

Performance Benchmarking and Strategic Management

UCMA Benchmarking Group

ULCT Conference

September 10, 2008



ADVISORY BOARD

- ✘ Utah State University
- ✘ University of Utah
- ✘ Brigham Young University
- ✘ Utah League of Cities and Towns.
- ✘ Utah GFOA
- ✘ Research assistants
 - + Holly Hilton, Center for Public Policy and Administration (University of Utah and Mayor's Office, SLC)
 - + Aaron Aisen, Romney Institute of Public Management (BYU)

WHY BENCHMARK PERFORMANCE?

DATA FOCUSES ATTENTION AND RAISES STRATEGIC QUESTIONS

- ✘ Benchmark data can be used as part of strategic planning efforts to identify strengths, weaknesses, opportunities and threats
- ✘ Descriptive data can be used to understand and monitor changes in the environment of a given city or across the state



DATA ALLOWS MANAGERS TO MONITOR PROGRESS

- ✘ Measuring and benchmarking performance can help managers promote change and monitor progress toward city goals
- ✘ Measuring and benchmarking performance can enable the celebration of successes



BENCHMARKING HELPS IDENTIFY BEST PRACTICE

- ✘ Output and outcome data can be helpful in identifying best management practices
- ✘ Benchmarking is recognized as a best practice norm by GFOA, GASB, ICMA and other professional organizations.



USING BENCHMARK DATA STRATEGICALLY

BOB BEHN'S 11 BETTER PRACTICES

- ✘ Creating the Performance Framework
- ✘ Driving Performance Improvement
- ✘ Learning to enhance performance



CREATING THE PERFORMANCE FRAMEWORK:

- ✘ What would it mean to do a better job?
- ✘ Practice 1: Articulate the organization's mission.
 - + Proclaim—clearly and frequently—what the organization is trying to accomplish.
- ✘ Practice 2: Identify the organization's most consequential performance deficit.
 - + Determine what key failure is keeping the organization from achieving its mission.

WHAT OBSTACLE?



CREATING THE PERFORMANCE FRAMEWORK:

- ✘ Practice 3: Establish a specific performance target.
 - + Specify what new level of success the organization needs to achieve next.
- ✘ Practice 4: Clarify your theoretical link between target and mission.
 - + Define (for yourself, at least) your mental model that explains how meeting the target will help accomplish the mission.

DRIVING PERFORMANCE IMPROVEMENT:

- ✘ How can we mobilize our people?
- ✘ Practice 5: Monitor and report progress frequently, personally, and publicly.
 - + Publish the data so that every team knows that you know (and that everyone else knows) how well every team is doing.
- ✘ Practice 6: Build operational capacity.
 - + Provide your teams with what they need to achieve their targets.

DO OUR PEOPLE HAVE WHAT THEY NEED TO MEET THEIR GOALS?



DRIVING PERFORMANCE IMPROVEMENT:

- ✘ Practice 7: Take advantage of small wins to reward success.
 - + Find lots of reasons to dramatize that you recognize and appreciate what teams have accomplished.
- ✘ Practice 8: Create “esteem opportunities.”
 - + Ensure that people can earn a sense of accomplishment and thus gain both self-esteem and the esteem of their peers.

LEARNING TO ENHANCE PERFORMANCE:

- ✘ How must we change to do even better?
- ✘ Practice 9: Check for distortions and mission accomplishment.
 - + Verify that people are achieving their targets in a way that furthers the mission (not in a way that fails to help or actually undermines this effort).
- ✘ Practice 10: Analyze a large number and a wide variety of indicators.
 - + Examine many forms of data—both quantitative and qualitative—to learn how your organization can improve.

LEARNING TO ENHANCE PERFORMANCE

- ✘ Practice 11: Adjust mission, target, theory, monitoring and reporting, operational capacity, rewards, esteem opportunities, and/or analysis.
 - + Act on this learning, making the modifications necessary to ratchet up performance again.

EXAMPLE: CITISTAT

- ✘ A city is employing a CitiStat performance strategy if it holds an ongoing series of regular, periodic meetings during which the city's leadership team plus the top managers of different city agencies use data to
 - + Analyze the agency's past performance,
 - + Establish its next performance objectives, and
 - + Examine its overall performance strategies.

