Performance Program Manual

City of Pompano Beach, Florida

S: Strategic Plan/ Instructions / Performance Program Manual
Last Revised: December 2013

Guide to the
City of Pompano Beach
Performance Program
Fiscal Year 2014

City of Pompano Beach
December 2013

Note to City Departments

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The presentation and content of this manual has been revised to make it easier to follow. Readers should also find the document much more informative and up-to-date.

Earlier correspondence, guide or instructions submitted to your department by the Budget Office via e-mail or other means in regard to the performance program are all included in this document. No need to dig for missing emails or memoranda.

This manual provides you with detailed guidance for completing the Progress Report spreadsheets and other data reporting platforms related to the execution of the strategic plan.

You should therefore consult this document (Guide to the City of Pompano Beach Performance Program) throughout the strategic plan implementation process. Like most documents of this nature, it is subject for revision on an annual basis.

If you have questions, please contact the Budget Office.

Performance and Management

"Simply collecting performance data, after all, is unlikely to change anything in itself. Performance data are useful when the data is high quality and actively used to ask and answer questions about what's being achieved, identify the most pressing program challenges, set goals, monitor results, and celebrate progress. This is the process of moving from performance measurement to performance management"[1]

The White House Office of Management and Budget

[1] http://www.whitehouse.gov/sites/default/files/omb/budget/fy2014/assets/management.pdf

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OVERVIEW OF THE CITY OF POMPANO BEACH PERFORMANCE PROGRAM

In September 2013, the City Commission adopted a strategic plan for the City. The plan sets an aggressive agenda: to make the City a preferred place to live, to do business, and to visit by the year 2030. As outlined in the plan, the path to these goals involves four strategic priorities, including

- **Great Places -** With a focus on making the City a highly attractive place, where "the feel and look includes not only architecture and public spaces, but also a variety and range of experiences not easily duplicated by other cities" in South Florida. This approach is intended to foster an environment that will be a breeding ground for social-capital[2] formation. That is, the more people are able to interact and play together, the more engaged/informed they are about what is happening in the community. Using this approach, people will be happier and in turn, more loyal to their community.

- **Superior Capacity -** This involves putting in place the requisite physical and regulatory needs to build a 21st century mid-sized community for people of all ages and backgrounds.

- **Quality and Affordable Services -** Prioritizing the need to offer cost-effective and reliable services to the residents.

- **Confidence Building Government -** Establishing a culture of good and effective governance which focuses on transparency, clarity, and consistency of purpose.

To achieve these goals, during the development process, City Departments identified and submitted a total of 98 *strategic initiatives* with 356 *performance objectives* to be implemented over four years, from 2014 to 2018. To track progress, each of the 356 *performance objectives* was assigned an associated *performance measure*.[3]

In addition to the strategic plan document, which everyone is always encouraged to read, an easy-to-follow version of the plan has been developed for your convenience. It is a companion Excel spreadsheet designed to give users an efficient mechanism to review the

[2] In its broadest sense, social capital refers to the social and cultural coherence of a community, a town or society. The norms and values that govern interactions among groups and individuals and the networks in which they are embedded. The key idea, argued some, is that communities can provide more effective and less costly solutions to various externality, principal-agent and public goods problems than government interventions could. See Parts, E. (2009). Social capital, its determinants and relations with economic growth: comparison of the Western European and Central and Eastern European countries. PhD dissertation, University of Tartu, 293p. See also Durlauf, S. N., Fafchamps, M. (2004). Social Capital. *NBER Working Paper Series*, No. 10485.

[3] Note that the measures will be revised annually during the Refresher Training sessions to incorporate feedback received as part of the quality review process. You are therefore encouraged to document flaws and inconsistencies in the measures for the purpose of improving them in the upcoming year.

strategic plan effortlessly. The Excel component is posted on the S-Drive and is titled, "Strategic Plan Essentials."

Purpose - With the Commission adoption of the Plan, the City is now mandated to establish a system to oversee the performance measurement program by providing guidance and support to those responsible for carrying it out. This guide is created for that purpose; it details the specifics of the strategic plan execution program and your department's role in it. It provides a timeline for program implementation and the procedures for reporting data monthly (i.e., *Priority Indicators*) as well as quarterly *(*i.e., *Progress Report)*.

Why the data-analysis approach? It signals the City's commitment to a strategy geared toward delivering value to resident and non-resident customers, based on better internal decisions. Data gathered through the process will help to track progress in a systematic fashion. What also comes out of the process are quarterly reports generated for the purpose of informing the City Commission and the public at large.

Working Sessions - From time to time, we will hold working sessions with the departments to go over the process and to solicit feedback. Those meetings are also conceived as problem-solving sessions, a platform to exchange ideas, and a forum for policy discussions using the case study approach.

Performance Budget - The Budget Office will begin to collect department-level performance information as an enduring budget requirement, since one of the goals of the City's performance program is to develop a framework for the Line Item Budget to exist side by side with a Performance Budget. This budget and performance integration initiative is seen as an overarching principle of the City's performance program.

Participants - The performance measurement program is a collaborative and open process involving a variety of people, ranging from the City Manager's Office staff to Departments' personnel, and from community associations to the local business community.[4]

The Budget Office is responsible for completing actions related to the performance data update as well as the preparation of the quarterly report. Actions are completed through the S: Drive – the mechanism in place at this juncture to enter information into spreadsheets. Following is the scope of the Budget Office's responsibilities regarding this program:

1. Create an infrastructure to collect data and serve as a resource for other departments
2. Provide direction to departments about the data review process
3. Monitor progress toward the strategic vision and keep the plan current
4. Coordinate and develop refresher training sessions
5. Respond to public inquiries on matters related to the Plan
6. Provide recommendations to assist the City Commission in making budget decisions

[4] See Page 5 of the City of Pompano Beach Strategic Plan to review the community engagement process

Program Calendar - To avoid surprises and facilitate open communication among all the parties, a detailed program agenda for the fiscal year has been developed (see Page 9). It follows very closely the content laid out in this document. The cycle starts early in September and ends (or starts over) at the end of September.

PERFORMANCE PROGRAM CALENDAR

In this section, the City's performance program calendar for fiscal year 2014 is presented. Every department performance program must follow this timeline.

FY2014 Schedule

I. City Manager authorizes Budget Office to oversee plan implementation ……….............September

II. Budget Office presents strategic implementation concept to Executive Staff..………………October 8

III. Florida Benchmarking Consortium Annual Conference…………………………………… October 17 & 18

IV. Working Lunch session for staff[5] to meet and discuss the program calendar for the fiscal year, including a review of performance reporting platform.

Development Services, Utilities and Public Communications...October 25
HR, Finance, Internal Audit and CRA East/NW………………….......................................October 28
Fire, BSO, City Clerk, IT and Purchasing…………………………………………………………….October 29
Public Works, PRCA and OHUI…………………………………………………………………………..October 30

V. Refresher Training ………………………………………………………………………………...........December 16

At this workshop, participants exchange information in their efforts to submit data and achieve program objectives/goals. Tools and techniques for guiding those activities are discussed through presentations and case studies. Participants include staff members directly involved in the implementation of City strategic plan execution process.

VI. Performance Team Retreat (tentatively) ……………………………………………….....................Mid-Year

VII. Key Reporting Dates. One of the main components of this program involves data collection and update. Departments submit Performance data for most recent quarter to the Budget Office by:

Fire, OHUI, Purchasing, Utilities, City Mgr., and Budget……………….......1/27, 4/25, 7/25, & 10/27
Dev. Services, Finance, CRA, PRCA, and Internal Audit...........................1/28, 4/28, 7/28, & 10/28
BSO, Public Works, HR, Pub. Comm., City Clerk and IT…..…………………… 1/29, 4/29, 7/29, & 10/29

VIII. Departments submit Self-Evaluation Tool (Survey) to Budget Office by:

Fire, OHUI, Purchasing, Utilities, City Mgr., and Budget…………………11/15, 1/27, 4/25, 7/25, & 10/27
Dev. Services, Finance, CRA, PRCA, and Internal Audit…………………..11/15, 1/28, 4/28, 7/28, & 10/28
BSO, Public Works, HR, Pub. Comm., City Clerk and IT…………………..11/15, 1/29, 4/29, 7/29, & 10/29

[5] The word *staff* is used broadly. It comprises everyone responsible for submitting and tracking data

IX. Data ready for consistency check and quality assurance. In some cases performance objectives and measures are revised, reworded or removed. Budget Office staff review the data to ensure accuracy followed by publication of Quarterly Report. Updates submitted and meet all requirements.

