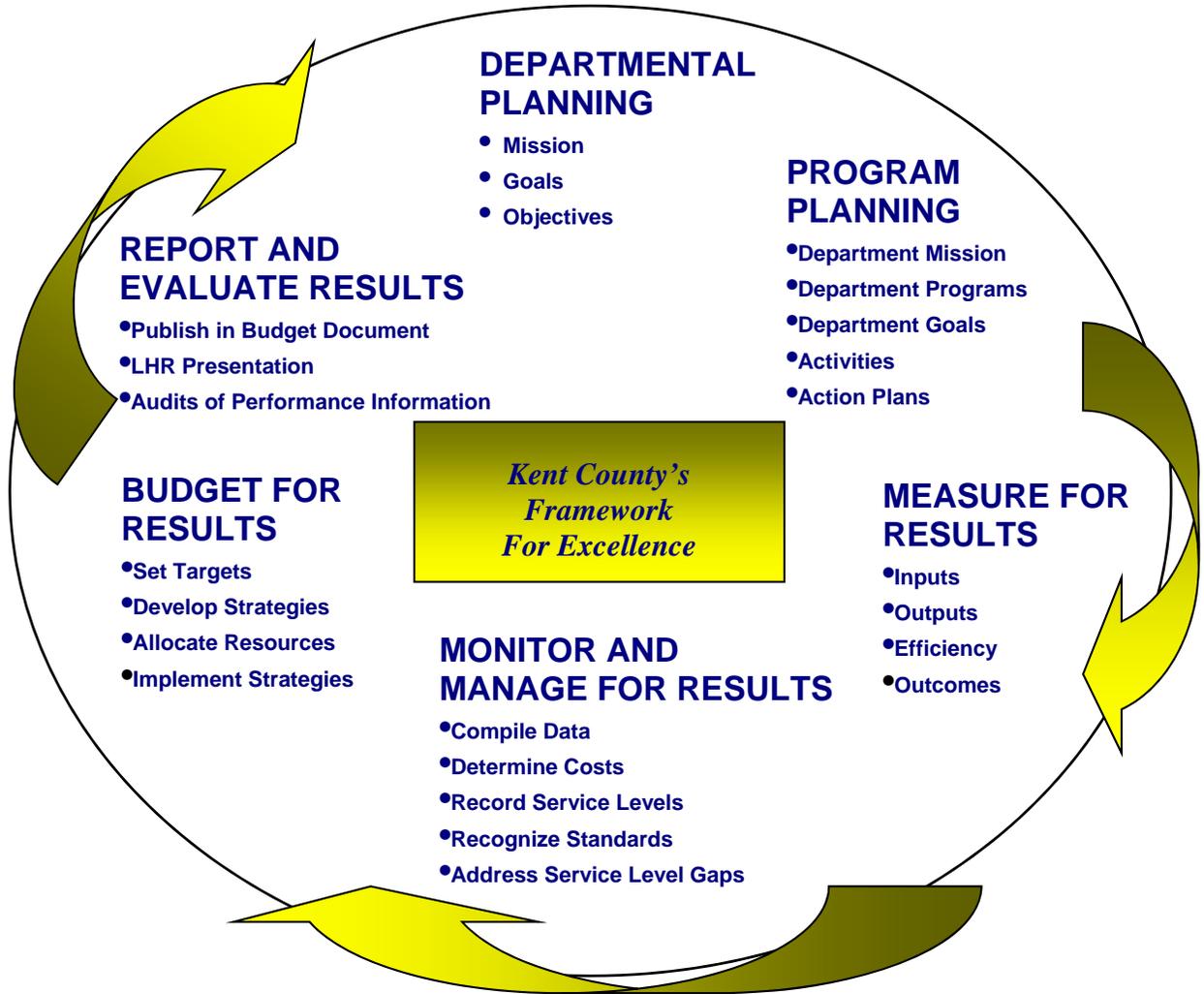
Achieving meaningful performance measurements can help translate an organization's mission, vision and strategies into tangible and objective outcomes.

This integrated process, known as **Performance Management**, is based on:

- Identifying strategic goals and objectives as well as relevant measures;
- Determining what resources are necessary to achieve them;
- Analyzing and evaluating performance data; and
- Using that data to drive improvements in an organization.

