

Case Study:
**Beyond the Inflection Point –
the magic of fusing strategy, operations & work culture**
City of Round Rock, Texas



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SYNOPSIS

Intent of the project

In his State of the City address in 2009, Round Rock Mayor Alan McGraw spoke before an audience of business and community leaders and said we must be we're ready for whatever comes and not miss any opportunities. He said Round Rock is at crossroads, at what Andy Grove, former CEO for Intel, calls an "inflection point."

"A strategic inflection point is a time in the life of a business when its fundamentals are about to change. That change can mean an opportunity to rise to new heights. But it may just as likely signal the beginning of the end."

Decisions made by city and community leadership often dictate success or failure for the future of a city. With a struggling national economy and our city projected to triple in population within 50 years, Round Rock needed more than just a strategic plan. Round Rock embarked on a two-year collective journey to develop a 50-year vision to be the "City of Choice."

The Vision: Round Rock will be the City of Choice for entrepreneurs, business leaders, researchers, educators and members of the various creative professions who want to combine professional accomplishment and achievement with a culturally rich, socially diverse and family-friendly lifestyle.

The City Council adopted *Game On, 2060* - Strategic Plan for the City of Round Rock in April 2009. The plan includes a strategic direction, strategies based on seven customer "experiences" and strategic initiatives in four theme areas: Economic Progress, Places & Spaces, Safety & Security and High Performance Government. The plan also includes a section on execution: incorporating our Values & Leadership Philosophy and looking at organizational culture.



City staff from department directors and supervisors all the way to field employees and front-line employees had considerable input in the plan. The City also engaged the City Council throughout the process and hosted an Economic Development Summit with 100-plus attendees from target business clusters. This strategic plan is like no other plan the city had adopted. Even more so, the *implementation* of the plan would involve every employee working for the City of Round Rock, with further involvement from citizens, neighborhood leaders, community leaders and other stakeholders.

For the next year, staff worked on the Council's 12 highest priority goals. Many of these goals are broad in nature requiring multiple departments collaborating together. While each of our departments ran smoothly, we quickly realized managing the "white space" outside of the department "silos" would be our largest challenge. How could we structure our organization to continue providing quality core services and better manage cross-departmental initiatives with limited dollars?

As part of this effort, we took a hard look at our largest division, Public Works, which was organized into three departments: Transportation, Utilities and Engineering Development Services. Fundamentally, Public Works has three key functions: Plan. Build. Maintain. That's a very simple concept that can be complicated to translate into operations, job positions and an organizational structure that employees would buy into.

In reviewing our current operations against these three functions, we found places where duties seemed to overlap. For example, both Public Works and our Parks and Recreation Department performed mowing duties yet they operated independently and did not share equipment. Some employees had very noticeable peak seasons and slower parts of the year; could these employees be cross-trained to perform other duties? In our research, we also looked at other cities to learn innovative ways to restructure Public Works to truly be a high performing organization.

High performance has many connotations; we have defined "high performance" as: *doing your job better today that you did yesterday.*

In the end, Public Works was consolidated from three departments into two: Operations & Maintenance, and Infrastructure & Construction Management. We're working toward housing all the folks in the same complex to increase collaboration and communication.

Functional Analysis: Is this a core city function?

With our declining sales tax revenue and our commitment to optimal organization, the City embarked on a "functional analysis" of every department. Each department identified the public service it provides and categorized them as either 1) legally mandated 2) a core city service, or 3) enhancing the organization. Some departments also looked at functions that enhance community trust, such as communications and administration functions.

Each department provided the following to City leadership:

1. Organization chart
2. % of budget that is staff costs (salary + fringe)
3. The department as a set of functions
4. The history of any particular organizational structure that could look unusual to an outsider
5. An analysis of functions into one of three categories
 - a. The city is legally mandated to ensure this function is carried out
 - b. The function is core to the mission of the department – current department core
 - c. The function serves to enhance the quality of work in the department – this would be more internally focused
6. Historic baseline of service demands and the peak demand that occurred over the past two years
7. What, if any, functions could be privatized?
8. The capacity to move staff between responsibilities in response to demand fluctuations
9. Services the department should be performing that it isn't
10. Services the department could eliminate without compromising the core mission
11. Potential new revenue sources

We agreed these were questions we should be asking. We knew it would be a valuable management tool. However, this endeavor was painful at times. For example, if city parks attract people to a community, how can we categorize that function as “nice to have,” rather than a core function, when our overall vision is to be the city of choice?

In looking at the city’s services and functions, there were some boundaries agreed upon:

1. Re-alignment of responsibilities should be examined at all levels of the organization.
2. Position eliminations must not be restricted to the direct line level.
3. Possibilities for cross-training or developing additional skills should be fully examined so that any personnel negatively impacted could be considered for other positions.

Cost Savings

In the last few years, we trimmed costs, created efficiencies and restructured the organization. The City Council noticed the improvements and cost-savings. The Round Rock City Council will consider a fiscal 2011 General Fund budget that is almost \$3 million less than the current budget, but adds police officers, a new transit program and establishes a parks maintenance fund. The proposed tax rate for the \$81.1 million General Fund budget is 41 cents per \$100 of valuation, which is one cent below the Effective Tax Rate. More than \$1 million in savings has been achieved by eliminating 24 budgeted positions through our Public Works reorganization, as well as implementing process efficiencies. The budget plan also proposes refinancing and early payment of portions of the City’s outstanding debt.

Innovative Characteristics

1) Engaging Employees & Customers

From reorganizing to fiscal resiliency to preparing for growth, everybody is involved and plays a role. Business and community leaders were interviewed for input in creating the strategic plan. Citizens have shared input via surveys on what services are most important to them. The Mayor and each of the City Councilmembers (one on each visit) joined the City Manager and Assistant City Manager on a “road show” visiting each of the departments to discuss the strategic direction of the city and the new performance evaluation. We have worked to deliver a consistent message and developed a Communications and Engagement Plan which includes ongoing short updates to all employees on goal progress and ways they can get involved if they are interested.

2) Learning from Bigger Cities

Round Rock is poised to double or triple in population over the next 50 years, presenting many challenges, opportunities and critical decisions. Larger cities in Central Texas have faced many of these challenges already. With that in mind, Mayor Alan McGraw envisioned a gathering of minds and invited leadership from larger cities (Plano, Arlington and Irving) and cities of similar size (Sugar Land and Frisco) to participate in an interactive discussion. A “Learning from Bigger Cities” Forum on February 3, 2010, in Plano brought together Mayors, City Managers and other key staff from these “bigger” and “smaller” cities to engage in dialogue about best practices and lessons learned. The final report is entitled: “Building a sustainable city: A Forum on managing demographic and other transitions to ensure your city survives and thrives.”

Obstacles and Results Achieved

Through this journey of improvements, the City Council gave direction that they wanted each employee to have a clear “line of sight,” or understanding of how their position and job duties contribute to the Council’s overall vision for the city. City management also heard from

employees that the performance appraisal process was more of a dreaded task than a tool for providing and receiving meaningful feedback about work performance and priorities. We needed to improve the evaluation process.

We designed an entirely new system with three essential components:

1. **“Line of Sight” to City of Choice (your position):** *How does my work contribute to the City of Choice?*
2. **Values Behavior Model (individual):** *How do I act and treat others? Is my behavior in line with the City’s Values and Leadership philosophy?*
3. **Balanced Scorecard for Department → Division/Work Unit → individual:** *What do I need to accomplish? Metrics: What does success look like? How do I know I’ve done my job?*

To date, every employee has a 1-page sheet outlining their Line of Sight to the city’s strategic direction. Departments have developed a Balanced Scorecard and work units and individual employees are developing their own Balanced Scorecard. There has been extensive study, discussion and work toward developing guidelines for metrics and measures of success for the Balanced Scorecards.

We want the employee evaluation system to be simple and easy to understand. Our ultimate goal is for the evaluation tool to be automated using technology, and for there to be regular meetings between supervisor and employee (perhaps quarterly) as a mechanism for ongoing feedback. We anticipate this high performance Integrated Management System will enhance employee motivation and performance and improve budgeting and decision-making.