1st Quarter Report published……………………………………………………………………………Mid- February
2nd Quarter Report published……………………………………………………………………………Mid-May
3rd Quarter Report published……………………………………………………………………………Mid-August
4th Quarter Report published……………………………………………………………………………Mid-November

X. Presentation of Quarterly Report to Executive Staff

1st Quarter Report presentation……………………………………………………………………February 18
2nd Quarter Report presentation ……………………………………………………………………May 13
3rd Quarter Report presentation ……………………………………………………………………August 12
4th Quarter Report presentation ……………………………………………………………………November 18

XI. Year-End Session to identify best practices and lessons learned……………………………September 26

DEADLINES FOR SUBMITTING QUARTERLY DATA[6] FOR PROGRESS REPORT AND SELF-EVALUATION SURVEY				
	Qtr. 1	**Qtr. 2**	**Qtr. 3**	**Qtr. 4**
Budget Office	Jan 27	Apr 25	Jul 25	Oct 27
Broward Sheriff's Office	Jan 29	Apr 29	Jul 29	Oct 29
City Clerk	Jan 29	Apr 29	Jul 29	Oct 29
City Manager	Jan 27	Apr 25	Jul 25	Oct 27
CRA	Jan 28	Apr 28	Jul 28	Oct 28
Development Services	Jan 28	Apr 28	Jul 28	Oct 28
Finance	Jan 28	Apr 28	Jul 28	Oct 28
Fire	Jan 27	Apr 25	Jul 25	Oct 27
Human Resources and IT	Jan 29	Apr 29	Jul 29	Oct 29
Internal Audit	Jan 28	Apr 28	Jul 28	Oct 28
Information Technology	Jan 29	Apr 29	Jul 29	Oct 29
Office of Housing	Jan 27	Apr 25	Jul 25	Oct 27
PRCA	Jan 28	Apr 28	Jul 28	Oct 28
Public Communications	Jan 29	Apr 29	Jul 29	Oct 29
Public Works	Jan 29	Apr 29	Jul 29	Oct 29
Purchasing	Jan 27	Apr 25	Jul 25	Oct 27
Utilities	Jan 27	Apr 25	Jul 25	Oct 27

[6] For example, the Broward Sheriff's Office will submit Progress Report Data and respond to the Self-Evaluation Survey by the following dates: January 29, April 29, July 29, and October 29.
Entries for Priority Indicators data however are done *monthly* by the 25th of the following month. If the 25th falls on a weekend, then the due date will be the last working Friday before the 25th.

STRATEGIC PLAN REFRESHER TRAINING

December 16, 2013 Program Agenda

Purpose of training. Participants exchange information in their efforts to submit data and achieve program objectives/goals. Tools and techniques for guiding those activities are discussed through case-study presentations.

How the session is organized. Following introductory remarks, case-study discussions are led on behalf of Utilities, Public Works, and PRCA. In the second part of the agenda, the Budget Office introduces the first, in several changes that will be implemented in the next couple of years to improve the budget process. This is followed by a brief review of the revised Performance Manual.

PART I: Three case studies

- **Case I**: Data Reporting: How do we do it? For years the Utilities Department has been using performance measures to monitor and improve organizational performance and make critical decisions. They have used industry standards as well as internal standards to benchmark and track performance.

  In this case study, Randy Brown (Utilities Director) and Maria Loucraft, Utility Compliance & Efficiency Manager**,** share the process used by Utilities in implementing the newly adopted city strategic plan. Specifically, they share the process used by the department in coming up with monthly data and in identifying and assessing performance for priority indicators.

  Learning Outcome: Learn helpful hints and specific techniques used in the reporting process, especially with regard to selecting and developing the Priority Indicators.

- **Case II**: Shortcomings of performance measures – While the benefits of using performance measures are numerous, there are also some shortcomings that can be experienced—especially with regard to construction projects. Several Public Works objectives in the strategic plan are construction projects. To monitor progress and ensure that these objectives are met, the right data need to be collected and measured.

  In this case study, Rob McCaughn, Public Works Director, demonstrates how monitoring the data in various contexts can lead to inconsistent and potentially inaccurate information.

  Learning Outcome: Collect Data within the right context to result in meaningful information.

- **Case III**: Linking output with outcome measures – The Parks/Recreation and Cultural and Arts Department (PRCA) is expected to set practices that help preserve or enhance quality of life for city residents. The reach of the range of services they offer can open a window to the City's strengths as well as its weaknesses. Like other departments in the city, they have been called upon—via the recently adopted strategic plan—to use performance indicators to track what works and what does not.

  In this case study, Mark Beaudreau (PRCA Director) and Andrea Smith (Recreation Manager) lead a discussion on a set of actions the PRCA is taking to improve the quality of the performance indicators the department will use in the future.

  Learning Outcome: To raise awareness on the need for departments to reflect more judiciously on the selection of performance measures (or indicators). The case is designed, specifically, to help participants understand the difference between outputs and outcomes, a distinction reinforced by a candid assessment of some of the measures submitted by PRCA in the strategic plan.

PART II: The Strategic Plan and the Budget Process

Linking the Strategic Plan with the Budget Process – Here, Ernesto Reyes, from the Budget Office, introduces participants to a new component of the budget development process. This consists of having each department produce a narrative page highlighting their budget enhancements for the next budget year and how they relate to the goals identified in the strategic plan. This initiative is the first in a series of reforms that will be made to the budget process over the next few years.

Purpose: To provide an effective mechanism for City officials and staff to effortlessly review budget enhancement requests and determine whether those requests are linked with the strategic plan.

PART III: The Manual and the Quarterly Report

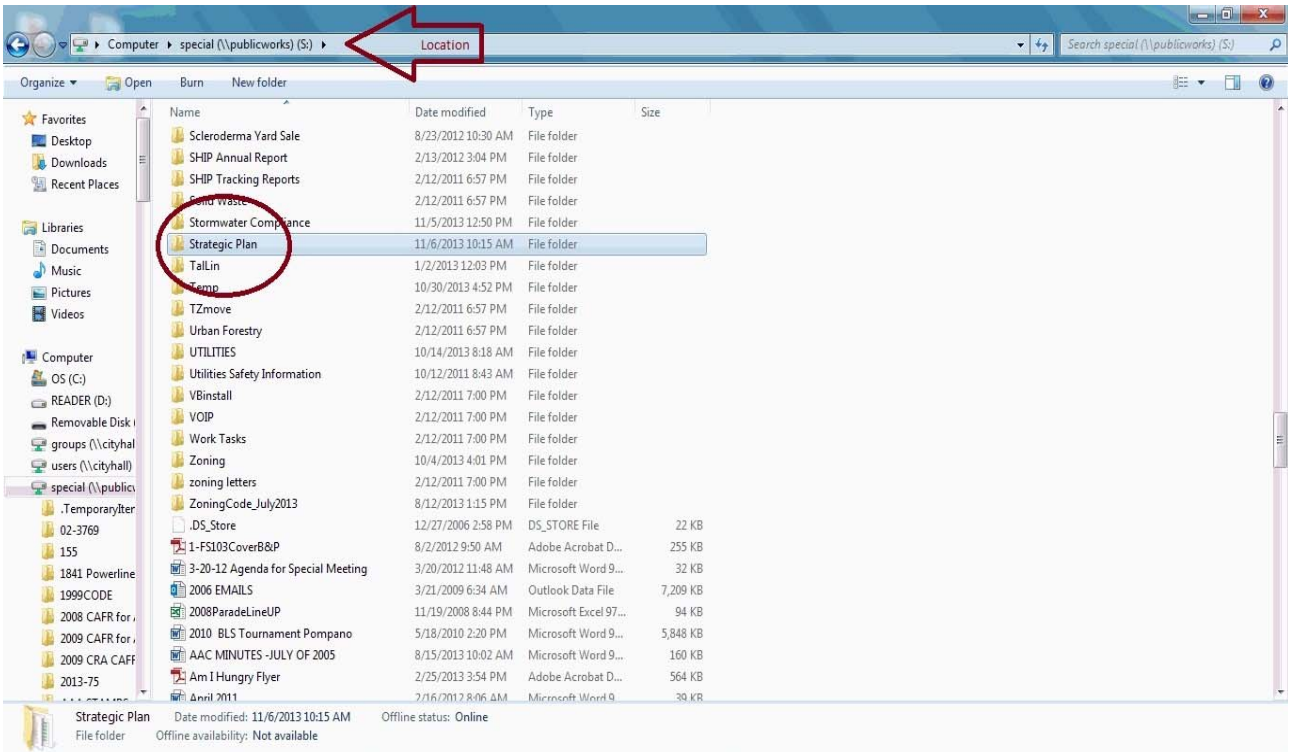
Jean Lafalaise reviews selected parts of the Program Manual and answers questions.

