

IDENTIFYING, SELECTING AND USING PERFORMANCE MEASURES

PART I: SELECTING PERFORMANCE MEASURES: Here is a five step process that is the fastest way (with practice about 45 minutes) to identify performance measures, select the most important ones and identify a data development agenda.

STEP 1. HOW MUCH WE DO (Upper Left): Draw the four quadrants on a big piece of flip chart paper. Start in the upper left quadrant. First put down the measure "# of customers served." in the upper left quadrant. Ask if there are better more specific ways to count customers or important subcategories of customers, and list them. (e.g. by age, by geography, by condition. Next ask what activities are performed. Convert each activity into a measure (e.g. "we train people" becomes # of people trained; "we repair roads" becomes # miles of roads repaired) When you're finished, ask if there are any major activities that are not listed. Don't try to get every last thing, just the most important.

STEP 2. HOW WELL DO WE DO IT? HOW WELL DO WE PERFORM THESE ACTIVITIES? (Upper Right): Ask people to review the standard measures for this quadrant that apply to most if not all programs, services or activities (e.g. unit cost, staff turnover, etc.) These are shown on the "Separating the Wheat From Chaff" worksheet (page 50) in the upper right quadrant under "Common Measures." Write each answer in the upper right quadrant.

Next take each activity listed in the upper left quadrant and ask if there are measures that tell whether that particular activity was performed well. If you get blank looks, ask if timeliness matters, if accuracy matters. Convert each answer into a measure and be specific (e.g. the timeliness of case reviews becomes "percent of case reviews completed within 30 days after opening;" response time becomes "percent of responses in less than 6 minutes.")

STEP 3. IS ANYONE BETTER OFF? (Lower Left and Lower Right): Ask "In what ways could customers/clients be better off as a result of getting this service? How we would know if they were better off in measurable terms?" Create pairs of measures (# and %) for each answer (e.g. # and % of clients who get jobs above the minimum wage). The # answers go in the lower left; the % answers go in the lower right.

NOTE: There are two ways to state these kind of measures: point in time measures (e.g. % of children with good attendance this report card period) and improvement over time measures (e.g.. % of children whose attendance improved since the last report card period).

Identifying the ways in which customers are better off is the most interesting and challenging part of this process. Dig deep into the different ways this can show up in the lives of the people served. Explore each of the four categories of "better-offness": skills/knowledge, attitude, behavior and circumstance. If people get stuck, try the reverse question: "If your service was terrible, how would it show up in the lives of your customers?"

Look first for data that is already collected. But be creative about things that could/should be counted and the ways in which data could be generated. It is not always necessary to do 100% reporting. Sampling can be used, either regular and continuous sampling or one time studies based on sampling. Pre and post testing can be used to show improvement over time in skills, knowledge or attitude. Surveys can be used which ask clients to self report improvement or benefits.

NOTE: Every performance measure has two incarnations: a lay definition and a technical definition. The lay definition is one that anyone could understand (e.g. Percentage of clients who got jobs) and a technical definition which, for percentages, exactly specifies the numerator and denominator (e.g. the number of clients who got jobs this month, divided by the total number of clients enrolled in the program at any time during the month).

PAUSE: Now you have filled in the four quadrants with as many entries as you can. Next we select the most important measures and a data development agenda. Here's a SHORT CUT way to do that:

STEP 4. HEADLINE MEASURES; Identify the measures in the upper right and lower right quadrants for which there is (good) data. This means decent data is available today (or could be produced with little effort). Circle each one of these measures with a colored marker. Ask the following question: "If you had to talk about your program in a public setting with just one of these circled measures, which one would it be?" Put a "star #1" by the answer. Then ask "If you could have a second measure... and a third?" You should identify no more than 3 or 4 measures. And those should be a mix of upper right and lower right quadrant measures. These choices represent a working list of headline measures for the program.

STEP 5. DATA DEVELOPMENT AGENDA; Ask "If you could buy one of the measures for which you don't have data, which one would it be?" The word buy is used deliberately because data is expensive both in money and employee time.) Mark each answer with a different colored marker. "If you could have a second measure... and a third?" List 3 or 4 measures. These answers are the beginning of your data development agenda *in priority order*.

PART II: THIS PROCESS CONTINUES WITH QUESTION 4 OF THE 7 PERFORMANCE ACCOUNTABILITY QUESTIONS.

QUESTION 4: How are we doing on the most important of these measures? Where have we been; where are we headed?

- Create a BASELINE with forecast for one or more of the headline performance measures. This consists of as much historical data as you have, preferably 3 to 5 years, AND a forecast of 2 or 3 scenarios of where your performance is headed if you stay on your current course.
- Describe the STORY BEHIND EACH BASELINE (or the set of baselines together). This should include an explanation of the factors which you think account for where you've been and the reasoning behind the forecast scenarios.
- Add questions to your INFORMATION AND RESEARCH AGENDA about what you would like to know about causes.

QUESTION 5: Who are the partners who have a potential role to play in doing better? – Brainstorm a list of public and private section partners.

QUESTION 6: What works, what could work to do better than baseline? (best practices, best hunches; include partners' contribution)

- Use the list of partners and the story behind the baseline as POINTERS to what works. Drawing on your own experience, the research literature and the experience of other jurisdictions, describe what would work to improve performance. In this case improved performance means performance better than the baseline(s) described in step 4. Make sure you include potential actions of your partners outside the organization. And make sure you consider no-cost and low-cost actions which would make a difference. (Not everything is about money.)
- Add questions to your information and research agenda about what you would like to know about what works.

QUESTION 7: What do we propose to do? (multi-year action plan and budget; include no-cost and low-cost items)

- Using the raw material of step 6, craft your ideas about what works into a multi-year action plan and budget. Answer the question: "If we were serious about improving the performance of this program (service, agency) what would we do over the NEXT YEAR and over the NEXT 2 TO 10 YEARS?" Display this approach in a format which shows the baselines, the story behind the baselines, and what you propose to do over the next 2 (to 10) years to improve performance.
- NOTE: In the Turn the Curve Exercise, identify the 3 best ideas (including at least one no-cost/low-cost idea) and the funniest or most off the wall idea.

Separating the Wheat from the Chaff

Types of Measures Found in Each Quadrant

<u>What We Do</u>	<u>How Well We Do It</u>
<p># Clients/customers served</p> <p># Activities (by type of activity)</p>	<p>% Common measures (e.g. client staff ratio, workload ratio, staff turnover rate, staff morale, % staff fully trained, % satisfied customers, % clients seen in their own language, worker safety, unit cost)</p> <p>% Activity-specific measures (e.g. % actions timely, % clients completing activity, % actions correct and complete, % of actions meeting standard etc.)</p>
<u>Is Anyone Better Off?</u>	
<p>#</p> <p>#</p> <p>#</p> <p>#</p>	<p>Point in Time vs. Point to Point Improvement</p> <p>% Skills / Knowledge (e.g. parenting skills)</p> <p>% Attitude (e.g. toward drugs)</p> <p>% Behavior (e.g. school attendance)</p> <p>% Circumstance (e.g. working, in stable housing)</p>