The diagram appearing on the following page illustrates the Performance Management process and its relationship with departmental planning. It is continual, with each of the components connected to the others.

MANAGING FOR RESULTS IN KENT COUNTY



Following is an example of alignment between mission, goals and operational objectives:

Department	Equalization and Mapping
Board Overarching Priority	Kent County will have stable and predictable revenues to cover expenses.
Department Operational Goal	Annually project property values and study the level of assessment by property class through appraisal and/or sales studies and apply equalization factors, if necessary, to comply with state law.
Department Objective	Ensure the level of assessment for 100% of property by class is set at 50% of true cash value.

IV. Performance Measures Methodology

Family of Measures

This guide provides a standard approach for Kent County to ensure that the method for reporting performance measurement information is consistent. For example, one of the most common mistakes in terminology use is defining how quickly a task is accomplished as “efficiency.” While quickness may relate to a literal definition of the word, Kent County and the Government Accounting Standards Board (GASB) consider efficiency to be the ratio of inputs to outputs or how much output is derived from a unit of input (e.g., budget dollars, staff time, etc.). Timeliness (how quickly something is done) is a measure of service quality, which is a common outcome for provision of a service. Thinking about it in this way helps to clarify the difference: it would be easy to become faster at delivering a service in a world of unlimited resources (people, money), however just throwing people and money at the service area in the name of being faster does nothing to improve the efficiency of the delivery (measured in cost per unit, or staff hours per program).

Please pay particular attention to how these terms are used as part of Kent County’s methodology, which is designed to ensure consistency across all departments. A glossary of all relevant terminology is included in this Handbook in Appendix A.

Kent County’s methodology encompasses a *Family of Measures* approach in order to present a balanced picture of performance, avoiding a narrow focus on a single indicator such as quantity produced (output) or cost (efficiency). Indicators are the components and the data necessary to calculate outcomes and efficiencies, and to create a comprehensive picture of how well a department or service area is achieving its goals and objectives.

The *Family of Measures* includes the following indicators:

Terminology	Definition	Examples
Input	Value of resources used to produce an output. Budgeted dollars and budgeted staffing levels to support the program.	<ul style="list-style-type: none"> • Dollars budgeted • Total number of FTE’s
Output	Outputs are activity-oriented, measurable, and usually under managerial control. Number of goods or services produced Quantity or number of units produced	<ul style="list-style-type: none"> • Number of job applications processed • Number of children immunized

<p>Outcome</p>	<p>Captures the extent to which the service or program is meeting its service delivery goals and objectives. Requires the manager to answer the questions, "What are my service objectives?" and "To what degree or extent am I achieving them?"</p> <p>An outcome should reveal program results or impact on clients and society</p> <p>An outcome has dramatic influence on the degree or level of excellence of providing the program or service rendered.</p>	<ul style="list-style-type: none"> • Three percent <u>reduction</u> in fire deaths/injuries • Ten percent <u>increase</u> in the number of job trainees who hold a job for more than six months • Percent of juveniles <u>not reconvicted</u> within 12 months
<p>Efficiency</p>	<p>A measure of cost or the amount of other resources per unit of output (productivity). Inputs used per unit of output. Unit costs to produce the goods or services.</p>	<ul style="list-style-type: none"> • Unit cost per person trained in job training program • The number or percent of plans reviewed per reviewer • Cost per number of applications

FOUR-STEP METHODOLOGY

A four-step process is used to guide departments through the development of performance measures.

Step 1. Review and Evaluate Existing Department Mission and Service Area Goals.

Departments should use the mission identified during their strategic planning process. The mission of a group or organization is a statement of the group's values, purposes, hopes and dreams --- its priorities. It articulates the difference an organization will make for those it serves. At the next level are goals, which give more specific direction on how the department will achieve its mission. A good goal statement should:

- Begin with "To" and a verb
- Say generally what the service area does
- Identify customers
- State why a service area exists
- Be associated with an outcome measure (statement of accomplishment)

The following is a useful template for writing or validating a goal statement.

Goal Statement

To provide/produce (service or product) for (customer) in order to (statement of accomplishment).

The following is an example of a goal that fits the template:

To provide new sewer installation permits and inspections to utility services clients in order to comply with MDEQ Act 98 permit requirements.