HOW TO SUBMIT OR UPDATE PERFORMANCE DATA

Department personnel are responsible for completing actions related to this program. Following are the steps you will take to ensure compliance.

I. Strategic Plan Folder

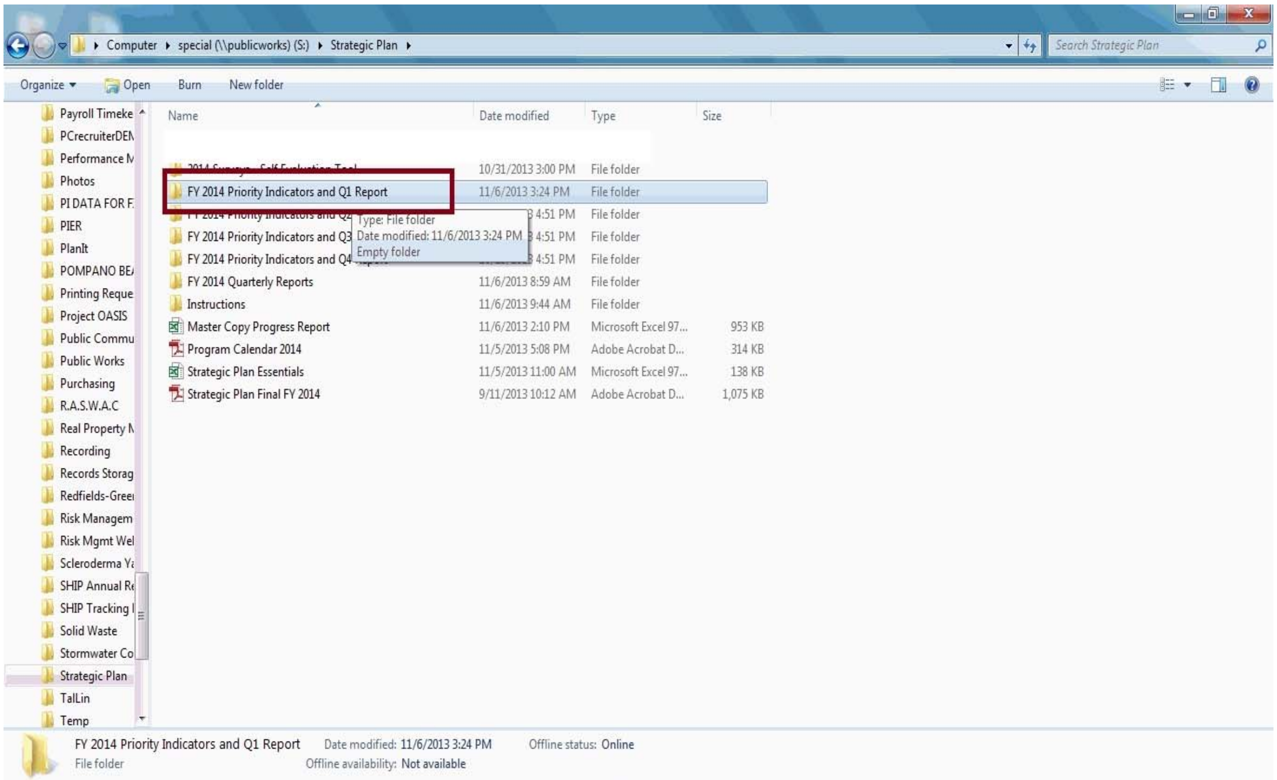
To submit all performance data regarding the execution of the strategic plan, you first need to locate the Strategic Plan folder on the S: drive.



Once you open the Strategic Plan folder, if you are new to the process, you are highly encouraged to click on the *Strategic Plan Final FY 2014* PDF file to read the plan before proceeding to the next phase.

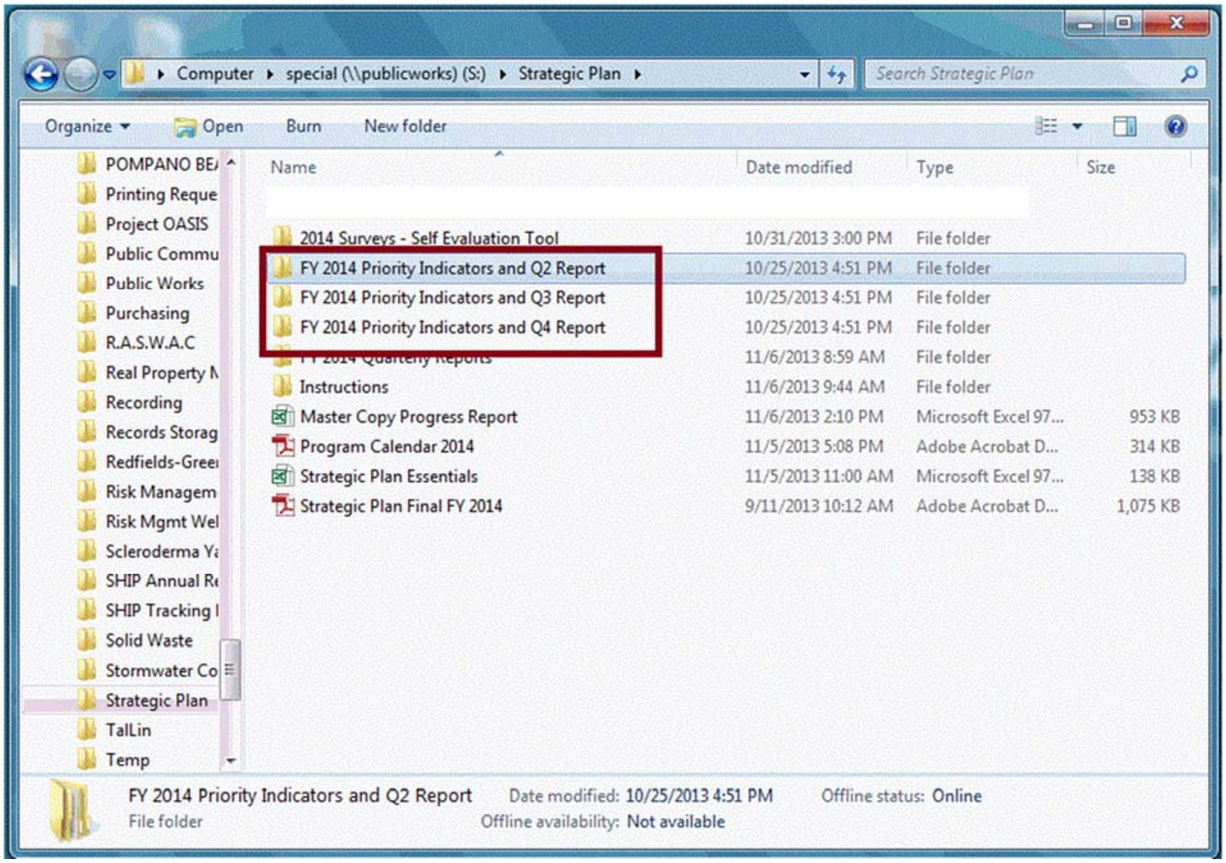
II. FY 2014 Priority Indicators and Q1 Report Folder

Once you are in the Strategic Plan folder, to enter your monthly Priority Indicators/quarterly data, click on corresponding FY 2014 Priority Indicators and Q1/ Q2/ Q3/ Q4 Report folder you will be reporting in. As an example, the FY 2014 Priority Indicators and Q1 Report folder is selected below.



