Elements of Managing and Improving Performance

Clark County
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Brian Willett, Performance Analyst
Key Elements to Performance Management

Measure selection:
1. Report on progress toward achieving strategic goals and priorities.
2. Used to evaluate performance and identify needs.
3. Limited number of relevant measures for each department.
4. Address perspectives beyond workload and productivity.
   • Effectiveness, customer satisfaction, service quality, process speed and timeliness, Efficiency, and cost

Reporting:
5. Frequent data collection and regular reporting intervals.
6. Easy to understand charts and graphs.
7. Enough data to identify patterns and trends.
8. Current performance can be compared to past performance, baselines, and targets.

Purpose:
10. Monitor if changes worked and to tell if performance is getting better, worse, or staying about the same.
Define your process

Process – What you do
- Methods
- Tools
- Rules/Regulations
- Staffing
- Environment
- Materials

Input – Funding
Input – Information
Input – Raw materials
Input – Others’ work

Output – What you make
- Permits
- Contracts
- Plans
- Reports
- Citations

Rework
Scrap
Waste
Terms & definitions

- **Outcomes** – The purpose of the system. Why does anyone perform this work in the first place? What should be better if this work is done well?

- **Outputs** (Widgets) – The product that is actually delivered or produced.

- **Customers** – The people, organizations, or work units that actually use the product or service produced or delivered.

- **Process** – The way work gets done or the way service is delivered.

- **Rework** – The time and expense needed to fix the inputs so they are usable for the process, or to fix the outputs so they are acceptable to the customer.

- **Scrap/Waste** – Byproducts or leftovers created by the process.

- **Inputs** – The raw materials/information needed to do the work or provide a service.

- **Suppliers** – The people, organizations, or work units that provide the materials/information needed to perform the work.
Expand your process to define the system

Outcomes:
Organizational Benefits
User Benefits
Financial Stakeholder Benefits

Suppliers → Inputs → Process → Outputs

Users & Brokers (Customers)
## Washington State Ferry System Example

### Suppliers & Stakeholders
- State Legislature
- Employees
- Unions
- Ship builders
- Vendors
- Fuel vendors
- Island/Sound residents & business owners
- Department of Ecology
- Transportation Commission

### Inputs
- Transportation funds
- Fare box revenue
- Employee labor
- Diesel fuel
- Rules, regulations & permits
- Strategic plans

  - Planned vs. actual farebox revenue levels

  - Number of passengers
  - Number of vehicles
  - Planned and actual ridership levels

  - Total amount of diesel fuel purchased

### Process
- Loading & unloading
- Sailing
- Docking/Departure
- Snack bar operations & vending
- Fare collection
- Boat maintenance & repair
- Facility construction, maintenance & repair

  - Percent of state ferry terminals in fair or better condition (by system)

  - Number of marine and terminal reported injuries

  - Number & type of reported employee injuries

  - Ship maintenance costs (by route)

  - Number and cost of boat and terminal maintenance backlog issues

### Outputs
- Sailings/Trips
- Snacks, food, & drinks sold
- Repairs to boats & terminals

  - Number & causes of missed trips (Error rate)

  - Number of sailings/trips

  - Number of ferry lifecycle preservation activities completed

### Customers
- Ferry riders (commuters & tourists)
- Adjacent property & business owners

  - Number & type of complaints per 100k customers

  - Average vehicle wait time on the dock during peak hours (by route)

### Desired Outcomes
- Increase timeliness
- Increase revenue
- Increase customer satisfaction
- Increase efficiency
- Increase ridership
- Improve safety (employees & passengers)
- Reduce wait times
- Decrease CO2 emissions

### Efficiency
- Total cost per sailing (by run)

  - On-time performance rates

  - Metric tons of CO2 emissions

  - Vending machine & cafeteria profits

  - Number, type & cost of reported vehicle damage claims

  - Toxic spills – Number, type, cause, quantity spilled, clean up costs, & fines paid

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**Legend**
- Currently published performance measures
- Unreported, but current measures
- Possible additional performance measures
Define your own system exercise - Handout
A thing or two about outcomes

• You rarely work directly on them.
• You can’t control them.
  • Too many other things impact performance.
• You can only influence them.
• They can be difficult to measure.
• Citizens and financial stakeholders want to hold you accountable for achieving them.
• You must be prepared to report progress on achieving them.
Purpose of a Logic Model