An outcome should enable measurement of the extent to which a goal has been achieved. Outcomes are the **end result** of the product or service a department provides to “customers” through its work activity, NOT the product or service itself. Therefore, simply counting how many of your deliverables you produced is not sufficient to measure the outcome of the activity that produced them.

An outcome measure should quantify the extent to which the item produced meets the customers’ needs. In the example above, one outcome might be the percentage of permits reviewed and submitted within 30 days.

A tip to consider: If you think of goal statements in terms of customers, outcomes will be easier to identify. Who are your customers? These can be internal or external. For example, the Information Technology Department may have few external customers for its services, but it has many internal department customers. Ask yourself **“what ultimate benefit will these customers receive if the program/service is effective?”** (See more about identifying customers in “Step 3”)

Step 2. Identify Service Areas

Departments have limited resources with which to measure performance and therefore must select measurements strategically. To avoid micro-measurement, activities should be consolidated into service areas to use as the basic level for developing objectives and indicators. Some departments may have a single service area, while others may have many. Service areas should have a common purpose and lead to a common outcome for the customers of the service. To define service areas, identify the major activities you perform and group them by common purpose. Consider the word “major” according to the following elements:

- The area has its own County budget and/or funding source
- The area has staff dedicated entirely, or nearly entirely, to the area
- The area has a distinct mission which varies from other parts of the department

Each service area must have its own goals, objectives, and performance indicators. Performance indicators should be developed that provide useful information for the

daily management of the service area, and that indicate whether desired outcomes are being achieved.

Step 3. Define Service Area Objectives

While strategic vision statements and strategic goal plans stretch across multiple years and cannot generally be accomplished in one year, service area objectives are outcome-based statements of specifically what will be accomplished within each year.

Each service area will have at least one objective statement and at least one indicator of each type, i.e., outcome, output, and efficiency. The service area objectives should clearly demonstrate progress toward the service area goal and should directly correlate to a specific outcome.

Ideally, each objective should have an attainable target level with a basis in scientific research, industry practice, peer average, customer needs, a mandate, or Board policy. Departments should focus on quantified objectives and develop applicable targets for each year's annual budget process.

In general, a service area objective should:

- Support the service area goal statement
- Reflect planned benefit(s) to customers
- Be written to allow measurement of progress
- Be quantifiable within the fiscal year time frame
- Describe a quantifiable future target level (if appropriate)

The following template can be used for writing an objective statement.

Objective Statement
To improve/reduce (<u>accomplishment</u>) by (<u>a number or percent</u>) from X to Y, [toward a target of (<u>a number</u>)]. Note: the last (target) part is optional; to be used as appropriate.

Some examples of service area objectives in the Department of Public Works' Material Recovery Facility and Household Hazardous Waste Service area are:

- To increase the number of households served by 3%.
- To increase the pounds of hazardous waste material processed by 8%.

Write Objectives by Identifying Your Deliverables

When writing specific measurable objectives for each service area, it is helpful to identify what you are actually measuring, and who cares what the outcome might be (the customer). In most cases, you will be measuring some deliverable that service area produces. Most of the important things we do, even in government, end up in the

form of something that is delivered. This something can be information, it can be a form, it can be an approval or a permit; however, it must be:

- A thing
- Countable
- Specific

In order to identify your deliverables, it is helpful to understand who the customer is. The challenge we often face in identifying customers is illustrated in the following example, quoted from *We Don't Make Widgets* (Ken Miller, published by Governing Books, 2006, pp. 58-59):

I was working with staff who were in charge of a child abuse investigation "widget." [or deliverable]...When you asked them who their customers were, they of course gave the mission statement answer: the kids...So then I asked them how the kids liked the child abuse investigation reports (their widget [deliverable]). They said the kids never read them. "Exactly," I responded. So who is the customer of the child abuse investigation report? Again they said, "Kids." So I asked again which parts of the report the kids enjoyed most. Finally the light bulbs went on....Who uses the report? Prosecutors. Prosecutors are the customers for their "widget."....they had never talked to prosecutors about how they liked the widget. It turned out... prosecutors thought the reports were indecipherable, inconsistent, lacking critical facts, and often unsupportable in court. Other than that, they were fine.

Before you can define an outcome to measure for your objective, you need to identify the real customers of the deliverables your department and service areas produce. Once that is accomplished, it may become obvious to you the best way to figure out what outcome you should be measuring.

