

PERFORMANCE MEASUREMENT MATTERS

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DEPARTMENT OF MANAGEMENT & BUDGET

Fairfax County, Virginia

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Senior Management Team Explores Performance Measurement

While many employees were enjoying vacation in anticipation of the long July 4th holiday weekend, members of the Senior Management Team – the County Executive and his staff, and agency directors – spent a full, information-packed session the morning of July 1, 1999 learning more about performance measurement and benchmarking. The session opened with a brief presentation of how Fairfax County has evolved over the past few years from a measurement system almost exclusively focused on outputs to one that emphasizes a balanced picture of performance, including not only outputs, but efficiency, service quality, and outcome as well.

Attendees were also briefed on resources that the Performance Measurement (PM) Team has made available in order to assist agencies in further enhancing their measures and subsequently, their performance. These resources include this newsletter, brownbag lunches, a PM Resource Library, a PM website, additional training, and facilitation/team support as requested. In addition, they learned about the Regional PM Consortium that Fairfax County initiated last fall in order to share information with other jurisdictions in the region and state. For some, this was the first time they learned of these developments.

Gerald Newfarmer, Chairman and CEO of Management Partners, Inc. and former City Manager of Cincinnati, Ohio, shared his thoughts on the "Effective Use of Performance Measurement." He was followed by Norma Jo Greenlee, Quality Coordinator for the U.S. Patent and Trademark Office who addressed "The Art of Benchmarking." Ms. Greenlee's

extensive experience in the field of benchmarking enabled her to share many interesting anecdotes, as well as convey a thorough appreciation for the substantial commitment required for benchmarking. She also provided the Senior Management Team with many valuable hand-outs such as the Benchmarking Code of Conduct, Benchmarking Terminology, a manual used by her agency, and other associated materials.

Lastly, Ed Long, Chief Financial Officer and Director of the Department of Management and Budget, and Peter Schroth, Director of the Department of Human Resources, introduced the Internal Consulting Team which consists of staff from both agencies who are specially trained and available to work with County agencies to study and resolve various issues that will result in improved performance. This is yet another resource that agencies have at their disposal to ensure continuous improvement.

By the end of the morning, attendees probably felt like sponges saturated in information about performance measurement, benchmarking, and continuous improvement. However, the general consensus was that a great deal of useful information had been shared to enable them to continue to work with their agencies to maintain and improve the high-quality services they provide.

Next Brownbag Lunch

As part of the ongoing effort to share PM information, the fourth Brownbag Lunch will be held on Wednesday, August 11, 1999 from noon to 1 p.m. in Room 120C of the Government Center. The first three have included discussions of Fairfax County's PM system and associated initiatives, the development of human services-type outcomes, and benchmarking. Agencies such as the Department of Family Services and the Fairfax County Public Library have shared their experiences in these respective areas and attendees commented on the value of learning from their peers. The brownbag lunches also present an opportunity for agency staff who may be struggling with an issue or question to bring it up and receive feedback from

New on the Infoweb

Are you aware of the wealth of performance measurement (PM) information that is available at your fingertips? All you need to do is go to <http://infoweb/omb/pfmeasure.htm> on the County's Intranet to access a multitude of information to help you in your PM efforts. Recent additions include three new manuals designed to supplement the *Fairfax County Measures Up Manual* by addressing *Data Collection for Performance Measurement*, *Surveying for Customer Satisfaction*, and *Fairfax County Manages for Results*, a guidebook that helps take you beyond basic performance measurement. The *Fairfax County Measures Up Manual* is undergoing its third edition with minor revisions to clarify and update information, and will be available on the Infoweb by July 20, 1999. The current edition, as well as the other manuals, are already available for your viewing, printing, and use.

In addition, the PM Team is continually seeking new links that will further assist staff and provide valuable information. If you come across any that you find to be particularly useful, please contact Patti Innocenti of the PM Team at 324-2261 (e-mail PINNOC). Keep in mind that this is a constantly changing website and the information you find tomorrow may be different from what was there last week. It pays to check in periodically to keep abreast of PM developments.

those in other agencies that may have tackled similar difficulties successfully.