- Graphically illustrate the theoretical connection between what you actually do (and what you can control) to the desired outcomes you are supposed to influence.
- Help identify relevant performance measures to track progress.
Structure of a line-of-sight Logic Model

- **Activity / Output**
  - Objective Statement
    - Performance Measure
  - ...so that...
    - Intermediate Outcome
      - Objective Statement
        - Performance Measure
      - ...so that...
        - Ultimate Outcome
          - Objective Statement
            - Performance Measure
          - Ultimate Policy Intent
            - Degree of Influence/Control
              - Ultimate Policy Intent
Example Logic Model – What are we doing here today?

Local Government Performance Center Logic Model

Ultimate Policy Intent

...so that...

Intermediate Outcome

Government leaders/managers implement new techniques to improve effectiveness and efficiency.
- Number of requests for additional assistance during implementation
- Reported implementation rates

Immediate Outcome

Government leaders/managers learn more about managing and improving effectiveness and efficiency.
- Workshop evaluation ratings & comments
- Number requesting an assessment

Process & Outputs

We host a Virtual Learning Center and offer performance management assessment tools and training assistance.
- Number & type of assessments and training sessions offered
- Attendance counts
- Web site metrics for usage

...so that...

Ultimate Outcome

Governments are able to demonstrate improved effectiveness and efficiency to their constituents.
- Reported numerical savings/service improvements: $, Cycle Times, Numbers Served, etc.
- Number publishing a performance report.

Degree of Influence/Control
Make a Logic Model for the system defined earlier
Handout – Logic Model Template
Better, worse, or about the same?

• Chart your data over time and review it often.
• Establish a baseline.
• Learn how to recognize “normal” and “abnormal” variation patterns.
• Set a performance target if it is a priority to improve performance in that area.
• Fundamentally change the process.
• Did things get better, worse, or did they stay about the same?
What makes a performance measure “good?”

- Relevance
  - Purpose
  - Control/Influence
- Context
  - History
  - Targets
- Understandable
  - Titles
  - Graphics
- Timely
- Reliability

![Percentage of planned maintenance items completed](chart.png)
Practice Evaluating a Measure

Front Desk Activity

<table>
<thead>
<tr>
<th></th>
<th>12-Jun</th>
<th>12-May</th>
<th>% Of Change</th>
<th>12-Jun</th>
<th>11-Jun</th>
<th>% Of Change</th>
<th>YTD prev year</th>
<th>% Of Change</th>
<th>Last 12 mos</th>
<th>% Of Change</th>
<th>Prev year last 12 mos</th>
<th>% Of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>CPLs</td>
<td>374</td>
<td>335</td>
<td>11.6%</td>
<td>374</td>
<td>340</td>
<td>11.9%</td>
<td>2,251</td>
<td>1,729</td>
<td>30.2%</td>
<td>3,989</td>
<td>3,197</td>
<td>24.8%</td>
</tr>
<tr>
<td>Gun Transfers</td>
<td>445</td>
<td>510</td>
<td>-12.7%</td>
<td>445</td>
<td>241</td>
<td>84.6%</td>
<td>2,394</td>
<td>1,675</td>
<td>42.9%</td>
<td>3,924</td>
<td>3,145</td>
<td>24.8%</td>
</tr>
<tr>
<td>Finger Prints</td>
<td>237</td>
<td>213</td>
<td>11.3%</td>
<td>237</td>
<td>145</td>
<td>63.4%</td>
<td>1,476</td>
<td>1,133</td>
<td>30.3%</td>
<td>2,509</td>
<td>2,124</td>
<td>18.1%</td>
</tr>
<tr>
<td>Totals</td>
<td>1,056</td>
<td>1,058</td>
<td>-0.2%</td>
<td>1,056</td>
<td>646</td>
<td>63.5%</td>
<td>6,121</td>
<td>4,537</td>
<td>34.9%</td>
<td>10,422</td>
<td>8,466</td>
<td>23.1%</td>
</tr>
</tbody>
</table>

Graph showing Front Desk Activity with data for CPLs, Gun Transfers, Finger Prints, and Totals.
Average number of days it takes to make final decisions on construction stormwater permits.
All improvement is based on the scientific method