Here is another example of the problems that can occur when you don't target the right customers, from, *We Don't Make Widgets* (pp. 62-63):

One of my favorite projects was an initiative to improve tax forms....Any project you are about to embark on has already been tried at least five times. Go find the old binders.

As I dug through the old binders of the past tax form improvement teams, a funny thing emerged....they decided it might be nice to get customer input. So a list was made of all customers...including taxpayers, tax preparers, and [CPAs], the [IRS]....As they reviewed the list, they decided that taxpayers would be too hard to track down and might be intimidated, so they settled on...other groups, mainly tax preparers. Any problem with that? Well, as a taxpayer, what is the number one expectation you have for a tax form? That it be simple. But what is the number one expectation of tax preparers? Complex. Uh-oh.

How do we figure out who is the right customer? Remember that a customer is the person for whom we created the end product or deliverable, and who will use the product or deliverable to achieve a desired outcome. **They are the most important customers.**

There are several reasons for identifying deliverables in your department: 1) Once it's identified, it can be measured; and 2) knowing what it is can help you focus in on the true "customer" of it.

Some examples of County deliverables are:

Appraisals	Immunizations
Budgets	Inspection Reports
Invoices	Action Requests/Resolutions
Sentences	Fines
Dockets	Oil Changes
Deeds	Ballots
Maintenance Work Orders	Paychecks
Physical Examinations	Autopsy Reports

Once you know the deliverable you can establish the desired outcome, efficiency, and output of that deliverable. Using a Health Department restaurant inspection as our deliverable, what would an outcome be? One might be the incidence of foodborne illness suffered by restaurant patrons in the County. What would an output be? The number of inspections completed during the year. What would an efficiency be? One might be the average cost per inspection.

Think about your department's deliverables and it will help identify its customers, and help to develop the measurements that paint a true picture of how well you are doing.

Step 4. Identify Indicators that Measure Progress on Objectives

Indicators are the first-level data for reporting performance. Every time you state an objective, it must have corresponding outcome, output and efficiency measures. As previously indicated, the complete *Family of Measures* conveys the extent to which a service area objective and a service area goal have been met.

Outcomes are the most recent emphasis in Kent County because they provide a true picture of whether our activities are achieving their ultimate goals, and in the past were the weakest part of our performance measures. Outcomes measure the quality, accuracy, timeliness, and appropriateness of what we do. When we don't achieve our desired outcomes, it is time to review whether the service area is necessary, or if a different method directed at the outcome would be more effective than the current method.

Outputs have an important role to play as well. Counting the number of deliverables we produce from year to year helps to understand where resources may need to be

allocated. For example, if the clientele in a given service area increases significantly, it's possible that additional resources should be provided to that service area in order to continue the achievement of the desired outcomes.

Efficiency is an important tool because it lets you know whether the process you are using is making optimum use of all of the resources provided, such as money, staff time, supplies, equipment, etc. Knowing the efficiency of a process is necessary for improving efficiency. Improving efficiency is one way of continuing high service levels in a world of shrinking resources.

When developing measures, you should ask how you can measure whether an objective is being met. When departments change their service areas, objectives and/or measures substantially to align with their strategic plans and have not yet established a baseline, it is acceptable to put "new measure" in the measure for the current year. In those situations, the department should work with the Performance Measurement Review Team to determine the most appropriate manner to present the new measures.

Examples of various Service Areas, Objectives and Families of Measures are shown below.

Sample Families of Measures

Service Area	Objective	Input	Outcome	Efficiency	Output
Sheriff Correctional Facility	To Provide quality health care that includes 100% of inmates receiving a physical within 14 days.	Total Cost Number of FTE's	Percentage of inmates receiving 14 day physicals	Decrease per inmate cost of physicals by 5%	# Inmate physicals per month
Sheriff Enforcement Road Patrol	To respond to Priority 1 calls for service in order to decrease average response time by 5%.	Response time to Priority 1 calls	Average response time to Priority 1 Calls	5%<last year	Number of Priority 1 Calls
Fiscal Services Central Services Printing	To increase microfilm frames per hour by 5% annually	Employee hours	Microfilm frames processed per employee work hour	Number of frames processed per employee	Number of microfilm frames processed