New Issues/Problems

One twist that we did not expect from the onset is the Council Council adopting a 50-year Strategic Plan for the city with 39 goals, and then developing a separate list of “City Manager Goals” as part of the City Manager performance evaluation. What was interesting is the City Manager goals seemed more like a checklist of tasks, rather than long-term visionary targets. After the extensive effort and Council participation in crafting the strategic plan, was there a disconnect between the Council’s vision for the City and the plan staff was using as a guide? It can be a challenge for an organization to work toward one vision successfully, but is it possible to work toward two separate sets of goals and be successful?

We took a close look at the City Manager goal list and tied each goal to a Strategic Plan theme. We continue to update the City Council quarterly on the Strategic Plan progress and engage them to update the City’s direction as necessary. Each summer, the City Council holds a two-day workshop to adopt the budget and review some of the bigger City initiatives in depth. This August, we handed each Councilmember a disposable camera and asked them to take photos throughout the city of examples of areas depicting our four strategic theme areas: What areas of Round Rock model a City of Choice? Which areas deter people from wanting to live, work or invest here? Later this month, we expect some interesting, and valuable discussion on the Council’s perspective with the photos they choose to take and present for discussion.

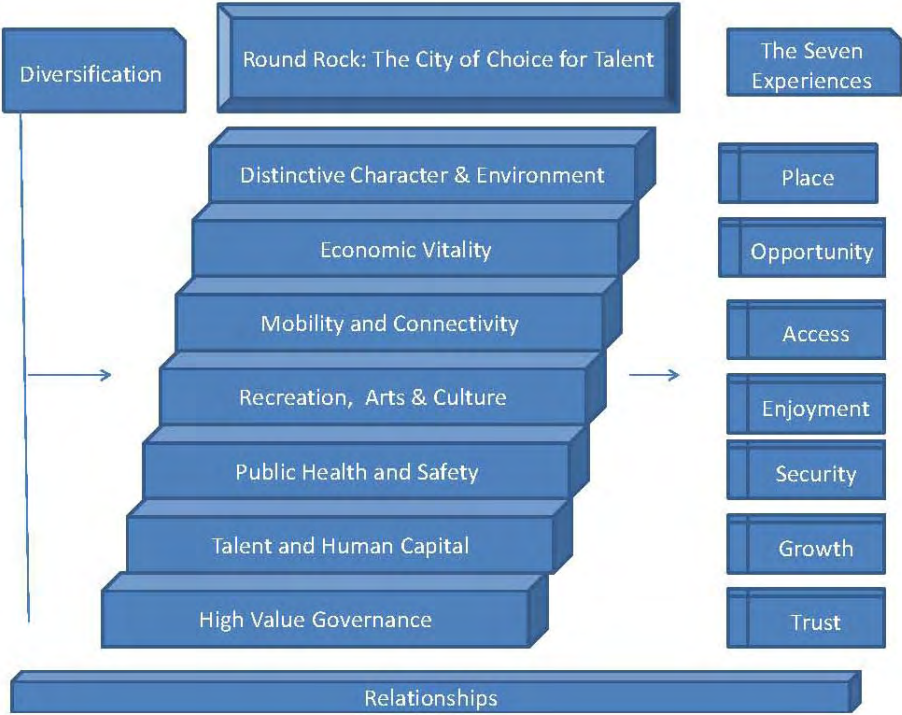
QUESTIONS & PRESENTATION COMPONENTS

1. Innovation/Creativity

Having a Strategic Plan with four easy-to-remember themes keeps us all working toward the same vision. Having a performance evaluation that ties in the strategic plan and how we work to accomplish our goals (how we treat each other) improves integration of our strategies, operations and work culture.

We have utilized this visual in discussion with employees so they can connect what they do to the “experience” citizens and other customers have:

The Plan in Visual Form



Using Technology

How can we manage implementing 39 goals?

We researched collaboration tools and technology options for managing a Strategic Plan, and customized our own Strategic Plan Tracker using ActiveCollab and some in-house programming. It is similar to Facebook in its ease of use and capability to post short updates on progress, and it has many of the capabilities of SharePoint for sharing files. We have also built in some automated reporting tools.

As more employees use the Strategic Plan Tracker, we continue to enhance accountability and sharing of information. Visit www.roundrockstrategicplan.net.

A professional strategic planning consultant was hired to guide us in creating and implementing our strategic plan, in addition to holding stakeholder interviews, gathering employee feedback, facilitating workshops with the City Council and training employees on the new performance evaluation.

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2. Outcomes Achieved

Customer/Community Needs & Expectations

What does Joe Public want his dollar spent on? In order to stay in touch with Round Rock citizens, we created a 10-Year Planning effort to engage the citizenry, which begins with asking citizens what level of service they'd like to see from various departments. And, importantly, what are they willing to pay for? An important tool for us is asking many of the same questions each time so we can compare that data in a meaningful way. We have gained valuable feedback:

[Residents give city high marks for customer service, public safety, basic services; 93 percent say City heading in right direction](#)

Every two years, the City of Round Rock conducts a survey of its citizens to see how well the city government is meeting their needs and to determine the issues of concern to them. In 2010, Round Rock residents gave their municipal government high ratings for customer service, safety and basic services, and 93 percent say the City is heading in the right direction. Ratings for how well the City is handling traffic flow increased significantly compared to the City's previous survey.

The seven-page survey was administered by mail and phone to a random sample of 459 residents in March and April 2010. The results for the random sample of 459 households have a 95% level of confidence with a precision of at least +/- 4.5%.

Round Rock was able to compare its results with regional and national benchmarks for the first time since the City began conducting the survey in 1998. Round Rock ranked above the national average in 41 of 52 areas that were assessed.

Key results

Residents were generally satisfied with the overall quality of life in Round Rock. Based upon the combined percentage of “very satisfied” and “satisfied” responses among residents who had an opinion, eighty-seven percent (87%) of residents were satisfied with the overall quality of life in the City, 10% were neutral and only 3% were “dissatisfied.” Other findings are:

- **Overall Satisfaction with City Services.** Seventy-nine percent (79%) of residents, who had an opinion, were “very satisfied” or “satisfied” with the overall quality of services provided by the City. The City services with the highest levels of satisfaction were: fire services (86%), emergency medical services (84%), library services (82%) and City parks and recreation programs (82%). Residents were least satisfied with transportation planning in the City (45%).
- **Most Residents Felt Safe in Round Rock.** Ninety percent (90%) of residents, who had an opinion, felt “very safe” or “safe” in the City. The areas where residents felt most safe were: in their neighborhood during the day (94%), in Downtown Round Rock (88%) and in City parks (83%). Eighty-one percent (81%) felt safe in their neighborhoods at night.
- **Customer Service.** Seventy-nine percent (79%) of residents, who had contacted the City during the past year, described the service they received as “excellent” or “good.” The customer service items that residents were most satisfied with, based upon the combined percentage of “very satisfied” and “satisfied” responses among residents who had an opinion, were: with how easy the City was to contact (83%) and the way they were treated (82%). When compared to other communities, the City of Round Rock is setting the standard for customer service. Overall satisfaction with customer service among all residents rated 10% above the national average. Satisfaction with how quickly City employees respond to requests from residents rated 22% above the national average, and satisfaction with how well City employees handle issues rated 22% above the national average.
- **Traffic Flow.** More than half (56%) of residents felt traffic flow in the City was getting worse compared to two years ago; 21% felt it was staying the same, 15% felt it was getting better and 8% did not know. Residents were also asked to rate the traffic flow in different areas of the City; the results showed that sixty-three percent (63%) of residents rated traffic flow in and around neighborhoods as “excellent” or “good” and 27% of residents rated traffic flow on state roads and highways as “excellent” or “good.” Although traffic flow was one of the lowest rated areas on the survey, satisfaction with traffic flow in Round Rock rated 7% above the national average when compared to U.S. cities that have grown by 25% or more over the past 10 years.
- **Long Range Issues.** The three biggest issues that residents felt the City of Round Rock will face over the next five years were: 1) traffic (75%), 2) high taxes/property taxes/finances (58%) and 3) school related issues (44%).

Other Findings

- The electronic sources that residents used most often to get information were: 1) the Internet (80%), 2) Facebook (46%) and 3) text messages (42%).
- More than half (57%) of residents felt the level of service provided by the City in the maintenance of infrastructure should be “much higher” or a “little higher.”