Anyone with a suggestion for the August topic should contact Barbara Emerson at 324-3009 (e-mail BEMERS). And if you're the type who likes to plan ahead, the October Brownbag Lunch will take place on Tuesday, October 5, 1999, also from noon to 1 p.m. in Room 120C.

Performance Measurement Matters is published quarterly by the PM Team. Editor: Barbara Emerson, Technical Support by Frann Mummert, Department of Management and Budget. Advisory staff: Sara Simmons, Department of Planning and Zoning.

Calculating Efficiency Performance Indicators

Central to any performance measurement (PM) system is determining ARE WE DOING THE RIGHT THING? (outcome) and ARE WE DOING IT RIGHT? (efficiency). The PM methodology used by Fairfax County emphasizes these two types of indicators as part of the Family of Measures which also includes output (quantity) and service quality (timeliness, accuracy, and/or customer satisfaction).

After going through two budget cycles using this enhanced PM methodology, an area identified for improvement is ensuring that efficiency indicator calculations are consistent (computed comparably year to year), accurate (numbers are computed correctly), complete (all relevant inputs and outputs are considered), and that agencies have adequate documentation in order to ensure accountability.

Efficiency is calculated as the ratio of inputs used per unit of output, e.g., cost per real estate appraisal or plans reviewed per reviewer. Each year as agencies update their performance measures for the annual budget, they track output, efficiency, service quality, and outcome indicators. The process for determining these indicators is basically unchanged from the past two years; however, for FY 2001, agencies will be required to provide the back-up calculations for verification and to enable Department of Management Budget (DMB) analysts to make adjustments if funding is changed, e.g., for cost-of-living or market rate adjustments.

The recently distributed FY 2001 Budget Manual addresses the step-by-step calculations for computing efficiency indicators (see General Guidelines – Appendix A). These steps include determining all associated costs, e.g., Personnel Services, Operating Expenses, Capital Equipment, and Recovered Costs (if applicable). Fairfax County's methodology of determining efficiency is to include all associated direct costs, as well as fringe benefits for salaries. After these inputs have been totaled, the figure is divided by the number of outputs to derive a cost per unit.

DMB budget analysts will be working with agencies to ensure that this information is provided in order to enable a thorough review and understanding of efficiency indicators. In addition, two one-hour briefings will be held to go over this new information. Agencies should send whoever is responsible for computing their

efficiency indicators to one of these sessions. The sessions will take place from 1:30 to 2:30 p.m. on Tuesday, July 27 and Wednesday, July 28 in Conference Rooms 2-3 in the Government Center. No advance reservation is required; however, as all agencies will be required to submit this type of information, it is essential that anyone with budget and/or PM responsibilities have a good understanding of the process.

ON GOALS

"Obstacles are those frightful things you see when you take your eyes off the goal."

Henry Ford



PM Team Members

In the April 1999 issue of this newsletter, a call went out for County staff interested in becoming members of the Performance Measurement (PM) Team. The response was overwhelming. County employees from a variety of agencies and an employee from the Fairfax County Public Schools indicated their interest in participating and contributing to this effort.

To have a meaningful performance measurement effort, it is important to have input from agencies with different perspectives and the following list certainly indicates that diversity. In addition, it provides additional capability throughout the County government of staff who are knowledgeable and can share their expertise with fellow employees.

Feel free to contact any of the team members listed below if you have questions or comments about the County's PM effort.

- Barbara Emerson Dept of Management and Budget 324-3009
- Stacy Anderson Dept of Management and Budget 324-4070
- Laura Golberg Dept of Information Technology 324-4117
- Norm Graves Dept of Tax Administration 324-4625
- Chuck Higdon Dept of Vehicle Services 324-3539
- George Hohmann Dept of Management and Budget 324-4078
- Patti Innocenti Dept of Purchasing and Supply Management 324-2261
- Doug Miller Fairfax County Public Library 324-8322
- Suzanne Neuschatz Dept of Family Services 324-5431
- Sarah Shangraw Dept of Systems Management for Human Svcs .. 324-7567
- Laurie Shertzer Fire and Rescue Dept 246-3284
- Cathy Spage Dept of Management and Budget 324-4079
- Steve Springer Dept of Human Resources 324-3353
- Anne-Marie Von Kahle Fairfax County Public Schools 246-4729