



Optimizing your approach to municipal performance management

25 ways to get better data – and results – from your systems



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Local governments today are increasingly interested in planning and reporting performance – at all levels of the organization. They may start with departmental or even community-wide goals, but they generally want to link these to program performance measures. This helps ensure that services are provided efficiently and effectively. Accomplishment of intended end outcomes are kept on track. And it provides real accountability to the citizens – showing what they are getting for their money.

But reporting results just at year-end is not enough. Managers need performance data throughout the year. This is what enables them to steer their operations on a day-to-day basis, with an eye on the desired goals. Integrating these measures with the budget – performance budgeting – takes this a step further. Providing a clear linkage between program spending and service levels is especially important when revenues are down and budgets must be cut.

Doing all of this well means ensuring that the performance management software used includes capabilities needed throughout the organization. Different cities and counties will have varying needs, depending on their size, interests, and management practices.

The following is a list of 25 useful features and why each is worth considering when searching for a performance management solution. While not an exhaustive list of useful capabilities, each of these is currently available in one or more products on the market today.

Performance Planning

1. Multi-year strategic planning – A local government will often want to start with a longer-term strategic plan, describing what it plans to achieve by some future point (e.g., five years). The performance management solution should enable the ability to define a range of general outcomes, whether for departmental services or community conditions. These general descriptions of results should each be linked to measurable goals that define success, along with multi-year performance targets. Ideally, the software will also enable projects to be included in the plan, showing which goals they support and tracking progress toward their completion. There should be a feature that enables easy visualization of, and navigation through, this entire hierarchy of strategic goals and supporting efforts.

2. Annual performance plans – Even if there is no strategic plan, the ability to create annual performance plans along the lines described above is key. But if there is a strategic plan, it is most useful if the annual plans clearly support it. Ideally, this will mean that the strategic plan itself can be used to automatically generate the structure for the annual plan – i.e., creating an annualized version of the long-term plan, showing how what is achieved during the year will directly mark progress toward the long-term goals.

3. Link organizational goals to program activities – Higher-level organizations (such as departments and divisions) should be able to link

their goals to the program output and activity/workload measures that support them.

4. Strategy summaries and supporting documents – It is useful if users are able to provide for any goal (or set of goals) a brief description of the actions planned in order to achieve it. This should include the ability to attach various types of documents and graphics that provide details, including budget justification.

5. Identify the responsible manager – Identifying the person leading the effort to achieve a goal enables more effective coordination. And it provides each manager a clear line of sight between their own responsibilities and the highest-level outcomes of the entire organization. This shows everyone what their efforts are aimed at supporting.

6. Library of local government performance measures – Not common, but extremely useful, a library of local government performance measures is a built-in compendium of local government performance metrics for a wide range of programs and functions. The most robust features several hundred such examples for program output and effectiveness.

Performance Reporting & Analysis

7. Scorecard for each measure – Tracking performance during the year is essential to good management. This usually begins with a scorecard for each measure showing planned and actual results on a monthly and/or quarterly basis.

8. Performance colour codes – Providing colour codes (e.g., green, yellow, red) on the scorecard, as each measure's actual result is compared with what was planned for the most recent reporting period, provides a quick visual summation. It flags trouble spots so that senior management can make adjustment before year-end.

9. Personalized dashboards – Ideally, managers should be able to create their own personalized dashboards for the metrics they are most interested in. Adding and deleting measures as needed, this makes it easy to view in one spot the metrics they want to track closely.

10. Search for areas of under-performance – One use of performance

colour codes should be to view quickly in one compilation every metric where the most recent performance is red, or yellow, or green. And being able to drill-down through several levels – e.g., tracing the path of “red” from top to bottom – helps to quickly find the underlying problem area.

11. Performance status dials – Performance dials showing the percentage of goals achieved for the reporting period are very useful visualization aids. A dashboard of dials can show exactly where each measure is performing within a colour-code range. And posting these dials on a public website is an effective way to enhance accountability to the citizens.