Significant Changes

Among the seven major categories of city services that were assessed in 2008 and 2010, there were significant improvements in two areas:

- Satisfaction with Transportation Planning in the City increased 13% from 32% in 2008 to 45% in 2010.
- Satisfaction with City water and wastewater services increased 7% from 73% in 2008 to 80% in 2010.
- Perceptions of Traffic Flow. The percentage of residents who felt traffic flow in the City was “getting worse” decreased significantly from 64% in 2008 to 56% in 2010.
- Perceptions of Customer Service Provided by the City. There was a significant increase (+16%) in the percentage of residents who rated the service they received from the City as “excellent” (39% in 2010 versus 23% in 2008). Overall, 79% of those surveyed rated the quality of customer service provided by the City as “good” or “excellent” compared to 77% in 2008. There were no significant decreases in any of the major categories that were rated.

National Benchmarks

ETC Institute also compared City of Round Rock results to national and southwest region benchmarks.

City of Round Rock citizen satisfaction ratings *significantly exceeded* national and regional rankings for: parks and recreation, code enforcement, streets and sidewalks, stormwater runoff and flood prevention, communication with the public, and library services.

Round Rock residents also feel significantly safer in their community, exceeding national and regional benchmarks by as much as 20 points, in two of the four categories queried (feeling of safety in Downtown and in City parks).

The benchmarks were developed by ETC in a national survey administered during February and March 2010 to a random sample of more than 4,300 residents in the continental United States, and a regional survey administered to a random sample of 480 residents in Texas, Arizona and New Mexico during February and March 2010.

Enhanced Service Delivery

Another major move we made was creating a Development Services Office. We still retain our Planning & Community Development Department but we recognized a need to have a focus for long-term planning and a separate focus for development projects. For developers and the first-time citizen seeking a permit, a one-stop shop is appealing. The location is easy for the public to find on the first floor; it’s in close proximity to the Planning Department. Many of the development review processes have been streamlined during the creation of this office. We held an open house for the Development Services Office on August 12, 2010.

This was possible by engaging our City Council in their vision for development in the City. We dedicated several workshops for the Council to define: What is quality development? What is our minimum standard of development and what kind of development is high quality and worthy of providing incentives? The City Council adopted a “Development Philosophy” which became the basis for staff work on presenting policies and ordinance revisions.

About the Development Services Office

The Development Services Office is the first stop to begin the development process and where businesses will submit subdivision, plat and site development permit applications. From pre-submittal to project closeout, representatives in the DSO will assist in expediting development projects. We pride ourselves on ensuring projects are handled in a professional, timely, consistent and accurate manner. Our goal is to build a

partnership with developers and their consultants. We want projects to succeed and we'll do our very best to ensure that happens within the parameters of City Council adopted policies.

Access to Government

Summaries of progress on the Council's priority goals is uploaded live to the City's Website: www.roundrocktexas.gov/strategicplan

We have implemented various outlets for citizens to participate in a short 8-question online survey asking for feedback on whether we're providing exemplary service to our customers. See the survey questions here:

http://roundrocktexas.gov/survey/user_survey.asp?nSurvey=168

3. Applicable Results & Real World Practicality

Multiple aspects of "Beyond the Inflection Point – the magic of fusing strategy, operations & work culture" apply to any municipality. Specifically, the improved performance evaluation and its ability to connect strategy, operations and values may be of most interest to the audience. See sample in addendum.

Some of the positive outcomes include: positive citizen survey results, City of Round Rock accolades (see addendum), Reduced budget with new program and more police officers, and a simple but powerful employee evaluation system.

4. Case Study Presentation

We envision a few presenters delving into: *What is the disconnect in your organization?* We have ideas for a creative video and then sharing a small selection of the journeys we embarked upon. The audience would leave with some specific take-aways. We are open to exchanging presentation ideas with TLG/FCCMA as well.

ADDENDUMS

- A. City of Round Rock accolade
- B. high performance Integrated Management System - sample components
- C. *A high performance, Integrated Management System: A value-driven, results-drawn approach to performance management* (Working Paper), Dr. Herb Marlowe

City of Round Rock Rankings List

Updated August 2010

2010

- **Williamson County No. 2 in job growth** (CNN, July 2010) CNNMoney.com reports, Dude, we got Dell! With the computer manufacturer as the county's largest employer, Williamson County has a tech-savvy workforce that helps draw other businesses to the area. Recently, the county helped Sears Teleserve, the customer service call center for retail giant Sears and a major employer in the area, secure local and state incentives to expand its workforce and its current facilities. And Wilco is looking to help entrepreneurs. For laid-off workers interested in starting their own business, there are training programs "to become CEOs," said Charlie Ayres, vice president of Round Rock's Chamber of Commerce business retention and expansion program.
- Family Circle ranks Round Rock one of **10 best cities for families** (July 2010) Round Rock ranks among the best towns and cities across the country for families, according to Family Circle's exclusive survey. The communities featured in the magazine's annual roundup of perfect places to call home combine affordable housing, good neighbors, green spaces, strong public school systems and giving spirits. Mayor Alan McGraw said it takes everyone in the community pulling together to be regarded as one of the best towns for families.
- Round Rock receives **Current Plan of the Year Award** (July 2010) The City of Round Rock Parks and Recreation Department recognized with "Current Plan of the Year Award" from the American Planning Association (Central Texas Chapter) for their Game Plan 2020: Building an Active Community.
- Austin #2 on **America's Most Innovative Cities** (Forbes, May 2010)
- Austin #1 on **Best Cities for the Next Decade** list (Kiplinger Magazine, May 2010)
- Austin/Round Rock ranked #4 nationwide in the category for **Cleanest Cities** for Short-Term Particle Pollution. (American Lung Association, April 2010) Source: <http://www.stateoftheair.org/2010/city-rankings/cleanest-cities.html>, <http://news8austin.com/content/270654/lung-association-grades-austin-on-air-quality>
- Round Rock Convention and Visitors Bureau took home the **Outstanding Communication/Advertising Award** from the National Association of Sports Commissions (NASC) at the annual NASC Sports Events Symposium on April 15.
- Round Rock named one of the **top 50 places to watch by Sports Events Magazine** (May 2010)
- Forbes Magazine has ranked Austin/Round Rock as the **10th most affordable housing** markets in the U.S. (February 2010) Source: www.forbes.com/2010/02/19/best-housing-prices-personal-finance-real-estate-affordable-homes_slide_2.html
- The City of Round Rock Parks and Recreation Department and Halff Associates, Inc. was recently recognized with the **Honor Award for Planning and Analysis** from the Texas Chapter of the American Society of Landscape Architects for Game Plan 2020: Building an Active Community, the Round Rock Strategic Parks and Recreation Master Plan. Game Plan 2020 was adopted by the City Council in July 2009 and was the culmination of more than 18 months of public input and planning efforts.
- City of Round Rock wins **government communications awards** The City of Round Rock won two firsts, a second and a third place award at the Texas Association of Municipal Information Officers (TAMIO) conference in San Antonio on June 13. The City's budget video won first place in the Cable Special or One Time Production (population

95,000-under). The Round Rock Convention and Visitor's Bureau took first and second place in the Cable Public Service Announcement (population 95,000-under) for two of its "Be a Fan" PSAs. The award for the budget video marks the third consecutive year it has won first place in its category. Technology Specialist Brooks Bennett and Assistant Finance Director Cheryl Delaney headed up the team that produced the budget video. The CVB PSAs were produced by Arsenal Brand and shown on the City's government access channel, Time Warner cable channel 10. Rock Beats, the City's employee newsletter, placed third in the Print Internal Newsletter category (all populations). Information Specialist Shannon McIntire edits Rock Beats.

– **BACA center honored with two state-wide awards**

– The City of Round Rock's Allen R. Baca Center for Senior and Community Activities was recently honored with two State-wide Texas Recreation and Parks Society Awards (TRAPS): the Lone Star Programming Award and the Arts & Humanities Award.

– **Cities Where The Recession Is Easing** (Forbes.com, March 2010)

In these 10 metros, jobs are projected to grow and the housing crisis is stabilizing. Austin tied for No. 1 on list of 10 cities where recession is easing. In these 10 metros, jobs are projected to grow and the housing crisis is stabilizing. <http://www.forbes.com/2010/03/02/cities-recession-jobs-lifestyle-real-estate-housing.html> Forbes has ranked Austin as the city best surviving the recession. Austin tied with Washington, DC for the number one slot. Four Texas cities made the top 10, including Dallas, San Antonio and Houston. Forbes looked at unemployment, rate of job growth and projections, home prices and cost of goods and services.