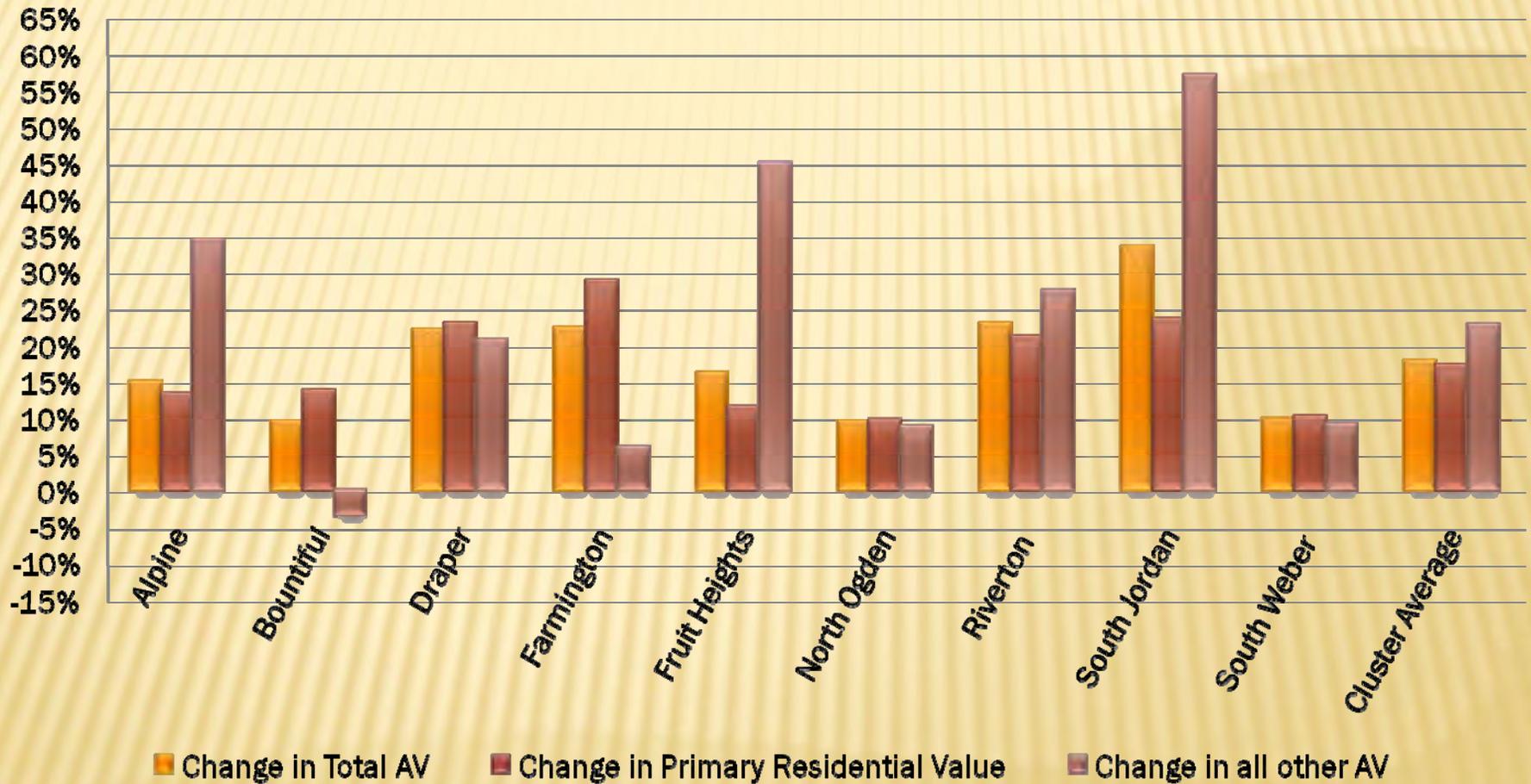
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REVENUE STRUCTURE, E