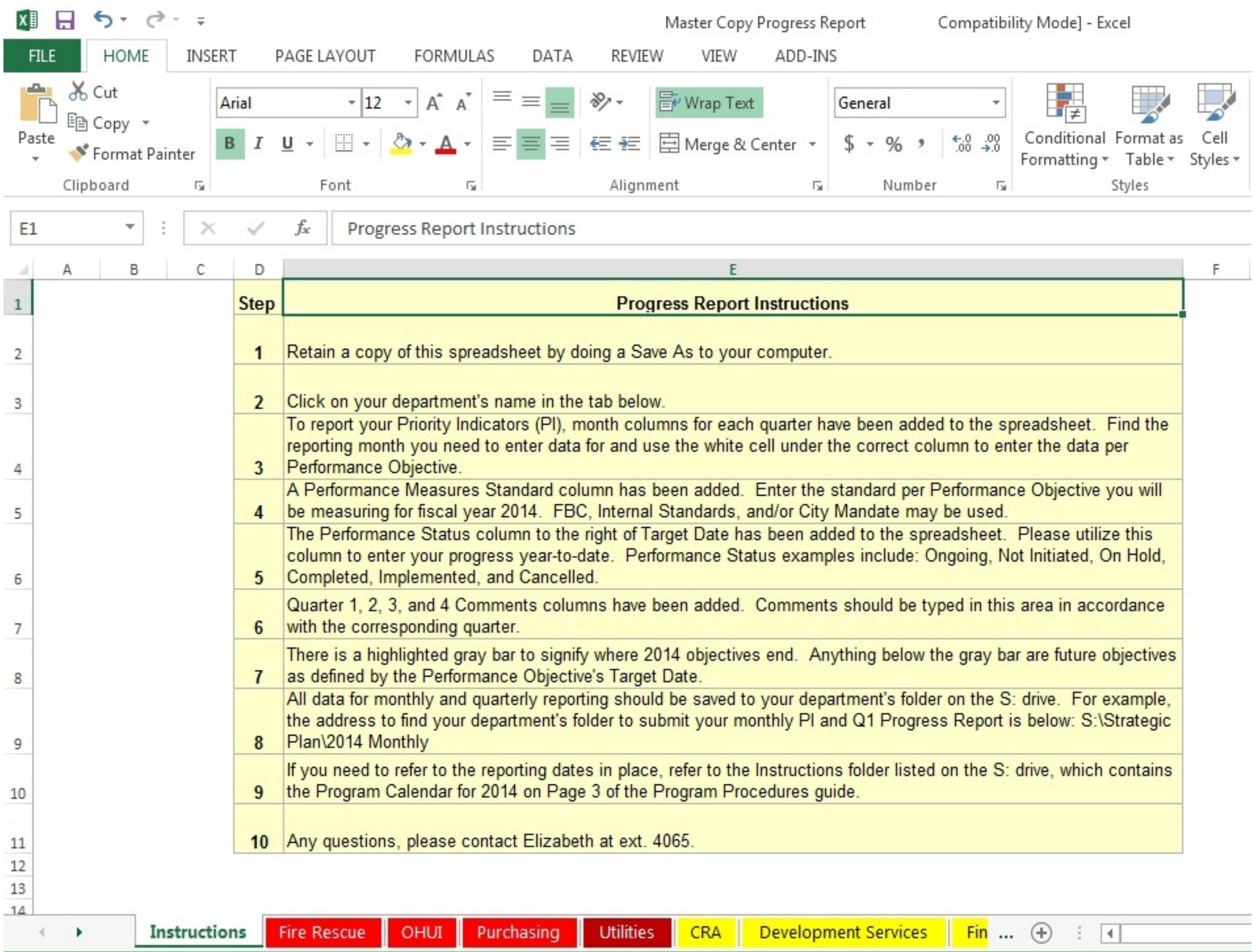
III. Folders for Future Reporting Dates

To begin, you will need to save your department's Progress Report Excel spreadsheet in the FY 2014 Priority Indicators and Q1 Report folder as this will be your working copy moving forward. For all future submissions, you will save your working copy in the following FY 2014 Priority Indicators and Q2/ Q3/ Q4 Report folders below in accordance with the Reporting Dates in place.



IV. Instructions Tab

We encourage you to review the first tab, which contains the Progress Report Instructions. The below instructions will assist you in filling out the Excel spreadsheet, and provides an overview of the main headings.