<http://www.braincontour.com/2010/02/16/happiest-cities-in-the-u-s-2010-well-being-index/>

2009

– Austin-Round Rock metro area ranks **No. 1 most secure place to live** among large metropolitan areas (population of 500,000 or greater). (Farmers Insurance Most Secure Places to Live study & www.bestplaces.net, December 2009)

– Round Rock is **safest city in Texas** among 31 Texas cities population 100,000 or greater included in the rankings. Round Rock ranks fourth among U.S. cities with 100,000 population or greater. Rankings are calculated using six crime categories: murder, rape, robbery, aggravated assault, burglary, and motor vehicle theft. (CQ Press, December 2009)

– Austin-Round Rock metro area topped the Milken Institute **Best Performing Cities Index**, which ranks U.S. metropolitan areas by how well they are creating and sustaining jobs and economic growth. Index components include job, wage and salary and technology growth. Leaders in the 2009 index are metros that succeeded in avoiding the worst of economic declines driven by falling housing markets and job losses in manufacturing and global trade. (November 2009, Milken Institute/Greenstreet Real Estate Partners "Best Performing Cities Index.")

– Austin-Round Rock ranks #15 on "**America's Safest Cities**" list. These metros have the lowest rates of violent crime, workplace deaths, fatal crashes and natural disasters. (Forbes.com, population: 1,652,602, October 2009)

– Round Rock Economic Development Partnership receives "**Critical Business Partner**" Award. Round Rock Economic Development Partnership, a private/public partnership between the Round Rock Chamber of Commerce and the City of Round Rock recognized at the Synchronist Users' Forum in Chicago, IL Oct. 19, for positive impact on existing businesses in Round Rock.

– Austin-Round Rock metro area **economy ranks No. 2 strongest in U.S.** based on job growth, employment, economic growth and home prices. (Business Week, October 2009)

- Round **Rock Parks and Recreation Department becomes an Accredited Agency** from the National Recreation and Parks Society (NRPA). (October 2009) The accreditation process is a measure of an agency’s overall quality of operation, management, and service to the community. To apply, PARD compiled a 94-page assessment complete with documentation showing day-to-day operations, management and services.
- For the second consecutive year, the City of Round Rock’s **Summer Reading Video took first place honors** in a national competition, and the City’s web site was honored for the third year in a row (City-County Communications and Marketing Association (3CMA), October 2009)
- **Round Rock’s Forestry Division received the Gold Leaf Award** from the Texas Chapter of the International Society of Arboriculture on Oct. 1, 2009 at the 30th Annual Texas Tree Conference in Round Rock. The award is given to a city that encourages beautification and preservation of trees.
- Austin-Round Rock Among **Least Stressful Areas**: A recent report released by Forbes ranked American cities based on how stressful they are. Among the factors to determine the rankings were cost of living, population, unemployment, weather, air quality, health care, commute/traffic information, health care, economic status, the housing marketing and more. Forty cities made the list and Austin-Round Rock was ranked the least stressful among the cities included. (Forbes.com, 8/20/09)
- Mayor McGraw featured on **CNBC’s Power Lunch** (August 7 – live at 11:20 a.m.). CNBC contacted the City of Round Rock because they “wanted to hear from a vibrant, leading U.S. city and their plan to entice and retain workers in challenging economic times.”
- Waterworks & Sanitary Sewer System **Utility Revenue Bonds upgraded to “AA”**, (Standard & Poor, August 2009)
- **Second fastest-growing city** (8.16 percent) in the nation from 2007 to 2008. (U.S. Census Bureau, July 2009)
- **Best place to ride out the recession** (*Austin-Round Rock MSA* -- No. 1 on list of Best Cities for Recession Recovery (Forbes.com, June 11, 2009)
- **No. 1 nationwide in job creation** over the past 12 months -- *Austin-Round Rock MSA* (Bureau of Labor Statistics, June 2009)
- **No. 2 best city to do business**, among “Big Cities” -- *Austin-Round Rock MSA* (Inc. Magazine, April 2009)
- **No. 4 “Top Economic Performer”** based on creating and sustaining jobs and economic growth (Milken Institute/Greenstreet Real Estate Partners Best Performing Cities Index, January 2009) -- *Austin-Round Rock MSA*

See following pages.

high performance Integrated Management System – 3 components

Line of Sight

Economic Progress	Places and Spaces
Safety and Security	High Performance Government

Purpose: Where do we want to go as a City? All employees working toward common vision – City of Choice. This higher purpose, among other personal motivations, inspires me to come to work for the City of Round Rock.

Answer this: How does my position contribute to the City of Choice? (Reference City's Strategic Plan for description of 4 themes at www.roundrocktexas.gov/strategicplan)

Guidelines:

- This is a shared document between supervisor and employee. Supervisors should initiate process, and provide direction and feedback.
- Fill in where job duties make a direct connection to Strategic theme. Not all themes need to be filled in. Some jobs impact only one theme and that is OK.

Values Behavior Assessment

Integrity. Respect.
Compassion & Support.
Resourcefulness,
Teamwork, Leadership.
Service Excellence.

Purpose: Employees have written a Values & Leadership statement about how we work, which we uphold as an organization. This is a reminder and further commitment to our values from everyone in the organization.

Assessment will address: How do I act and treat others? Is my behavior in line with the City's Values and Leadership philosophy?

Balanced Scorecard

Manage Resources	Run the Business
Serve the Customer & Working Relationships	Learn, Innovate & Lead

The "Balanced Scorecard" is a widely accepted framework for translating a company's vision into implementation.

Purpose: My Balanced Scorecard stems from the next level – my department, division or work unit. I will know in advance what is expected of me and how I will be graded (rating scales not finalized). My duties may change over time as priorities change for the City and/or my department.

Why these 4 perspectives?

Keys to success for any business or organization include financial responsibility, with money, people and supplies (**Manage Resources**), being productive and doing quality work in efficient processes (**Run the Business**) and providing a positive experience and exemplary service to internal and external customers (**Serve the Customer & Working Relationships**). We also aim to perform at our best and continuously improve: **Learn, Innovate & Lead**.

Answer this: What do I need to accomplish? What does success look like for me? (Review higher scorecard first. # of objectives will vary by job.)



Sample for
reference

Sample Line of Sight

Firefighter

Economic Progress

As a member of the Fire Department, you protect the people and businesses that are vital to the city's growth and development. Individuals look at that service in deciding whether to move their family or business to our city.

Places & Spaces

Everywhere you go, you represent the City of Round Rock. Keeping a good image in your own appearance as well as that of your fire engine provides citizens with a sense of pride and peace of mind.

Safety & Security

People look for you on what may be the worst day of their lives. Knowing you will be there to help gives people a sense of security and safety that's hard to measure.

High Performance Government

Sample Balanced Scorecard

DRAFT

Fire Department

Manage Resources

- Monitor budget expenditures to ensure we are within budget.
- Maintain optimal staffing requirements.
- Maintain resource availability through an effective fire apparatus maintenance program.

Run the Business

- Provide emergency services; fire suppression, emergency medical treatment, hazmat, and rescue.
- Provide effective public safety services; fire code enforcement and public education on fire and life safety.

Serve the Customer & Working Relationships

- Analyze historical trends and current trends to ensure Fire Department is using resources wisely, and providing our citizens an excellent level of fire services.

Learn, Innovate & Lead

- Maintain a well-trained, diverse, and competitive workforce, and deliver a high level of departmental performance.
- Support physical fitness and maintain a healthy workforce.

Sample Individual Balanced Scorecard

Firefighter

Sample for
reference

Manage Resources

- Follow apparatus and firehouse maintenance schedule to keep all in proper working conditions.
- Use time wisely and maintain physical fitness.

Run the Business

- Rapidly respond to emergencies and provide citizens and businesses with superior emergency services and medical treatment.

Serve the Customer & Working Relationships

- Provide prompt, friendly and professional service to the community.
- Work closely with EMS providers and other emergency responders to enhance patient outcomes.
- Demonstrate integrity, teamwork and respect within my unit and department.