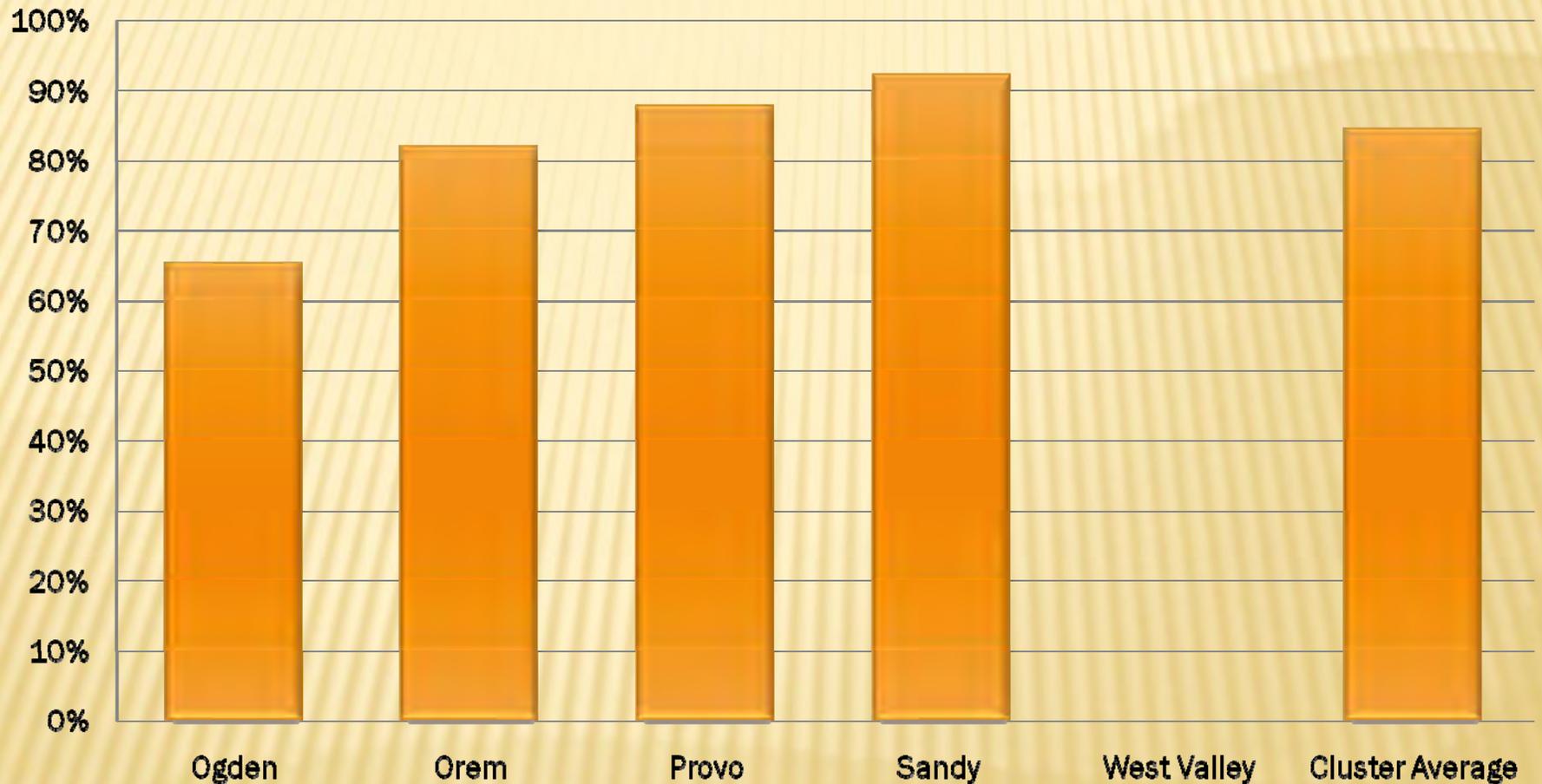
Selected Tax Revenues per Capita: 2007



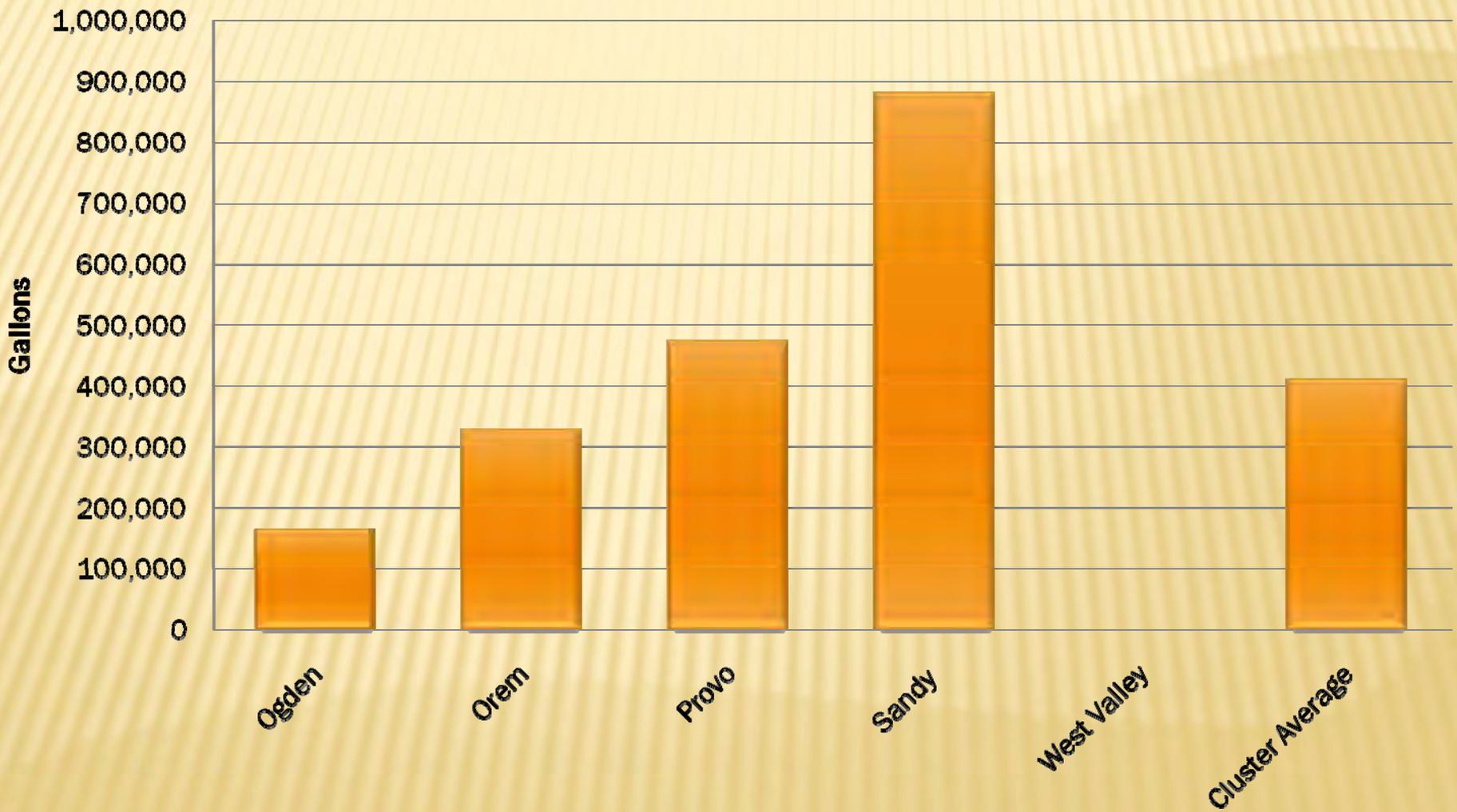
CHANGES IN ASSESSED VALUE, 2005-2006, E



BILLED WATER USE AS % OF TOTAL USE, A