Understand and Define the System

Identify a Problem

Develop a Theory to Fix the Problem

Implement and Evaluate

Stabilize and Prevent Future Problems
AKA – The Toyota manufacturing system

LEAN is a set of *concepts, principles,* and *tools* used to create and deliver *value from the customers’ perspective* and *increase organizational capacity,* while *consuming the fewest resources,* and *engaging employees* in continuous problem solving.
Common LEAN Tools

• Value Stream Map
• 5S
  • Standardize, Sort, Store, Shine, Sustain
• TAKT Time Chart
• Spaghetti Chart
• Standard Work Sheet
• A3 Sheet
LEAN Concepts

- Customer 1st
- Eliminate waste, overburden, and variation
- Standardize work
- Identify problems
- Never pass on a problem to someone else
- Eliminate blockages to the flow of work
- Just-in-time
- Visual management
- Continuous improvement
Any factor (staff, machine, method, etc.) that does not contribute to the process by adding value.

The goal of LEAN is to eliminate any factors that consume resources without adding value.

<table>
<thead>
<tr>
<th>Types of Waste</th>
<th>Defects</th>
<th>Overproduction</th>
<th>Waiting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not Utilizing Staff</td>
<td>Talent</td>
<td>Transportation</td>
<td></td>
</tr>
<tr>
<td>Inventory</td>
<td>Motion</td>
<td>Excess Processing</td>
<td></td>
</tr>
</tbody>
</table>
LEAN Process Improvement Exercise – Handout
The Pot Luck
Additional reading and references


*We Don’t Make Widgets*, Ken Miller, 2006.


*Key Concepts of LEAN*, Lean Enterprise Institute, 2011

Local Government Performance Center

Website: http://www.sao.wa.gov/EN/Audits/PerformanceAudit/Pages/Performance.aspx

Twitter: www.twitter.com/LocalGovPerform

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Picnic Table (Fixed) & BBQ

Picnic Table (Fixed) & BBQ

Picnic Table (Mobile)

Picnic Table (Mobile)

Picnic Table (Mobile)

Cooler (Mobile)

Cooler (Mobile)

BBQ Pot Luck Items

Plates | Cutlery | Glasses
---|---|---
Hamburgers | Buns | Cheese
Condiments | Chips | Salads
Deserts | Drinks | Napkins
Lettuce & Tomatoes

Picnic Table (Fixed)
...so that...

Ultimate Policy Intent

Immediate Outcome

...so that...

Intermediate Outcome

...so that...

Ultimate Outcome

Activity / Output

Degree of Influence/Control

OS:

PM:
# Define Your Own System

<table>
<thead>
<tr>
<th>Suppliers &amp; Stakeholders</th>
<th>Inputs</th>
<th>Process</th>
<th>Outputs</th>
<th>Customers</th>
<th>Desired Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Who supplies you with the things you need to do your job</td>
<td>What do things you need to do your job? (Materials, data, information, etc)?</td>
<td>What are the main steps in the process?</td>
<td>What thing(s) do you produce?</td>
<td>Who actually uses the things you produce?</td>
<td>How does the organization benefit from this work? (Increase/decrease)</td>
</tr>
</tbody>
</table>

| Which suppliers are the most problematic? (Untimely, incomplete, broken, poor quality, etc.) | What are your expectations for those things (adjectives)? | Describe what an error or defect looks like in the outputs you create. | What are their expectations for those things (adjectives)? | How do the users benefit from this work? (Increase/decrease) |

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Brian Willett is a Performance Analyst, consultant, and trainer specializing in performance management, quality improvement, and strategic planning.

Brian was hired by the Washington State Auditor’s Office in June 2009 to assist the Performance Audit Team and to conduct assessments of government performance measurement systems. In his 22 year-long career working for the State of Washington, he has also served as a Budget Analyst for the Office of Financial Management, an internal Performance and Accountability Consultant for the Employment Security Department and the Department of Transportation, and as a Student Services Coordinator, Assistant Dean and Conversational Spanish instructor at Yakima Valley Community College.

Brian holds a Master’s of Science degree in Organizational Development from Central Washington University and a Bachelor of Arts degree in Spanish from Brigham Young University.