Learn, Innovate & Lead

- Maintain current in field and share knowledge within my unit.
- Pursue professional development and training opportunities.



hpIMS - Values Behavior Model August 2010 DRAFT

Supports Future of the City	Self	Manager
I act with broader City vision and objectives in mind. I provide input and ideas that benefit the City as a whole.		
I identify and address gaps between current and future status of my work unit/department/City.		
I consider the impact on our citizens, business partners and other departments before taking action (setting policies and carrying out job tasks).		
I look for creative approaches to providing or improving services that may increase efficiency and decrease cost.		
Supports Future of the City		

Demonstrates Excellence Through Results	Self	Manager
I address inquiries and requests from internal and external customers with a sense of urgency.		
I take responsibility for my actions and meeting my commitments.		
I exercise the level of empowerment given to me to make decisions to do my job.		
I take initiative to achieve results that provide a positive impact.		
Demonstrates Excellence Through Results		

Maintains and Respects Relationships (Internal/External)	Self	Manager
I contribute to a positive work environment through respectful and professional treatment of all City employees.		
I know who my customers are. I actively listen to my customers' needs, and communicate in a clear, patient and respectful manner. I provide prompt, consistent and accurate information and service.		
I maintain my composure in difficult communication situations.		
I share my ideas in an open and honest manner.		
Maintains and Respects Relationships (Internal/External)		

Creates a high-performance teams (For Managers only)	Self	Manager
I drive team performance to meet commitments.		
I make retaining and developing talent a priority.		
I effectively lead my team through change.		
I empower my team members to make decisions that drive positive results.		
Creates a high-performance team (For Managers only)		

I have discussed the City of Round Rock's Values Behavior Model with my manager. I understand what behavior is expected of me and recognize this is part of my performance evaluation.

Employee Signature

Date

ADDENDUM C

A high performance, Integrated Management System: A value-driven, results-driven approach to performance management

Draft - Working Paper

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Introduction: Developing an execution culture

We present here an approach to performance management that is based on the values the organization is seeking to enact and the results it is seeking to achieve. Our approach applies some of the best private sector performance management practices to the specific requirements and challenges of the public sector.

Our approach is a system that integrates performance data with organizational values, strategic direction, the resource allocation process, the business processes and the personnel appraisal and reward system. It is a full system intended to both improve performance, but even more importantly to develop a culture of execution where the motto is, "do it, do it right, do it right again and again". The end we seek is an organizational culture where high performance is sustained over time.

The fundamental tests for a performance management system are: (1) is it providing information that helps the organization manage better? (2) is it fostering a performance or execution culture? There are other benefits, but unless there is a positive answer to these two questions the system should be redesigned. We present below a model we believe meets these tests.

The purposes of performance management

Organizational performance management fulfills seven key purposes, each critical if an organization is to perform at a high level and be able to sustain that performance. These purposes are:

- Values management. A well designed performance management system clarifies, reinforces and rewards behaviors and accomplishments consistent with and supportive of the organization's values. It instills and reinforces those values through-out the organization and provides a mechanism for addressing failure to act in accordance with values.
- Alignment. A performance management system has the capacity to ensure that the resources of the organization, coupled with the work efforts, are in alignment with organizational goals and priorities.
- Clarification of role and contribution to mission and vision. A well designed performance management system clarifies the role and contribution that each position makes to the mission and vision of the organization. In knowledge and service work, this understanding is important to both customer service and quality work.
- Feedback. It is a rudimentary but important fact that performance cannot improve without feedback. When performance is meeting the desired standards, feedback is needed so that the actors can continue the same behaviors and use the same processes. When performance is not meeting the desired standards, feedback is even more critical so that modifications of behavior or process can occur. The most immediate impact of a well-designed performance system is the feedback it immediately provides both about expectations and performance toward those expectations.
- Accountability and Public proof of value added. Accountability standards for public organizations have increased significantly and will continue to do so in the future. While systems are clearly in place to account for the use of public dollars, performance management systems help determine whether or not those public dollars were used effectively and thereby raise accountability to a new level. With respect to public proof of value added currently at least there is broad skepticism about the effectiveness and value of public services. Whether this skepticism continues into the future or not is beside the point. Public agencies need to be able to document the value that they are adding for the tax or fee received. Performance management systems provide the data to prove or disprove added value.
- Analytics. Public entities are no different from private or third sector entities in that things do not always go as planned. Some errors or deviations are minor and the reasons obvious. Other deviations however may be substantive, significant and difficult to understand why the deviation occurred. For these latter types of deviations, the analytic power of a well designed performance management system is important. On the flip side, well designed systems provide an analytic capacity that allows us not only to understand failure but to also understand the factors critical to success.
- Execution and Value Added. The key word in performance management is performance. While a performance management system provides value in several ways, the bottom line question is did the intent of the policy-makers and CEO as stated via mission, strategic plan, business plan, budget or other directive get executed? The mantra of a performance management system is "do it, do it right, do it right again and again". We first want people to act toward some goal or objective. We next want the direction to be clear enough, the standards specific enough and the feedback direct enough that so that their action is correct or quickly correctible. Finally, we

want both the skill development and feedback to be of sufficient quality and timeliness that correct action can be sustained repeatedly over time. Stated another way, a performance management system is about the value we want to add and determining if we are adding that value over time.

- Results. The ultimate purpose is to ensure that there is progress toward, and achievement of, the results that the organization is seeking.

The tests of a sustainable performance management system

Sustainability is dependent upon four factors posed as questions: (1) is the performance management system and performance culture it is developing aligned with the values the organization wants expressed; (2) do the metrics add value? That is do they provide information that truly helps managers manage? (3) Is it adaptable? Are there internal processes for updating goals, objectives and measures based on changes in direction, policy or priority? (4) is it aligned or have the capacity to be aligned with the strategic and business plans and budget

Why a value driven approach?

We developed this approach for several reasons. They include:

The purpose of organizational performance is to add value. A performance management system both specifies the value to be added and determines if that value is being added. The term value in this context refers to worth and importance. Are we providing services, products and experiences that our taxpayers and residents find to be valuable for themselves.

Organizations have values whether stated or not. Furthermore there are dominant or what we call driving values which determine the organization's choices or action when difficult decisions or actions must be taken. For a performance management system to be effective it first must be consistent with those values. If for any reason the performance management system focused on providing products and services in a manner inconsistent with those values there will be performance issues.

Performance occurs via behavior. Someone has to do something for performance to occur. That behavior should be aligned and consistent with the values the organization wants to emphasize and display. For example, we may want a performance management system that encourages entrepreneurial activity. However, we want that activity to be legal and honest.

Why a result drawn approach?

We developed this approach for several reasons. They include:

Results are the ultimate test of added-value. The real test of any plan, any system, is whether it produces what we wanted it to produce.

Results are a source of challenge and focus. Results provide a direction, a focus, a reason for the effort. Results that are seen as legitimate and important build morale and create energy.

Results provide the context. Results answer the “why are we doing this” question. They provide the context for work and assist each employee to understand their contribution.

Why an Integrated Approach?

If performance management systems are developed solely at the work unit level, without reference to broader strategic or business plans, good measures may be established but the value of performance management will not be optimized. To be most worthwhile, performance management should link measurement and accountability indicators to larger organizational goals. This linking ensure alignment of effort, more efficient use of resources, linking of work unit efforts where needed, and greater clarification of how a unit’s work contributes to the greater whole. In linking to higher goals, the interfaces between units who have roles in achieving those goals should be an element of the system.

In our view performance management systems are most effective when linked to strategic and business plans, the budget and work unit/individual performance reviews. Such linkages ensure we have linked priorities with resources which then link with work tasks and deliverables and finally with the efficiency, productivity and quality of those tasks and deliverables.

One of the most enduring and difficult challenges of organizational management is getting beyond the silos that seem to emerge almost on their own. A performance management system can either reinforce those silos or help cross them. An integrated system is designed for the latter impact.