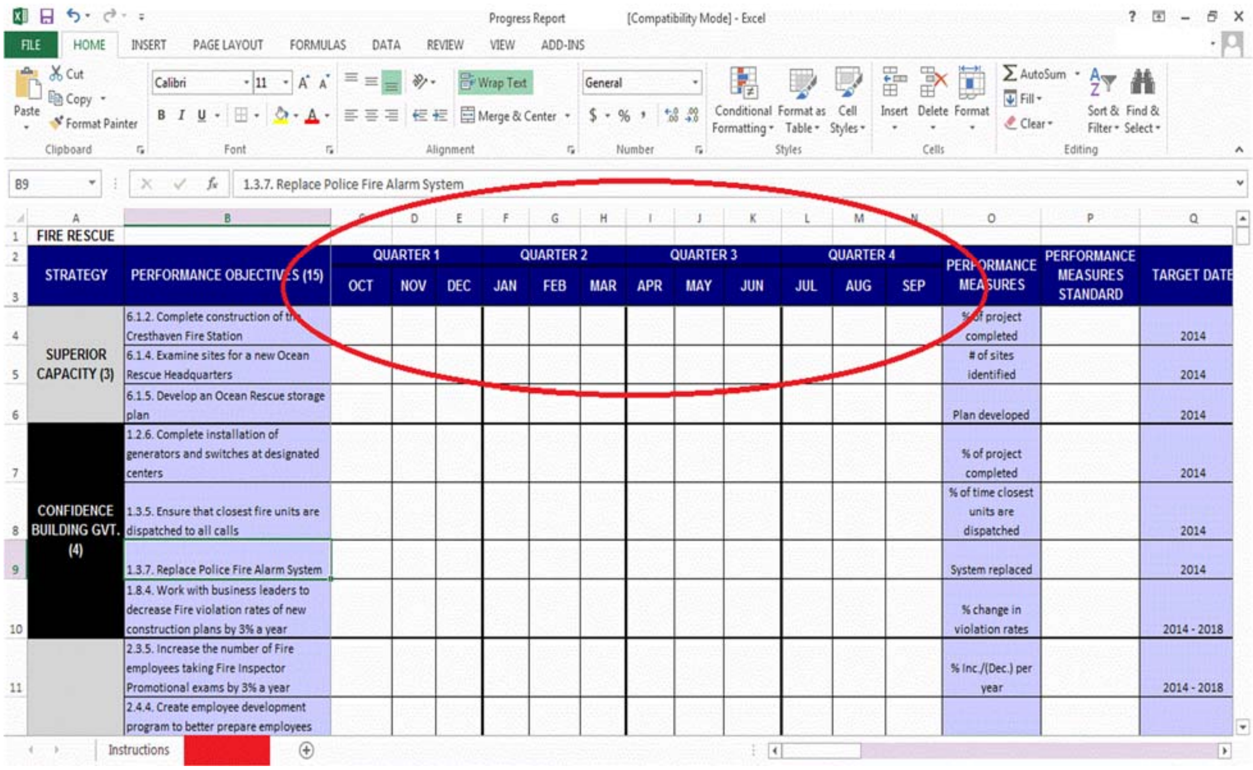


Step	Progress Report Instructions
1	Retain a copy of this spreadsheet by doing a Save As to your computer.
2	Click on your department's name in the tab below.
3	To report your Priority Indicators (PI), month columns for each quarter have been added to the spreadsheet. Find the reporting month you need to enter data for and use the white cell under the correct column to enter the data per Performance Objective.
4	A Performance Measures Standard column has been added. Enter the standard per Performance Objective you will be measuring for fiscal year 2014. FBC, Internal Standards, and/or City Mandate may be used.
5	The Performance Status column to the right of Target Date has been added to the spreadsheet. Please utilize this column to enter your progress year-to-date. Performance Status examples include: Ongoing, Not Initiated, On Hold, Completed, Implemented, and Cancelled.
6	Quarter 1, 2, 3, and 4 Comments columns have been added. Comments should be typed in this area in accordance with the corresponding quarter.
7	There is a highlighted gray bar to signify where 2014 objectives end. Anything below the gray bar are future objectives as defined by the Performance Objective's Target Date.
8	All data for monthly and quarterly reporting should be saved to your department's folder on the S: drive. For example, the address to find your department's folder to submit your monthly PI and Q1 Progress Report is below: S:\Strategic Plan\2014 Monthly
9	If you need to refer to the reporting dates in place, refer to the Instructions folder listed on the S: drive, which contains the Program Calendar for 2014 on Page 3 of the Program Procedures guide.
10	Any questions, please contact Elizabeth at ext. 4065.

V. Priority Indicators and Quarters 1 - 4

The months of October to September for the fiscal year are featured below, which is where your data for the Priority Indicator(s) will need to be submitted.

Above the months are the corresponding quarters. Use the last month in each quarter to report data for objectives that are being tracked quarterly.



FIRE RESCUE

STRATEGY	PERFORMANCE OBJECTIVES (15)	QUARTER 1			QUARTER 2			QUARTER 3			QUARTER 4			PERFORMANCE MEASURES	PERFORMANCE MEASURES STANDARD	TARGET DATE
		OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP			
SUPERIOR CAPACITY (3)	6.1.2. Complete construction of the Cresthaven Fire Station													% of project completed		2014
	6.1.4. Examine sites for a new Ocean Rescue Headquarters													# of sites identified		2014
	6.1.5. Develop an Ocean Rescue storage plan													Plan developed		2014
CONFIDENCE BUILDING GVT. (4)	1.2.6. Complete installation of generators and switches at designated centers													% of project completed		2014
	1.3.5. Ensure that closest fire units are dispatched to all calls													% of time closest units are dispatched		2014
	1.3.7. Replace Police Fire Alarm System													System replaced		2014
	1.8.4. Work with business leaders to decrease Fire violation rates of new construction plans by 3% a year													% change in violation rates		2014 - 2018
	2.3.5. Increase the number of Fire employees taking Fire Inspector Promotional exams by 3% a year													% Inc./(Dec.) per year		2014 - 2018
	2.4.4. Create employee development program to better prepare employees															

VI. Performance Measures Standard, Performance Status, and Quarter Comments

PERFORMANCE MEASURES STANDARD

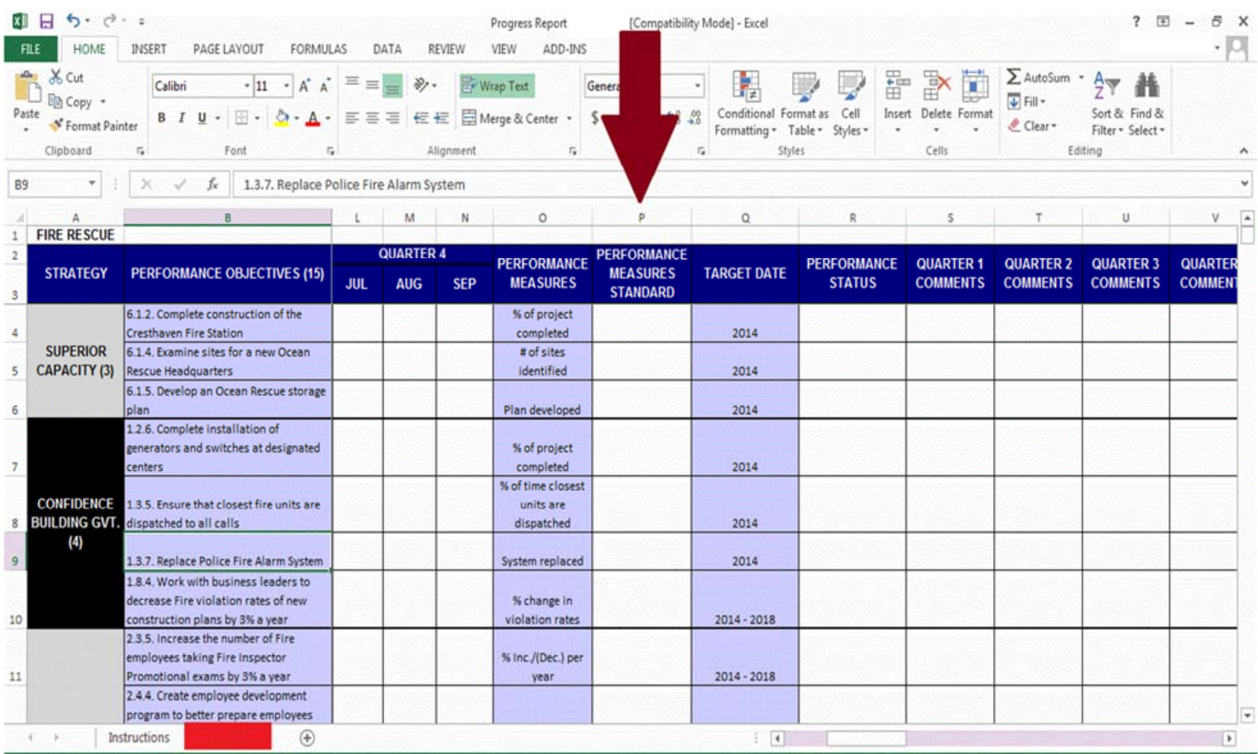
Enter your target/ goal/ measure for each objective in the Performance Measures Standard column. This standard is set by your department. The standard may come from the FBC, Internal Standards, or by City Mandate.