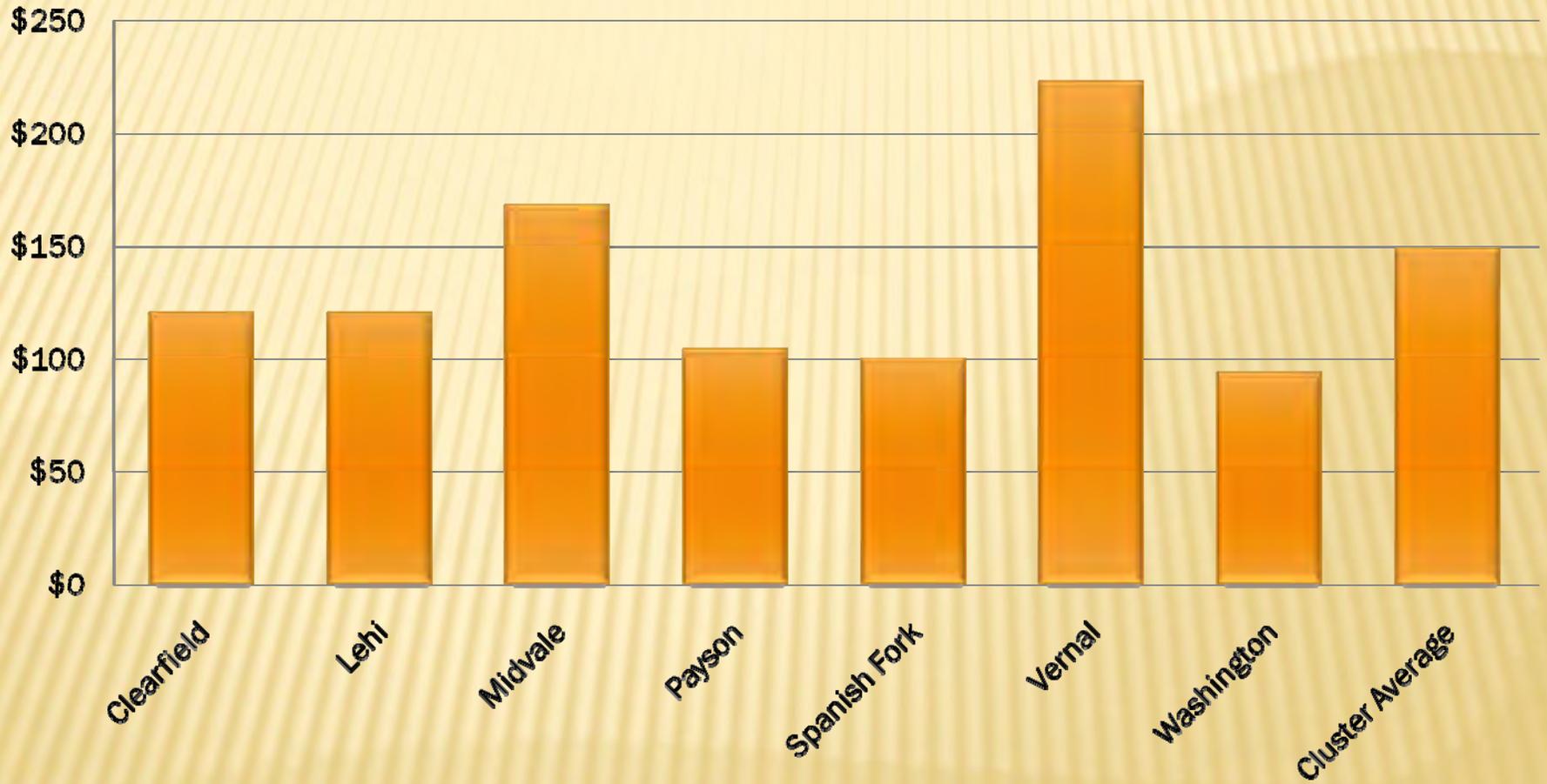
BILLED WATER USE PER CONNECTION, A



CRIME RATE PER 1,000 POPULATION, B



POLICE EXPENDITURES PER CAPITA, B



BENCHMARKING

- ✘ Integrate data into management strategy because it
 - + Focuses attention and raises questions
 - + Allows you to monitor progress toward specific goals
 - + Helps identify best practices and celebrate successes