The Basic Model for Integrated Performance Management: The components

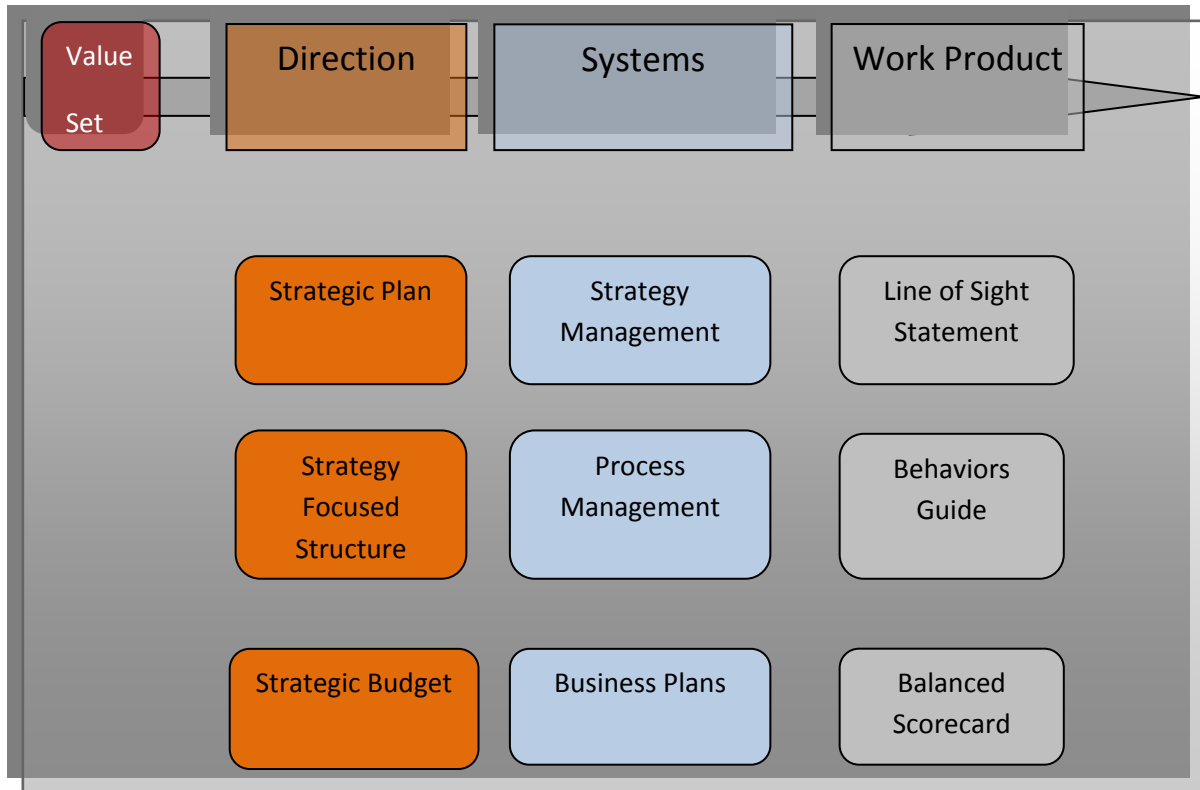
Figure 1 presents a model of an integrated performance management system consisting of four categories and the components within those categories. As stated earlier, performance management is about the execution of the organization’s driving value set. That provides the direction which in turn guides the systems to produce the desired work product.

In order to keep the figure clean the various connecting lines are not illustrated. But in practice each component is linked to each other component and aligned with each other. The components of the system are:

- A strategic plan which sets long term direction;
- A strategy focused organizational structure designed to ensure execution of the strategic plan;
- A strategic budget which allocates resources to strategic priorities
- A strategy management system that ensures goals are managed in a systemic and integrated manner. This component is critical because it is highly likely that goals cut

- A process management system that ensures both the strategic and operational work of the organizational are conducted consistent with organizational value;
- Business plans that detail specific implementation plans with timelines, resource requirements and accountability points;
- Line of sight statements which assist work units or individuals to understand their contribution to the strategic direction;
- Behavioral guides which describe in behavioral terms the product or service delivery expectations and how the organizational values look in practice;
- Balanced scorecards which describe the actual deliverables.

Figure 2: Components of the Integrated Performance Management System.



Measurement of Performance: Technical Issues: Measurement and Management

There are two truisms which a performance management system must reconcile and balance. One is that you can't manage what you can't measure. This is certainly true if we understand measurement as feedback that comes in a variety of forms. Without feedback we cannot know if we are headed in the right direction, much less our speed or quality of performance. A well attuned City Manager for example doesn't need a vote on the dais to know whether his or her Council is upset about an issue.

The second truism is usually attributed to Albert Einstein and it is, "not everything that is important can be measured and not everything that can be measured is important". We have to understand this statement in the context of Einstein's profession of physics, a field in which highly precise measurement is possible. So from a performance management system perspective, let's focus initially on the first half of his statement, "not everything that is important can be measured". This is certainly true if measurement is defined as highly precise hard data. However if measurement is understood as occurring on a continuum ranging from quantitative to qualitative, and on a continuum from highly precise hard counts to information

which is attitudinal and perceptual we can obtain feedback about what is important to us even if it is not expressed in terms of .00026 rather than .0003. What a performance management system must do is determine what is truly important and how feedback can be obtained about the truly important. If this feedback can be in the form of highly quantifiable data, so much the better but it is the feedback which is critical.

Turning now to the second part of the quote, “not everything that can be measured is important” five perspectives are significant. First, measurement always has some costs associated with it so we never want to measure just for measurement’s sake. Second, what is important inside an organization varies with where you sit. The type of information that the City Manager needs for example is different than the type of information that a water plant operator needs. Third, we don’t want to make the error of choosing performance measures simply because they are easy to count. The easy to count may not be the important to count. Fourth, the level of precision of measurement matters. We probably don’t need a daily count or daily report on the number of pencils in the supply cabinet. We do however need someone to notice when the pencil supply is getting low. Fifth how much variability really matters? Most performance can operate satisfactorily within some range. As long as the number is within the range, we are fine or performance is acceptable. It is only when numbers go outside the range that issues arrive. For example, the difference between an annual rainfall of between 30 and 35 inches may not be particularly significant in agriculture. The difference between 35 inches and 5 inches is likely to result in crop failure. Or to use a municipal service example, the difference between an EMS response time of 3 minutes 45 seconds and 4 minutes is negligible in terms of life safety. The difference between 4 minutes and 10 minutes can be life threatening.

The import of Einstein’s statement is that first we want to measure activities and accomplishments that will give us information about what we need to do today and prepare to do tomorrow. The operative question is, “will having this information help us make decisions or take actions?” If it does, then it falls into the category of important. The second import is that what and how we measure matters. We only want to measure precisely enough so that we have the information we need for decision making. To use the pencil illustration again, a simple glance tell us all we need to know on whether to re-order pencils.

In developing the measurement element of a performance management, these two truisms lead us to the following questions:

- To whom is the data important, i.e. will it make a difference in their decision-making or actions? If it won’t then it either doesn’t need to be collected or reported to them;
- What level of precision makes a difference in decision making and action?
- Does the benefit of the information outweigh the costs of collection? If it does not, can a less precise and less costly measure suffice? Or is there another less costly way to collect the data? Or is there data that is highly correlated that we could afford to collect? Or finally, is the cost of error due to inadequate data less than the cost of collection and therefore we are willing to live with the error?

The Measurement Levels of the Model

This model provides the capacity for measurement of five types of performance. They include:

Results. Results are high level impacts of concern to community and policy-makers. They are relatively straightforward to understand and express the fundamental expectation that people have of their local government. Results are often stated as end states. In that sense they require continuous effort and are never checked-off as done and finished. Some common results statements pertinent to local government include safe community, economic growth, environmental protection, affordable public services, clean and attractive community. Results can be measured by comparative benchmarks to other communities, indicators that describe trends, or community perceptions and attitudes.

Results present two challenges in a performance management system. First, they are not always, in fact rarely, under the full control of local government. A result of a safe community for example is impacted by many forces, some of which are external to local government. Second, they are often perceptual in nature. One can have great crime statistics for example, but people can believe the community is unsafe because of an isolated single event.

Outcomes. Outcomes are logical or documented and demonstrable impacts that contribute to a result. Unlike results, they are under the full or significant control or influence of the local government. To continue with the public safety example, it is well documented that code enforcement impacts the level of crime by maintaining the public appearance of an area and avoiding the non-verbal communication that nobody cares (the broken windows phenomenon). An outcome of preventing deterioration of commercial districts or neighborhoods is something the City has the power and ability to impact.