Service Area	Objective	Input	Outcome	Efficiency	Output
Department of Public Works Material Recovery Facility & Household Hazardous Waste	To increase the number of households served by the HHW program by 3%	Number of households served	Percentage of increase in number of households served	Cost per pound collected	Number of households served
Bureau of Equalization	Ensure the level of assessment for 100% of property by class is set at 50% of true cash value	Number of properties assessed Number of properties assessed at 50% of true cash value Number of appraisers	Percentage of cities/ townships with all property classes equalized at 50% of true cash value	Number of real property appraisals per appraiser	Number of property classes studied

Your department management team and your supervisor may engage the whole department, or service area in developing goals and objectives. Creating meaningful goals, objectives, and indicators form the foundation for the County's performance.

V. Using the Performance Measurement Worksheet

To assist departments in developing and organizing their service areas, goals, objectives, and indicators, a worksheet has been developed. This section explains how to use the worksheet as an internal organizational tool, and as a basis for inputting data into the PM database.

Note: This Guide along with a blank performance measurement worksheet is available on the County's Intranet in the "Forms" section.

For departments with more than one service area, complete a worksheet for each service area. It should be noted that it is acceptable, and even preferable, to have one strong objective and family of measures per service area rather than a number of weak ones. Focus on the "critical few" and avoid adding the "trivial many." Too many goals and objectives will diffuse your focus and create an unwelcome burden of data gathering and reporting for no good purpose. Performance data should be a dynamic tool that assists you and your department to address issues that may impact performance *as they arise*. Looking at the indicators you've selected should be a frequent, ongoing activity.

The purpose of completing the worksheet is to assist you and your staff to visualize the alignment of your department, service areas, goals, and objectives to the department's mission and strategic goals. Ultimately this data will be input into the PM database. Use this tool to put the information together in preparation for inputting.

In completing the worksheet, follow the steps below.

Index Info: For each service area, enter the department and service area name on the initial worksheet page.

Step 1: Enter the related department strategic goal for this service area's goal.

Step 2: Enter the service area goal statement in the cell directly below the title "Service Area Goal."

Step 3: Enter a service area objective in the space to the right of the cell titled "Service Area Objective."

Step 4: Enter at least one indicator title in the cells to the right of the row that begins with "Indicator." Enter the formula for calculation of the indicator in the cells to the right of the row that begins with "Indicator Calculation." Enter the data sources for the indicator in the cells to the right of the row, which begins with "Data Needed/Source."

Step 5: Check off the "Basis for Attainable Target Level" for each indicator.

Step 6: Add additional objectives as needed for this service area goal.

Step 7: Repeat process from beginning for each service area goal.

This form is important when establishing measures because it documents where data come from, as well as any necessary calculations.

The Importance of Indicator Calculations

When staff assignments change, documentation of indicator calculations on this worksheet helps to ensure that departments track and report performance data consistently and accurately. Departments are then not solely dependent upon a particular person to know how performance data should be calculated, and where the data for the calculation should come from. Additionally, the data itself will only be useful if it truly measures what you are doing, and if the system used to take it is consistent.

Definition of Calculation Method

It may seem obvious that establishing how something is going to be measured and how the measurement is going to be calculated is important, however, it is surprising how difficult it can be.

For example, if you wanted to reduce the amount of electricity you used (whether at home, or at work), you might initially assume that measuring the number of kilowatts you used each month would be a good way to measure whether your energy use reduction efforts were working. However, as you think this through it will occur to you that in the summer time, the temperature outside will influence the amount of electricity your air conditioner uses to cool the house. External temperature is outside of your control, but your calculation will not be valid if you do not account for it, as summers vary in average daily temperature. You cannot, for example, compare this June, which may be unusually hot, to last June, which may have been unusually cool.

Thinking through how to measure what you do involves a thorough analysis of what kind of data you need to truly reflect progress toward accomplishing your objectives.

Once you have settled on a valid way to measure and calculate results, you should record that method in the worksheet in the "Indicator Calculation" box.

On the following page is an example of a completed Performance Measurement Worksheet for the Administration service area of the Health Department.

Performance Measurement Worksheet Example

Performance Measurement Worksheet Template

Department: Health Department

Service Area: Administration

Budget Amount \$4,830,338 **FT Employees:** 63

PT Employees: 0

Department Strategic Goal: (one per service area goal)

Become more outcomes-based with the outcomes firmly grounded in public health science.

