

PERFORMANCE MEASUREMENT MATTERS

DEPARTMENT OF MANAGEMENT & BUDGET
Fairfax County, Virginia

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COMPARATIVE PERFORMANCE MEASUREMENT

By Allison Owen, Department of Management and Budget

You've gathered the output data. You've calculated efficiencies and service quality percentages. You've arrived at the outcome information and have compared it to previous years to determine whether or not you're improving. But . . . have you compared your results to other jurisdictions? When compared to another agency, is four days considered good, average, or bad when it comes to processing purchase orders? In an emergency situation, is an average dispatch response time of 2.6 minutes considered amazing or appalling? You know how your performance measures up within your agency, but do you know how your performance rates with those outside your agency? Outside your region? Do you know where to go to learn best practices that will help your organization improve?

Comparative Performance Measurement is a publication that can help you make informed comparisons using appropriate information and techniques. A collaborative effort by Elaine Morley, Scott P. Bryant, and Harry P. Hatry, Comparative Performance Measurement defines the comparative performance measurement (CPM) process, offers types and examples of CPM efforts, and provides a "how to" for conducting a CPM assessment.

A useful tool for improving management and operations, CPM evaluates the performance of an agency or jurisdiction with similar entities to identify performance differences and areas for improvement. CPM can be used to evaluate the performance of public agencies against private organizations as well, particularly if an agency or jurisdiction is considering privatizing an aspect of its service.

Fairfax County participates in the CPM initiative through the International City/County Management Association (ICMA), a conglomerate of approximately 140 cities and counties that submit performance information related to four key service areas: police, fire

and emergency, neighborhood, and support services. This information can be accessed by participating jurisdictions so performance can be compared. Data is collected annually from participating CPM members.

When conducting a CPM analysis, it is important to ensure that similar data are evaluated. The following is a brief synopsis outlining five steps for this effort:

- Determine the Scope of the CPM Effort** – It is advisable to have a few meaningful indicators rather than a number of poor ones. In addition, it is preferable to concentrate on outcome indicators rather than just resorting to workload or input indicators. When determining which outcome indicators to include, remember to "normalize" outcomes to account for size differences and the number of customers served. Instead of using terms such as "defective streetlights" or "employee turnover rate," provide numbers that reflect "defective streetlights per 1,000 streetlights" or "employee turnover rate per 100 full-time employees." This is especially important when a large jurisdiction such as Fairfax County compares itself to others that may not be as populous. For example, anytime we select other Virginia localities, we know the next largest jurisdiction is Virginia Beach with a population of 425,257, which is less than half the population of Fairfax County. That is not to say we should not compare ourselves to other Virginia localities; however, size differences should be addressed as appropriate.
- Prepare for Data Collection** – Performance indicators should define terms as specifically as possible. For example, what constitutes a "major crime" may differ from one jurisdiction to another, so an explanatory definition may be necessary. Again, it may be necessary to normalize the data using percentages or ratios to reflect the information more accurately.
- Collect Data for Comparison** – As noted above, prior to collecting data, it is useful to develop a "data dictionary" to clearly define all terms referenced in the CPM analysis. The data dictionary

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should be distributed to all agencies involved in the CPM effort so that consensus may be reached regarding term definitions. Once data have been collected, the authors recommend checking the information several times to ensure data integrity. The first check should focus on outliers, inconsistencies, and missing or incorrectly entered data. The second check should focus on identifying extremely high or low values between agencies, checking for computer errors, and ensuring consistency with other publicly reported data. A final check is recommended to ensure all corrections have been made.

- Analyze Comparative Performance Information** – How well is the agency doing on its performance indicators? The authors offer quite a few suggestions for how to present the CPM results. A few of these presentation techniques include ranking agencies on each indicator, developing a rating system for each indicator then rating the agencies, and calculating the average (mean) and/or the median for all agencies involved in the CPM analysis. When conducting the analysis, it is important to examine the relationships of key external factors to the performance values. An agency may appear to have performed poorly due to circumstances beyond its control. For example, income at golf facilities may be much lower than in previous years due to inclement weather. Also, turnaround time for data processing may have increased due to computer viruses that cause systems to be shut down for an extended period of time.
- Report the CPM Information** – The publication offers suggestions on what information to include in the report, how the report should be formatted, and what to report if the news is not as good as expected.

County staff are welcome to use the Comparative Performance Measurement publication in DMB's Performance Measurement Library. Please contact Barbara Emerson (324-3009) if you wish to use the PM Library. As the Performance Measurement initiative continues and agencies become increasingly accountable for achieving their objectives, CPM is the next logical step in the process of continuous improvement.

PM Events for 2002

The Performance Measurement (PM) Team, whose members are listed below, has planned the year's schedule of training and brownbag lunches. In addition to the regular four-part series of classes in June, a one-hour refresher will be held in August as that is the timeframe when many staff will be working on their agencies' measures.

PM 2002 CALENDAR

EVENT	DATE/TIME	LOCATION
Brownbag Lunch - Performance Contracting	February 7, 2002 Noon – 1 p.m.	Room 120C, Government Center (GC)
Brownbag Lunch - Government Performance Project	May 2, 2002 Noon – 1 p.m.	CR 8, GC
Basic PM Training	June 12, 2002 8:30-11:30 a.m	CR 4-5, GC
Data Collection	June 12, 2002 1-3:30 p.m.	CR 4-5, GC
Surveying for Customer Satisfaction	June 13, 2002 8:30-11:30 a.m	CR 4-5, GC
Managing for Results	June 13, 2002 1-3:30 p.m.	CR 4-5, GC
Brownbag Lunch - Performance Measurement Refresher	August 1, 2002 Noon – 1 p.m.	Room 120C, GC
Brownbag Lunch - Comparative Performance Measurement	November 7, 2002 Noon – 1 p.m.	Room 120C, GC

FEBRUARY BROWNBAG
Performance Contracting

Fairfax County spends millions of dollars annually on contracted services. We want to get the best value and believe there should be a way to contract for performance. Cathy Muse, Deputy Director of the Department of Purchasing and Supply Management will lead a brownbag lunch discussion on the topic of Performance Contracting on **Thursday, February 7, 2002 from noon until 1:00 p.m. in Room 120C of the Government Center** (in the corner of the Cafeteria). She will discuss how performance-based contracting is one important element in governments' strategies to become high performance organizations. No registration is necessary. Feel free to bring your lunch and come to learn about how your agency can properly monitor contractors in order to achieve agency objectives.

PM TEAM MEMBERS

- Sheila Bishop Vehicle Services 324-3541
- Evan Braff Community & Recreation Services 324-5650
- Barbara Emerson Management and Budget 324-3009
- Dick Eckert Community Services Board 934-8737
- Laura Golberg Information Technology 324-4117
- Liz Henry Family Services 324-7889
- Susan Herbert Fire and Rescue 324-3889
- Rose Hill-Evans Finance 324-3163
- Stephen Knippler Housing & Community Development 246-5161
- Doug Miller Fairfax County Public Library 324-8322
- Eric Mills Police Department 246-4299
- Allison Owen Management & Budget 324-2044
- Catherine Spage Information Technology 324-3870
- Bill Yake Management and Budget 324-2030

Visit the PM Website:

<http://infoweb.co.fairfax.va.us/DMB/pfmeasure.htm>



"Performance measurement is to reinvention what navigation is to exploration. In both instances, we greatly reduce the risk of failure if we chart our course in advance, take our bearings and measure our progress frequently, and make timely corrections when we blow off course. The better the navigational performance measurement system, the more likely we are to succeed in our mission."

— Michael Campbell, *Building Results*