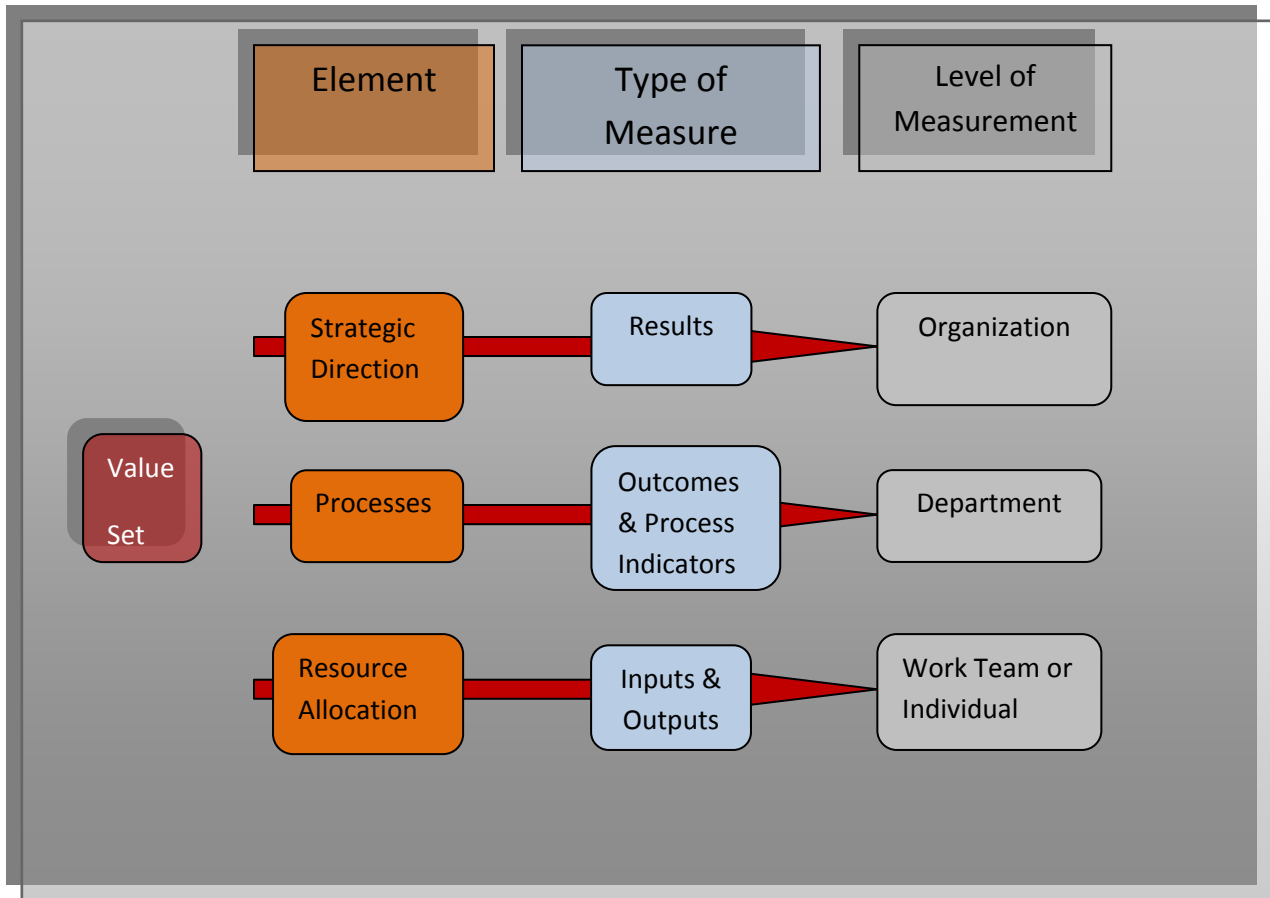
Outputs. Outputs are the actual work products, efforts or deliverables that when combined together create the outcome. To continue with the public safety example, if the outcome is preventing deterioration then some relevant outputs could include: code enforcement actions, amount of patrols by police, maintenance of public infrastructure, organization of neighborhood associations, development of neighborhood plans.

Inputs. These are the resources devoted to producing an output.

Process indicators. These are measures of error rates, time cycles, customer satisfaction, re-work or other indicators that inform as to how well the process is producing the desired product or service and if the process is working as designed.

The various types of measures vary in significance at different levels of the organization. Figure 2 illustrates this relationship at an abstract level.

Figure 2: Types of measurement



Guidelines for developing and selecting metrics

The selection of metrics to assess performance is a critical aspect of any system. It in essence puts the system at risk of “garbage in – garbage out” if done poorly. If done well, not only can level of performance be well understood but some analytic capacity to understand why performance is succeeding or failing will be present and a management tool that truly adds value will have been developed. Some guidelines to use in the development and selection of metrics include:

1. Be cautious about what is easily measurable. The early phases of performance management selected measures simply because they were readily countable. However, what is easily counted may not be of great value in managing system performance. The question to ask is “how important is this data in managing the organization?” If of low or marginal value, then it probably should not be included in the system even if the data is highly quantifiable and easily available.
2. Determine what will happen if this data is collected. Setting aside from this discussion data collection required by external agencies, the question is, “will we take meaningful action based

upon this data?” The world of work is filled with stories of forms being filled out, sent in and nothing ever seems to happen.

3. Data collection costs, collect only what you need. Depending upon how automated and routinized the data collection system is, data may be relatively cheap or very expensive. Whatever its cost, it is not free. If we cannot determine a use for the data that exceeds the cost of collection, it should not be collected.
4. Some metrics are more important than others. Not all metrics are equal. In any business there are certain key variables that are early warning signs, others are signals of substantive danger in the immediate future, others tell you that you are on target and “getting it right”. Focus your metric development efforts on those variables that either help you avoid serious error or tell you to continue pushing because you are on the right path.
5. Use a balanced scorecard approach. All critical dimensions of organizational performance should be measured. We use the balanced scorecard technique to assist in this guideline. The approach is described later in the paper.
6. Be careful about too much information. The purpose is to help you manage performance. If you are so overwhelmed with information that you cannot focus on what is important and critical due to the deluge, then you have too much information and need to reduce the flow.
7. Understand the intended and potential unintended consequences of measurement. What you measure gets attention. It will lead to people acting in one way and not another. You want to be sure that the behaviors the metrics will generate are the behaviors you want. For example in a discussion on library metrics the topic of fines and fees was raised. Given that it was a significant amount of money there were certainly an accountability issue and the funding source was important for book replacement. One early metric was to measure the amount each library aide collected. After further thought it was determined that might create an incentive to push for fines or to avoid dealing with fines. That was not the intent of the topic so a different metric was developed. However, just as with the proverbial patrol officer who has a quota of traffic tickets to issue, the incentive created by the measure must be understood.
8. Approach measurement broadly. Some define measurement solely as a quantifiable endeavor. If it can't be counted, then it can't be measured and therefore it is unimportant. While strong advocates of quantifiable metrics, we believe such a stance both unproductive and unrealistic. Any information that provides useful feedback, that helps us understand if we are on the path to success for a particular endeavor is worthy of consideration. It is important to remember that sometimes the most important information does not lend itself to a quantifiable format. A variety of more qualitative approaches, such as interviews, focus groups or staff meetings may be needed. Ideally these could be used in conjunction with some quantifiable measure.
9. Use different types of measures. In some cases we can count behavior whether that behavior is miles of right-of-way mowed, response times, number of persons served, hours in crime prevention activities, etc. But we may also need to measure attitudes, such as customer satisfaction or employee morale. Finally, given that perception is reality, we at times need to measure perceptions, such whether the community is safe or the economic climate pro-business. All three of these dimensions should be examined.