Service Area Goal: To provide cancer screening to low income women.

Service Area Objective: To ensure that 100% of Women's Health Network Clients who receive an abnormal screening result have a final diagnosis within 60 days.				
	Input Indicator	Outcome Indicator	Efficiency Indicator	Output Indicator
Indicator	Budget and actual costs	% of Women's Health Network clients with an abnormal screening result that are diagnosed within 60 days	Cost per abnormal screening result	Number of Women's Health Network clients with abnormal screening results
Indicator Calculation	Staff, equipment & supplies, fringe benefits, minus any fees received	Number of abnormal screening results diagnosed within 60 days divided by total number of women with abnormal results x 100	Total cost divided by total # of abnormal screening results	Total number of abnormal screening results
Data Needed/Sources	Costs and fees	# of abnormal results and time between test done and results/diagnosis completed	Costs, fees, # of abnormal results, # women tested	# abnormal results
Basis for Attainable Target Level	(Select all that apply)	<input type="checkbox"/> Scientific Research <input type="checkbox"/> Industry Practice <input type="checkbox"/> Peer Average <input type="checkbox"/> Mandate <input type="checkbox"/> Customer Needs <input type="checkbox"/> Board Policy <input type="checkbox"/> Other Explain:_____	<input type="checkbox"/> Scientific Research <input type="checkbox"/> Industry Practice <input type="checkbox"/> Peer Average <input type="checkbox"/> Mandate <input type="checkbox"/> Customer Needs <input type="checkbox"/> Board Policy <input type="checkbox"/> Other Explain:_____	<input type="checkbox"/> Scientific Research <input type="checkbox"/> Industry Practice <input type="checkbox"/> Peer Average <input type="checkbox"/> Mandate <input type="checkbox"/> Customer Needs <input type="checkbox"/> Board Policy <input type="checkbox"/> Other Explain:_____

When formulating/updating your objectives, please ensure that the target is a reasonable stretch from the most recent previous fiscal year to the next fiscal year. However, you will want to look at all prior years for which data are available in order to ascertain trends and make reasonable projections. When setting targets, there are several points of reference to consider:

- Previous performance – how it can be improved
- Industry or national standards – for example, benchmarks established by the International City Managers Association.
- Mandates by federal, state or local governing bodies
- Customer comments and needs

It is important to consider what can be accomplished given the anticipated level of resources and the expectation that County services will be provided in the most efficient and effective manner. It is also essential to remember that these targets are reviewed by the Board of Commissioners as well as the public, and targets that are set artificially low are subject to questions and revision.

What Constitutes Meaningful Performance Measures?

In preparing meaningful performance measures, keep the following principles in mind. Measures should be:

- Results-oriented – focused primarily on desired outcomes, less on outputs
- Important – concentrate on significant matters as defined by your “customers”
- Reliable – accurate, consistent information over time
- Useful – Information is valuable to both policy and program decision-makers and can be used to provide continuous feedback on performance to department staff and managers
- Quantitative – expressed in terms of numbers or percentages
- Realistic – measures are set that can be calculated
- Cost-effective – the measures themselves are sufficiently valuable to justify the cost of collecting the data
- Easy to interpret – do not require an advanced degree in statistics to use and understand
- Comparable – can be used for benchmarking against other organizations, internally and externally
- Credible – users have confidence in the validity of the data

Retaining Adequate Documentation

Departments should retain complete documentation to support the performance measures reported. These documents can be paper or computer records. However, it is essential that the information be readily available for explanation and auditing to address questions and to attest to the reliability of the data.

VI. Measuring Customer Satisfaction

Why is customer satisfaction important to government? Many government managers do not believe that government has “customers.” This difficulty occurs in part because government is in many ways a monopoly – in other words people have to use our services because there are no other choices for them. Another difficulty is that we associate the word “customers” with people buying things. Because we don’t generally “sell” anything, it stands to reason that we do not have customers.

However, County government does have customers in the sense that each department and each service area has consumers of the deliverables produced. Reports have recipients who read them - often elected officials make decisions based upon them. Clinics have patients who receive examinations, tests, immunizations. The people who receive the benefit of these deliverables can be thought of as “customers.”