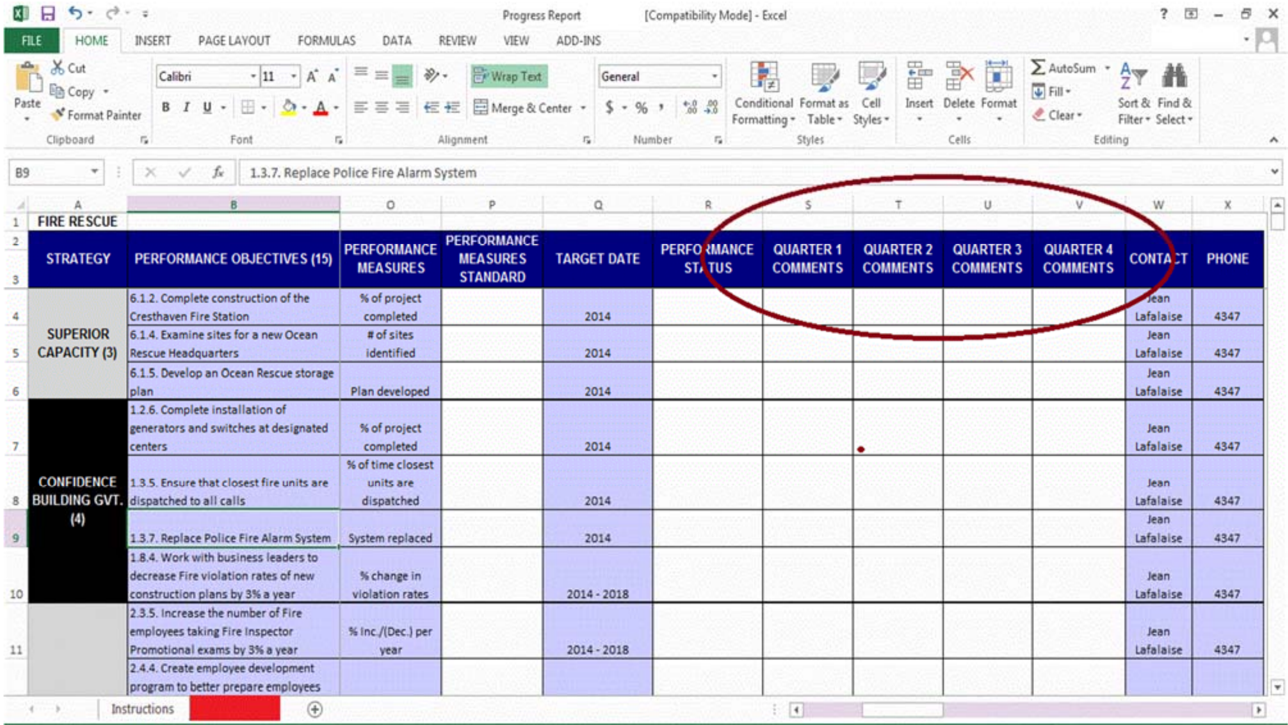
PERFORMANCE STATUS

Select from the drop down menu/ enter the status for each objective for fiscal year 2014 in the Performance Status column. The following are acceptable terms for the status of an objective: Ongoing, Not Initiated, On Hold, Completed, Implemented, Cancelled, and Revised.

QUARTER COMMENTS

Additional comments can be entered into the corresponding Quarter 1 Comments, Quarter 2, Comments, Quarter 3 Comments, or Quarter 4 Comments columns. Please expand on the progress of an objective(s) if clarity is needed.

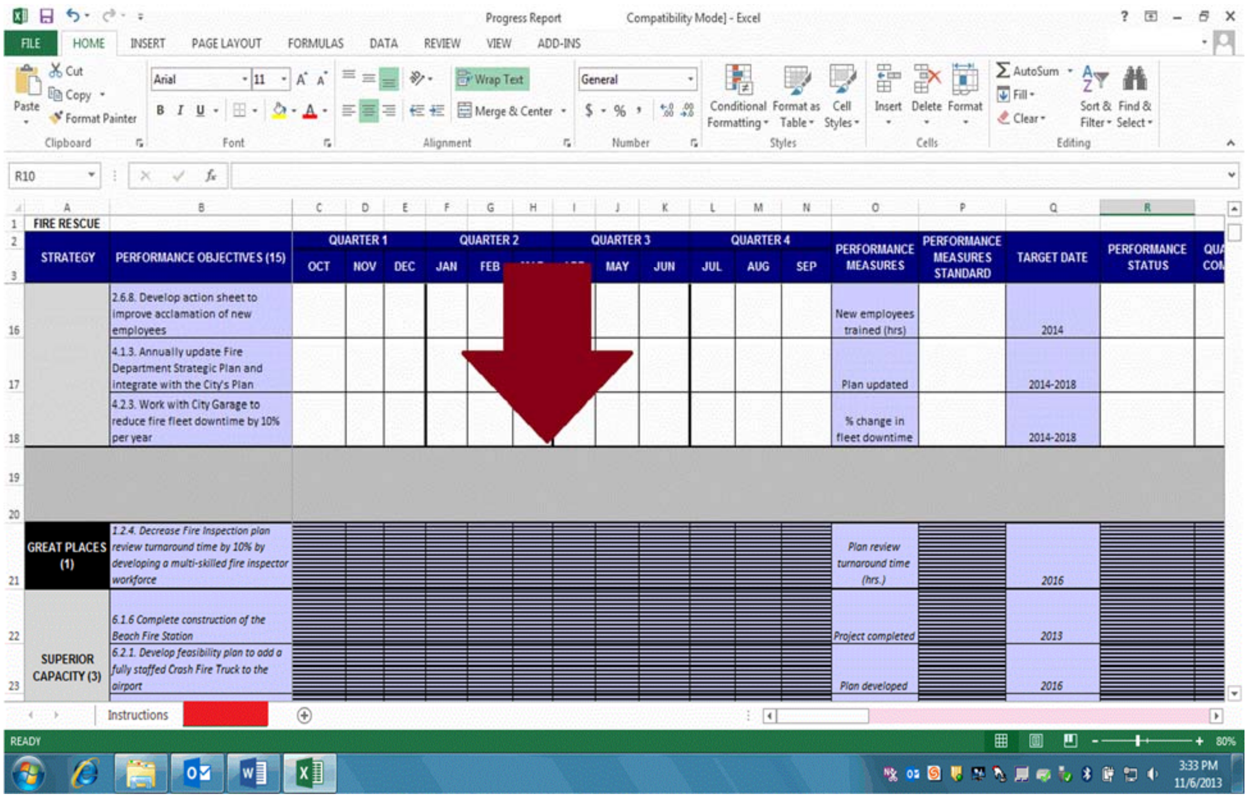




FIRE RESCUE											
STRATEGY	PERFORMANCE OBJECTIVES (15)	PERFORMANCE MEASURES	PERFORMANCE MEASURES STANDARD	TARGET DATE	PERFORMANCE STATUS	QUARTER 1 COMMENTS	QUARTER 2 COMMENTS	QUARTER 3 COMMENTS	QUARTER 4 COMMENTS	CONTACT	PHONE
SUPERIOR CAPACITY (3)	6.1.2. Complete construction of the Cresthaven Fire Station	% of project completed		2014						Jean Lafalaise	4347
	6.1.4. Examine sites for a new Ocean Rescue Headquarters	# of sites identified		2014						Jean Lafalaise	4347
	6.1.5. Develop an Ocean Rescue storage plan	Plan developed		2014						Jean Lafalaise	4347
CONFIDENCE BUILDING GVT. (4)	1.2.6. Complete installation of generators and switches at designated centers	% of project completed		2014						Jean Lafalaise	4347
	1.3.5. Ensure that closest fire units are dispatched to all calls	% of time closest units are dispatched		2014						Jean Lafalaise	4347
	1.3.7. Replace Police Fire Alarm System	System replaced		2014						Jean Lafalaise	4347
	1.8.4. Work with business leaders to decrease Fire violation rates of new construction plans by 3% a year	% change in violation rates		2014 - 2018						Jean Lafalaise	4347
	2.3.5. Increase the number of Fire employees taking Fire Inspector Promotional exams by 3% a year	% Inc./(Dec.) per year		2014 - 2018						Jean Lafalaise	4347
	2.4.4. Create employee development program to better prepare employees										