The Balanced Scorecard

The balanced scorecard is a performance management tools originally developed for the corporate sector which has proven to be of sufficient value that it has been adapted for a broad range of organizational forms. The premise of the scorecard is that there are four dimensions of organizational performance which must be managed and measured. They are:

- Financial performance. From a private sector perspective this is the proverbial bottom line of profit and loss. While the public sector has some profit/loss aspects (in its enterprise funds), it has to focus more on both accountable use of public funding and comparative costs of public services. Some potential metrics to consider in this category include:
 - per capita spending trends for City services and programs
 - program costs to be paid for by users vs. general taxation or fees
 - full costing of services
 - budgeting for contingencies (advantages, disadvantages)
 - adherence to reserve requirements and policies
 - bond ratings and related assessments of capital financing and strategies for debt
 - awareness of and impact of long-term program costs
 - key ratios of financial condition
 - indicators of revenue diversification and stability
 - relative competitiveness of economic development objectives, incentives and potential
- Run the business. This category addresses the fundamental purpose of each operating and administrative support unit by measuring and documenting the core services or products each delivers. Given the diversity of operations in a city, there will be a wide range of indicators in this category. This is the area where extensive performance management work has been done by ICMA and there are many resources one can draw upon in the selection of metrics. Measures in this category tend to be of the following types:
 - Productivity and efficiency. How productive the unit is compared to either past measurement cycles or to benchmark communities. These are usually output and/or input measures;
 - Quality. How well either external or internal standards were met;
 - Impact. What difference was made? These measures are usually assessed in the context of a desired outcome. Has crime decreased? Is water delivery more reliable? Are new businesses opening? These are the type of questions that are asked and answered in this type of measure.
 - Process indicators. These measures focus on key processes that determine the unit's ability to produce its key deliverable. While specifics vary by the deliverable, there are usually measures of error rates and re-work, time cycles to produce the deliverable, achievement of stated standards.
- Customer and Working Relationships. For local governments this category covers all those entities whose cooperation is required for successful delivery of services, who have

regulatory authority over the local government, who have the ability to impact the development of the community, who pay the taxes, who receive the services. In essence, if the City is dependent upon an entity to do its work, or the entity is dependent upon the City for its work, all those entities are included in this category. This is a category where perceptual and attitudinal measures are particularly important. Why? For example, you may complete a permit request within the established time frame, have it done correctly according to procedure and completed it at a cost within the fee received. From that perspective your performance is exemplary. However, if in doing so your attitude has been unfriendly or unhelpful, if you have been non-responsive to questions, or if you have just generally been a pain, the customer's experience has not been a good one. That bad experience overshadows the other good work and serves to create a reputation for yourself and your work unit. Reputations unfortunately travel much faster than performance and suddenly your community has a reputation as business unfriendly or a bunch of real bureaucrats. Managing and measuring this category of performance is one of the most critical. Some of the tools that are available include:

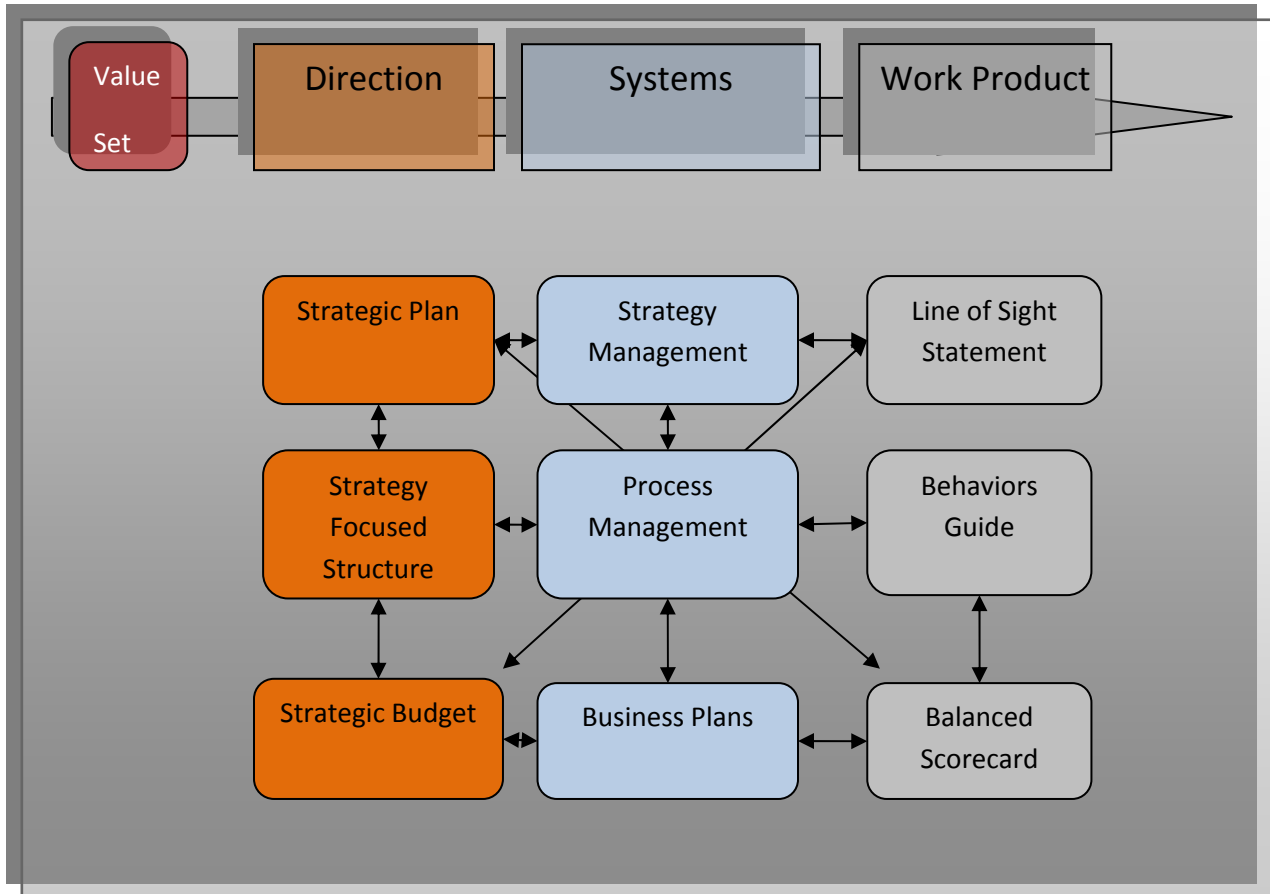
- Satisfaction surveys of various forms and formats;
 - Opinion surveys which seek to obtain ideas and perspectives about how the unit is doing and how it could do better;
 - Focus groups to obtain real-time feedback;
 - A regular feedback group of users who develop a deep understanding of your options and constraints but at the same time can assist you to address issues;
 - Observation. Simply watch how employees interact with stakeholders and identify strengths and opportunities for improvement;
- Innovation and learning. In the private sector version of the scorecard the emphasis in this category is on whether there are new products in the pipeline so that market share can be maintained or enhanced. While this is a dimension of the public sector scorecard, there is greater emphasis on quality improvement and capacity development. Metrics here consist of types such as:
 - Process improvement metrics such as reduced cycle times, reduced error rates, higher compliance with standards;
 - Accomplishments and recognitions by one's profession such as accreditation, certification, etc;
 - Documentation of steps which increase the capacity of the organization to do more such as cross-training of staff;
 - Documentation of innovations which improve services or lower cost.

Feedback loops in the model

This model is intended to operate as an integrated system. To do so, it must have a number of feedback loops and connections. These are illustrated in figure 3 at the most direct level of

feedback. In reality feedback loops provide many additional direct connections but to draw those would create a blur of lines that confuse the issue. The point is simply that every component provides information for other components.

Figure 3: Illustration of feedback loops



The Line of Sight Concept

For organizational performance to achieve high levels significant amounts of information sharing and collaborative problem solving must occur. One of the factors which assist employees to accurately interpret and use information for problem solving is an understanding of context. While there was a time when the statement, “if you needed to know I would tell you” was satisfactory, that time is not now. In knowledge and service work an understanding of organizational direction, of expected response, of why tasks are assigned is very helpful to performance.

Understanding context is an on-going communication challenge that no one technique or approach will fully satisfy. Nevertheless we think that one element of a performance management system must be designed to provide this context. We call that element “line of sight”. As shown in figure 4, line of sight assists the employee to place his or her work in the context not just of the outcomes they are producing but how those outputs lead to outcomes which contribute to results and ultimately to the strategic direction of the organization.

Line of sight statements should be simple and direct. They need be developed only to the level of positions doing distinctive work. For example, if twenty patrol officers complete the same duties and functions, there only needs to be one line of sight statement for them as a group. However, if my work is substantively different from yours even though we have the same classification title, then separate line of sights statements are warranted.

Figure 4: Line of Sight