So why is customer satisfaction important to government? After all, as mentioned above, most people have to use our services if they need them because no one else provides them. However, government needs to please more than its customers – it needs to please its taxpayers and its voters. In order to please them, government needs to please its customers. Government employees are entrusted with taxpayer money and taxpayers expect to see good stewardship of their money and want to know that citizens are satisfied with the results of those expenditures.

There are a number of ways departments can measure customer satisfaction. We want to emphasize that departments do not always need to develop and administer a “statistically valid” survey in order to measure service quality. In fact, Kent County citizens **should not** be deluged with surveys from multiple departments. What is important is that departments are regularly obtaining feedback from “customers” on County services. Most departments will want to begin with a simple, cost-effective approach to measuring customer satisfaction as discussed below. In order to help departments work through this process, the Performance Measurement Review Team has developed some tips and guidelines to assist you in your efforts.

Although formal surveys are usually the first method that comes to mind to measure customer satisfaction, departments are encouraged to be creative and consider other cost-effective, easy to administer means such as the following:

- Response Cards
- E-mail Surveys
- Websites
- Point-of-Service Questionnaires

Response Cards - This can be a simple and low-cost way of measuring customer satisfaction. Usually these are postage-paid cards, containing less than ten questions that can be completed and mailed back at customers’ convenience. The primary disadvantage to a response card is that size limits the amount of information that can be included and their return is not random. However, they represent one way to get feedback from your customers.

E-mail Surveys – This technique may be used for internal department feedback for your internal customers. A couple of questions regarding your performance can be e-mailed shortly after services are provided, similar to the method used by the Information Technology department’s Help Desk. These responses are, of course, limited to customers that have access to e-mail.

Websites - To allow for customer feedback, a feedback button can be provided on the County’s website so that users can comment on the site, or they can be directed to complete a brief questionnaire. This also allows customers to respond at their leisure. Again, these responses are not random and are, of course, limited to customers who have access to the internet.

Point-of-Service Questionnaire – Departments that have a service counter also have the opportunity to provide questionnaires or suggestion boxes, enabling customers to provide immediate input. This may allow for a higher response rate than a response card as people may fill out the questionnaire while they wait or immediately after they receive the service. If a department uses a questionnaire, it may also want to provide a return address so that customers can take the questionnaire home if they so choose.

Following is an example of an indicator based on customer feedback:

Sample Department – County Clerk

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate/ Actual	FY 2014	FY 2105
Citizen satisfaction level with courtesy, knowledge and timeliness of counter staff	72%	76%	80% / 81%	85%	90%

¹Based on 1,378 point of service cards completed.

VII. RESOURCES

Performance Measurement Review Team

The Performance Measurement Review Team (PMRT) is available for those seeking additional assistance and guidance. The following is a list of PMRT members to contact for assistance.

Team Member	Department	Telephone
Wayman Britt	Administrator's Office	632-7577
Sonya Dean	Clerk/Register of Deeds	632- 7661
Craig Paull	Information Technology Department	632-6501
Mary Swanson	Administrator's Office	632- 7578
Kevin Travis	Administrator's Office	632-7568
Marvin VanNortwick	Fiscal Services Department	632-7677
Matthew Van Zetten	Administrator's Office	632-7566
Steve Watson	Information Technology Department	632-6525

Other Resources

Also included as an appendix to this guide is an expanded glossary of performance management-related terms (Appendix A). As additional resources become available, they will be communicated to department staff to assist in the continuing process of performance management.

Appendix A

Performance Management Terminology

Term	Definition	Examples
Accountability	A responsibility to be answerable or to render a full accounting of activities for resources entrusted to Kent County government and the application of those resources by County government. In a democratic society, governments are expected to be responsible for financial resources and performance of specific missions, goals, and objectives to the public, as well as elected and appointed officials.	<ul style="list-style-type: none"> • Legal accountability – Conforming to local statutes, as well as state and federal laws and regulations. • Policy accountability – Operating a program that conforms to the policy goals set by the governing body (“doing the right thing”). • Efficiency accountability – Ensuring that programs are operated efficiently (“doing it right”). • Process accountability – Meeting internal requirements for planning, budgeting, accounting, and reporting activities to facilitate auditing of performance, whether program or financial. • Effectiveness accountability – Measuring actual outcomes against objectives to determine if the job is getting done.
Benchmarks	In the context of outcomes and performance discussion, the term “benchmarks” refers to desired programmatic outcomes. It may include a target or standard for the program to achieve. Benchmarks in this sense should not be confused with the process of “benchmarking,” a term used in the context of total quality management and business process reengineering (BPR). Benchmarking has been defined as: “performance comparisons of organizational business processes against an internal or external standard of recognized leaders.” Most often the comparison is made against a similar process in another organization considered a “best practice.”	<ul style="list-style-type: none"> • Increase materials circulated per capita by 5% annually • Increase percentage of customer satisfaction from 92 to 95%