VII. Future Target Dates

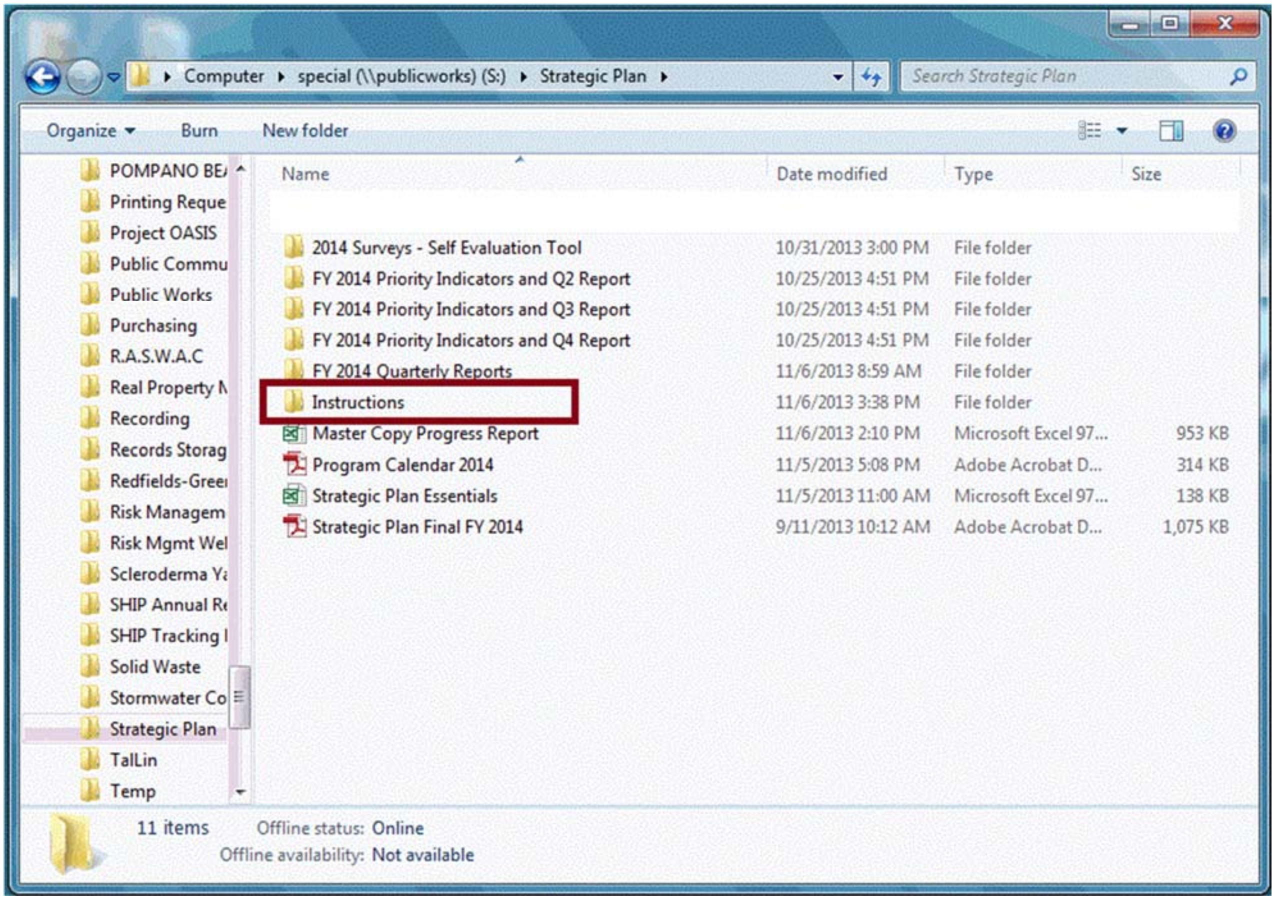
Future Performance Objectives for 2015, 2016, 2017, and 2018 have been placed below a gray bar as illustrated below. No reporting/data entry will be needed, as these future Performance Objectives are not active until the Target Date defined.



VIII. Instructions Folder

There is an Instructions folder located on the S:\Strategic Plan, which contains the City of Pompano Beach Performance Program Manual Final, and other correspondences as related to the Strategic Plan.

Please note that the Survey Instructions are also detailed in Appendix A of this manual.



APPENDIX

APPENDIX A: ABOUT THE SELF-EVALUATION TOOL (SURVEY)

Among other things, progress on the implementation of the City's Strategic Plan is assessed quarterly using a Scorecard. The scorecard is based on a Self-Evaluation Tool (SET) or a survey instrument designed to receive feedback from people implementing the performance objectives. It is a way to evaluate the level of commitment to the Plan's execution and to determine the overall effectiveness of program performance. Specifically, the scorecard tracks how well—or how poorly—your department *believes* it is executing the four strategy-category objectives (i.e., Great Places, Superior Capacity, Quality & Affordable Services, and Confidence Building Government) identified in the Strategic Plan.

You respond to this survey on five different occasions during fiscal year 2014 by answering **one question for each of the four strategies** to indicate how you feel about the *implementation* of your department's performance objectives thus far. As indicated on Page 10 of this document, the reporting dates are

- Fire, OHUI, Purchasing, Utilities, City Mgr., and Budget.........11/15, 1/27, 4/25, 7/25, & 10/27
- Dev. Services, Finance, CRA, PRCA, and Internal Audit..........11/15, 1/28, 4/28, 7/28, & 10/28
- BSO, Public Works, HR, Pub. Comm., City Clerk and IT..........11/15, 1/29, 4/29, 7/29, & 10/29

Overall, we are satisfied with the pace of progress toward the achievement of the strategic objectives					
STRATEGY	Strongly Agree	Agree	Neutral/Not Sure	Disagree	Strongly Disagree
Great Places	5	4	3	2	1
Superior Capacity	5	4	3	2	1
Quality & Affordable Svs.	5	4	3	2	1
Confidence Build. Gvt.	5	4	3	2	1

When responding to the question, we suggest that you take the following five factors into consideration:

- **Clarity of purpose**. Ask whether the program purpose and performance objectives are mostly clear and unambiguous. Do your staff members find it somewhat difficult to understand the meaning of each of the objectives?
- **Data collection.** Performance data tracking is the nuts and bolts of program management. To what extent is data collection occurring in your department? How is it being done? Is there someone in the department that champions the cause?
- **Communication.** Does staff discuss the performance objective regularly – say, once a month. Are the views of all concerned parties taken into account?
- **Control**. Does your department rely on other agencies to carry out some of its objectives? Does implementation depend on assistance from an outside agency?
- **Progress**. Finally, estimate the time left to accomplish the goal and the percentage of the program that has thus far been accomplished. **Does the program have any reasonable chance of completion by the target date identified in the plan**?

APPENDIX B: DEVELOPING PERFORMANCE MEASURES

The performance measurement approach offers more reliance on statistics than intuition; it is not satisfied with anecdotal evidence and hearsay. It offers managers the opportunity to conduct in-depth analyses and program review by encouraging on-going discussion around important themes to answer questions related to how well (or how poorly) a program is doing.

The strategic plan opens a window to that culture, emphasizing the need to encourage evidence-based decision-making while providing a platform for dialogue among City departments and employees – as well as between the City and the residents in an effort to evaluate choices in terms of what works and what needs fixing.

Category of Performance Measures

Performance measures are indicators, statistics, and/or metrics used to gauge program (or project) performance – big or small; private or public. Those indicators commonly fall under three categories: outcome, output, and efficiency measures. The performance measure may address the direct products and services (output) or the results of activities.

Among others, the City's performance program agenda focuses on creating a better **balance** between the number of output, outcome and efficiency indicators identified in the plan. It advocates for more emphasis on the relationship between those measures, because each in its own way provides useful information about performance. Combined, they convey a coherent story regarding workload (how much is being done), service quality (customer satisfaction), and whether the service is cost-effective.

Outputs describe the level (amount) of service provided over a period of time. Outputs refer to the internal activities of a program; i.e., the workload involved and services delivered. For example, an output could be the number of calls fire fighters respond to per month or per year; it could be the number of homes rehabilitated in a neighborhood with public funds; or the number of traffic citations issued.

Outcomes on the other hand describe the intended result of carrying out a program, task, or an activity - usually by defining a state/condition that is external to the program or a situation that is of critical importance to the intended beneficiaries. Outcome measures assess the quality/effectiveness of a program by being customer-focused.

Moreover, outcome indicators should establish a cause-and-effect relationship between an activity and the end-result to signal the extent to which the end-result is being realized. Put differently, good outcome measures should indicate whether people are satisfied (or are not satisfied) with what we do or how we do it. An outcome could be a reduction in crime rate as a result of adding a police presence in a neighborhood and/or increasing safety education campaigns. The *desired outcome* for an emergency alert system could be the number of lives saved and property damage averted.