12. Notes on performance – Where results are reported periodically throughout the year, there should be fields for narrative explanations summarizing the what and why. Numbers often don't tell the whole story behind a result, so there should be an opportunity to provide notes and attachments.

13. Comparison with previous performance trends – Being able to view a program's actual versus planned performance as trend lines throughout the current year can be more compelling than numbers on a table. But being able to view this year's performance as compared to the trend lines for previous years on a single graph is an especially useful frame of reference.

14. Analyzing different trends – Another comparison capability that can be very useful is the ability to overlay performance trend lines for several different metrics. It might be to compare the same type of measure for different areas (e.g., quarterly customer satisfaction ratings by park site) or trends for different measures to see where there may be an interrelationship (e.g., whenever one goes up in a month, two others go down).

Performance Budgeting

15. Integrate performance plan with budget – Many local governments may not be ready to incorporate the annual performance plan into their budgets, creating a performance budget – but some will want this capability. An effective performance management solution enables this option, showing the costs linked to goals and measures at any level of the organization designated.

16. Link goal's cost to line-item budget – To truly integrate the performance plan with the budget, departmental goals (and perhaps program measures) are linked to the line-item budget. Having this capability can provide a further level of performance and budget integration – if and when the organization is ready.

Additional Performance Management Features

There are other useful features in the Performance Management System marketplace that are worth considering. Some of these might be of particular interest to a larger organization.

17. Provide comments for a particular goal – While a plan is being developed, or when a program's actual results are being reported, there is often a need for others to comment on something relating to a particular goal. It might be by a supervisor for that area or by a colleague who coordinates with the program manager. Being able to attach comments to the right place in the plan or on the scorecard, and to have the “goal leader” be automatically notified, is a valuable feature.

18. Supports project management – In addition to planning and reporting on service levels and other ongoing measures of performance, support for project-type measures can be quite useful. Project goals have a fix completion target in mind, and the tool should track progress toward this. The goals might be in the performance plan under a service-level metric, indicating that their accomplishment supports this level of service (e.g., to develop a new program that will impact a certain service) or they might be in a separate plan for all projects. Either way, using the same software for both types of “goals” (service levels and project completions) is a good flexibility to have.

19. Search for goals by manager – It can be tedious to have to search through a large plan for the goals and measures that are the responsibility of a certain manager. Instead, you should be able to search by user name, and have all of that manager's metrics appear on a list with links to those sections of the plan.

20. Multi-year performance-trend graphs – Seeing actual performance levels over each of the past several years

for a metric can help inform decisions about projected future performance levels. Being able to chart these year-to-year trends on a graph, for each metric in the plan, can be very useful at budget time.

21. Tables for non-performance measures – Some measures that are not directly of performance can be useful to show on a year-to-year table. For example, a program’s results might be impacted by the annual snowfall level, the unemployment rate, or the number of children in a growing community. While the data might impact how (or whether) a program goal will be achieved, they are not goals themselves. This calls for the ability to create a distinct, multi-year table for such “community conditions” or “other indicators” within a department or program

– separate from the “performance goals” table.

22. Data quality assessments – A data quality assessment describes the source, collection method, reliability, etc. of the performance data being reported. Having the ability to attach this type of assessment to each of the measures in the plan can be invaluable for a performance audit.

23. Supports Activity-Based Costing (ABC) – For some measures of program activity, the local government may want to measure efficiency – the cost per unit of output. Having the optional ability to do this automatically for selected activities can help make “efficiency” more than just a slogan.

24. Cost-effectiveness calculator – If the local government is developing

performance budgets through several levels of the organization, a cost-effectiveness calculator becomes an option. This type of built-in calculator helps identify programs and activities that provide the least performance-related value for money when budget cuts are inevitable.

25. Support function assistance outlines – The organization’s support functions – Human Resources, IT, Financial Management – should be able to know how they can help each program manager meet their own performance goals. This can be done with built-in templates for every program goal, for the manager to specifically identify any such needs in meeting the goal – for review by the appropriate support function. [MW](#)

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