<p>Customer</p>	<p>Customers are the end users for whom a product or service has been designed. Customers can only be defined clearly when the deliverable ["widget"] is identified. The answer to the question, "Who is my customer?" will change depending on which deliverable you are talking about.</p>	<ul style="list-style-type: none"> • Job applicant • Inmate • Vendor • Restaurant patrons • Well permittees • Department Directors • Commissioners • Zoo patrons • Regulatory agencies
<p>Deliverable ["Widget"]</p>	<p>A deliverable is something created by work which can be given to someone else to achieve a desired outcome. (Robin L. Lawton, <i>Creating a Customer-Centered Culture: Leadership in Quality, Innovation, and Speed</i>, ASQC Quality Press, 1993, Chap. 1)</p> <p>For the purposes of the Kent County Performance Management system, deliverables must meet these four rules:</p> <ul style="list-style-type: none"> • It's a thing • It's delivered to a customer • It can be counted • It's specific 	<ul style="list-style-type: none"> • Appraisals • Immunizations • Inspection reports • Budgets • Invoices • Action Requests/Resolutions • Print jobs • Ballots • Maintenance work orders • Paychecks • Autopsy reports
<p>Efficiency Measure</p>	<p>Inputs used per unit of output, whereby a lower ratio is desirable. However, if it is presented as outputs per input, a higher ratio is preferred.</p>	<ul style="list-style-type: none"> • Staff hours/training session (input/output) • Cost/appraisal (input/output) • Miles of sewer pipe flushed/staff year (output/input) • Plans reviewed/reviewer (output/input)
<p>Outcome Measure</p>	<p>Captures the extent to which the service or program is meeting its service delivery goals and objectives.</p> <p>They require the manager to answer the questions, "What are my service objectives?" and "To what degree or extent am I achieving them?"</p> <p>An outcome should reveal program results or impact on clients and society.</p> <p>An outcome should have dramatic influence on the degree or level of excellence of providing the program or service rendered.</p>	<ul style="list-style-type: none"> • 10 percent <u>increase</u> in the number of job trainees who hold a job for more than six months • Percent of juveniles <u>not reconvicted</u> within 12 months • Adoption/redemption rate of impounded animals • Number of vacancies per number of positions filled

Output Measure	Quantitative measures of products or units of service provided to a service population.	<ul style="list-style-type: none"> • Building plans reviewed • Purchase orders processed • Traffic violations prosecuted • Facility square footage serviced • Immunizations administered
Performance Indicators	Measures or indicators of progress toward specified outcomes or benchmarks. Includes the relationship between inputs and outputs as well as outcomes, particularly as they are used to evaluate the efficiency and effectiveness of a cost center.	<ul style="list-style-type: none"> • Output: Meals provided • Efficiency: Cost per meal provided • Service Quality: Percent clients satisfied with meal quality • Outcome: Percent increase of clients who score at or below a moderate risk category based on NSF tool for one year.
Performance Management	The process of measuring government performance by tracking progress toward specific quantitative and qualitative outcomes.	<p>Examples of other governments noted for PM include:</p> <ul style="list-style-type: none"> • State of Oregon • State of Texas • Sunnyvale, CA • Fairfax County, Virginia
Performance Targets	<p>Standards against which to measure performance. Potential standards of comparison include:</p> <ul style="list-style-type: none"> • Previous performance • Performance of similar organizations • Performance of the best organizations • Mandates • Board Policy • Customer needs 	<ul style="list-style-type: none"> • The percentage increase over last year of # of households served by hazardous waste disposal program • The percentage of children fully immunized compared to other counties of similar size and population make up. • The number of print jobs completed by the deadline requested.
Widget [see “Deliverable”]		