Efficiency. While both outcome and output measures provide insight into goal achievement, more of an outcome can be achieved with the same level of resources if a program increases its efficiency. Sound **efficiency measures** result from leadership, good decision-making abilities, and skillfulness in achieving results while not being wasteful. The level of efficiency of a program can be measured as the ratio of the outcome or output to the input of the program.

Again, while it is certainly a good thing to distinguish between measures (e.g., outcomes, outputs, and efficiency measures), considerable effort must be deployed to establish linkage between the first two in particular - with outputs leading to outcomes in a logical manner and in a way that focuses on the intended result[7].

Looking Ahead

Your cooperation on a set of actions and commitment to improving the City's performance measurement program is what will ameliorate the quality of the measures your department selects. Tying relevant performance measures to goals and objectives represents one of the more difficult challenges facing us.

While it is often difficult (and sometimes impossible) to show the cause-and-effect relationships between activities, there are ways to identify such relationships. The information may be hiding in plain sight!

In the domain of employee safety,[8] one such strategy is through the examination and investigation of accidents. Only by developing a solid cause-and-effect theory can performance measures of a safety program be effective and yield

[7] The idea of a balanced set of measurements is nothing new. The concept was first popularized in the early nineties by Robert S. Kaplan and David P. Norton in a ground-breaking article (The Balance Scorecard: Measures that Drive Performance) published in the Harvard Business Review. Although Kaplan and Norton's work focuses on private businesses, the concept has been used successfully by non-profit and public agencies alike.

[8] See Christopher A. Janicak: "Safety Metrics," 2nd Edition. See also the October 2012 Harvard Business Review article on the same topic: "The True Measures of Success" by Michael J. Mauboussin.

meaningful results in the long run. A factor identified in a report for being the cause of an accident can be a good source for identifying leading (or output) safety measures, for example.

Caution! Keep in mind however that just because a factor is blamed in a report as the root-cause of an accident does not necessarily mean that it was in fact the *true* cause. Correlation does not necessarily mean causation (i.e., two events occurring simultaneously does not necessarily mean that one causes the other). The investigators' conclusion might be flawed due to, say, "cognitive bias," inherent errors humans often make when processing information. Jumping to conclusion too quickly can be an efficient way to make an expensive mistake. Check also for biases related to sampling and other phenomena, like regression to the mean.[9] Determine if perhaps the authors were blinded by *overconfidence*[10] and reluctance to be flexible.

Again, good output and outcome measures are statistics that reliably reveal cause and effect in a consistent and predictable way.

That is, if x then y

Input	→	Outcome
Output	→	Outcome
Process	→	Outcome
Treatment	→	Outcome

But continue to question the relationship by asking…
Could there be an alternative internal cause?
Could there be alternative external causes?

It is ultimately up to you and your staff - the persons responsible for linking output measures with outcome measures - to evaluate the analysis and determine whether the conclusion is valid and worth using in making policy in the context of your department. What's important is to nurture a working environment where

[9] From Wikipedia: "In statistics, regression toward (or to) the mean is the phenomenon that if a variable is extreme on its first measurement, it will tend to be closer to the average on its second measurement—and, paradoxically, if it is extreme on its second measurement, it will tend to have been closer to the average on its first.[1][2][3] To avoid making wrong inferences, regression toward the mean must be considered when designing scientific experiments and interpreting data."
[10] The overconfidence bias is the idea that often people's confidence in their own abilities, judgments, or skills is often at odds with reality.

people are comfortable questioning assumptions and are inclined to offer new ideas.

Performance Measures Selection

In general, when selecting performance statistics, whenever possible, begin by considering the following questions:

1. Is there a well-defined problem that needs to be addressed?

2. What is the best way (strategy) to address the problem? What activities need to be performed to achieve the underlying goal?

3. Is a cause-and-effect framework (theory) carefully identified to ensure strong linkage between output/process and outcome?

4. What will be the anticipated end-result of “fixing” this problem?

5. Is the data quantifiable, reliable, or repeatable?

6. Will the data/information help decision-makers understand strategic or operational performance?

7. Are the statistics evaluated regularly to ensure that the theory is valid?

Conclusion

Creating a data-driven culture by no means guarantees result. Success (or failure) is a by-product of a myriad of factors—some of which managers have no control over. External factors may be influencing the outcomes, thus affecting the validity of the measurement. Bias in the selection and interpretation of data can and often lead to wrong decisions as well. Data analysis is just one of several tools available for decision-making. It should be used carefully and appropriately.

SAMPLE OUTPUT-OUTCOME LINKAGE[11]

THE EXAMPLES PROVIDED HERE ARE FOR ILLUSTRATIVE PURPOSE ONLY

Outcome Indicators	Output Indicators
• Full-time Jobs created or retained in distressed communities as a result of new investment • New businesses surviving 3+ years	• Local businesses assisted through loans and training
• Change in property value of rehabilitated houses one year following targeted assistance	• Rehabilitate owner-occupied housing units
• Change in median household income • Residents rating park services as good or adequate	• Offer incentives to college graduates to relocate to Pompano Beach • Open space (e.g. parks) acreage per 1000 population
• Change in number of homeless individuals per 1000 population	• Increase assistance for chronically homeless individuals
• Fatalities due to fire (per 1000 population) • Property loss due to fire (per 1000 population) per 1000 population	• Perform pre-fire planning on target hazards • Perform Fire safety inspections on businesses and multi-family units
• Fatalities due to a major disaster; e.g., hurricane	• Obtain 100% compliance with National Incident Command Management standards • Update Comprehensive Emergency Operations Plan to include vulnerable populations
• Property crimes (per 1000 population) • Violent crime victimization (per 1000 population) • Murder rate (per 1000 persons) • Percent of people surveyed feeling safe walking at night	• Establish capacity to receive crime tips/information via social media channels • Target additional investment in distressed communities
• Beach-goers rating beach conditions as good or excellent	• Partner with Army Corps of Engineers to re-nourish beach
• Back injuries	• Add OSHA approved back injury prevention course in training curriculum • Train employees in proper lifting techniques • Revise and enforce policy on proper lifting techniques

[11] The challenge however is to determine whether the supposed link between the above indicators reflects true cause-and-effect (statically significant) relationships. That is, will the outcome(s) and associated output(s) persistently show their intended results? And is there a way to predict the intended outcome through analysis?

APPENDIX C: ADDITIONAL RESOURCES

The following are several links to resources on performance measurement, program evaluation, and decision-making located on the internet that may be helpful to you, or others in your department. Some of those resources include short video clips. This is not intended to be an exhaustive list.

- Policy: Twenty tips for interpreting scientific claims
  http://www.nature.com/news/policy-twenty-tips-for-interpreting-scientific-claims-1.14183

- Coalition for Evidence-Based Policy; Evidence-Based Policy Help Desk.
  http://www.evidencebasedpolicy.org/

- "Performance Measurement and Evaluation: Definitions and Relationships" (Supersedes GAO-05-739SP) GAO-11-646SP, May 2, 2011
  http://www.gao.gov/assets/80/77277.pdf

- "Designing evaluations;" GAO/PEMD-10.1.4; Government Accountability Office; May 1991. http://161.203.16.4/t2pbat7/144040.pdf

- "Learning from our mistakes: The role of a coach" Daniel Kahneman
  http://www.youtube.com/watch?v=j1X2hPcLga4

- "Decision making under uncertainty" Daniel Kahneman
  http://www.inc.com/abigail-tracy/idea-lab-how-to-make-better-decisions.html

- "The evolution of overconfidence," Dominic D. P. Johnson & James H. Fowler
  http://fowler.ucsd.edu/evolution_of_overconfidence.pdf

- "Regression to the Mean" Shane Battier's Comments After Game 7 of the NBA Finals
  http://www.businessinsider.com/video-shane-battier-cites-regression-to-the-mean-in-comments-after-game-seven-2013-6

- "Regression to the mean: what it is and how to deal with it" Adrian G Barnett, Jolieke C van der Pols and Annette J Dobson
  http://ije.oxfordjournals.org/content/34/1/215.long