

ATTACHMENTS TO SCOPING DOCUMENT

DRAFT: STILL IN DEVELOPMENT

MARCH 23, 2010

ATTACHMENT A:

PERFORMANCE MEASUREMENT PRIMER

Section Still in Progress

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Glossary

This is a two part glossary of terms for use by the Minnesota Steering Committee on Performance and Outcomes. The purpose of this document is to provide a beginning point for understanding the basic concepts of performance management and accountability. The Committee recognizes that the glossary can be amended as work moves forward.

The first section is a plain language listing of common terms and simplified definitions created by Mark Friedman. Mr. Friedman has given blanket permission for government agencies to use this document. The citation is Friedman, M. (2005). *Trying Hard Is Not Good Enough, How to Produce Measurable Improvements for Customers and Communities*, pages 151-154. Santa Fe, NM: Fiscal Policy Studies Institute.

The second section is a more technical glossary similar to a dictionary. This section is adapted from the American Society for Quality. The citation is American Society for Quality. (June 2007). *Quality Glossary, Quality Progress*, 40(6), pages 39-59. Milwaukee: Author. OR www.asq.org/glossary

Part 1: TOOLS FOR CHOOSING A COMMON LANGUAGE (Friedman)

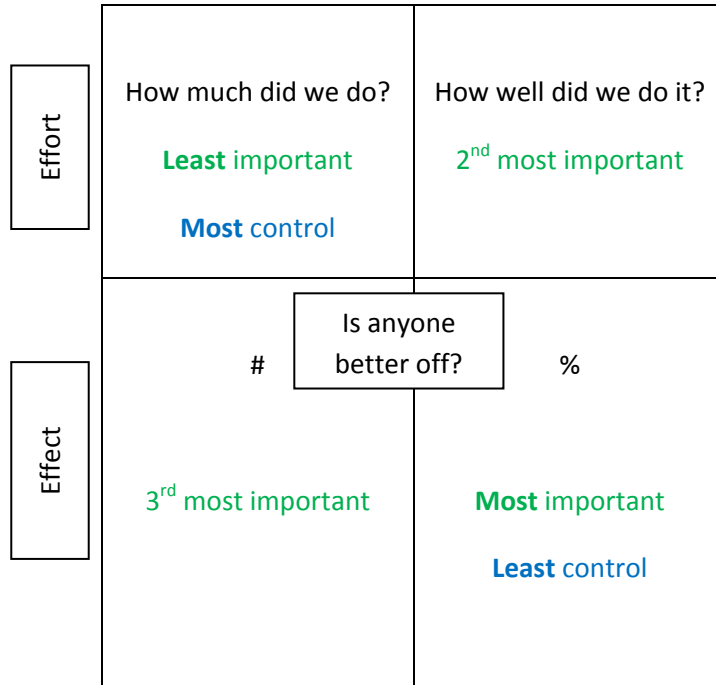
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Framework Idea	Common Labels For Each Idea
<p>A. The Basics</p> <ol style="list-style-type: none"> 1. A condition of well-being for children, adults, families and communities stated in plain language. 2. A measure that helps quantify the achievement of a result. 3. A coherent set of actions that has a reasoned chance of working to improve results. 4. A measure of how well a program, agency or service system is working. 	<ol style="list-style-type: none"> 1. Result (Outcome, Goal) 2. Indicator (Benchmark) 3. Strategy (What works) 4. Performance measure
<p>B. Other Important ideas</p> <ol style="list-style-type: none"> 1. A picture of a desired future, one that is hard but possible to attain. 	<ol style="list-style-type: none"> 1. Vision (Desired future)

<ol style="list-style-type: none"> 2. The purpose of an organization. 3. A person or organization who benefits from program or agency service delivery. 4. A person or organization who has a significant interest in the performance of a program, agency or service system. 5. A person or organization who has a role to play in improving results. 6. A visual display of the beginning point for measuring change. 7. A visual display of the history and forecast(s) for a measure. 8. An analysis of the conditions, causes and forces at work that helps explain why a baseline looks the way it does. 9. An analysis of the conditions, causes and forces at work that helps explain why a trend line looks the way it does. 10. Possible actions that could make a difference on a result or performance measure. 11. A description of proposed actions. 12. The components of an action or strategic plan. 13. A desired level of achievement for an indicator or performance measure. 14. A system or process for holding managers and workers responsible for the performance of their programs, agencies and service systems. 15. A system or process of working from ends to means, using population and/or program results to drive decisions about what to do and how to budget. 	<ol style="list-style-type: none"> 2. <u>Mission</u> (Purpose) 3. <u>Client</u> (Customer) 4. <u>Stakeholder</u> (Constituent) 5. <u>Partner</u> (Collaborator) 6. <u>Baseline</u> 7. <u>Trend line</u> 8. <u>Story behind the baseline</u> 9. <u>Story behind the trend line</u> 10. <u>Strategy</u> What works 11. <u>Action plan short term / Strategic plan long term</u> 12. <u>Objectives</u> (Goals, Milestones) 13. <u>Target</u> (Goal, Benchmark) 14. <u>Results Accountability</u> 15. <u>Results Management</u>
<p>C. Types of Performance Measures</p> <ol style="list-style-type: none"> 1. Measures of the quantity or amount of effort, how much service was delivered. 2. Measures of the quality of effort, how well the service 	<ol style="list-style-type: none"> 1. How much did we do? <ul style="list-style-type: none"> • Input, Output, Resources • Process measure • Product measure 2. How well did we do it? <ul style="list-style-type: none"> • Efficiency measure • Process measure

<p>delivery and support functions were performed.</p> <p>3. Measures of the quantity and quality of effect on customers' lives.</p>	<ul style="list-style-type: none">• Customer satisfaction <p>3. Is anyone better off?</p> <ul style="list-style-type: none">• Effectiveness measure• Customer result• Customer outcome• Impact, Cost / benefit ratio• Return on investment• Output• Outcome, Product, Value added• Customer satisfaction
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C. Types of Performance Measures (illustrated)



Part 2: GLOSSARY OF TERMS RELATED TO PERFORMANCE MEASUREMENT AND QUALITY

Selected items from the American Society of Quality, June 2007

Action Plan: A specific method or process to achieve the results called for by one or more objectives.

Alignment: Actions to ensure that a process or activity supports the organization's strategy, goals, and objectives.

Balanced scorecard: A strategic performance management system that provides a method of aligning activities to strategy and monitoring performance of strategic goals over time.

Baseline measurement: The beginning point or the basis against which change is measured.

Benchmarking: A technique for measuring one agency's performance against a best in class performance of another agency.

Chart: A tool for organizing, summarizing, and depicting data in graphic form.

Compliance: The state of an organization that meets prescribed specifications, contract terms, regulations, or standards.

Continuous improvement: The ongoing improvement of products, services, or processes through incremental and breakthrough improvements.

Customer satisfaction: The result of delivering a product or service that meets customer needs, requirements, and expectations.

Cycle time: The total time from the beginning to the end of a process.

Data: A set of collected facts.

Goal: A broad statement describing a desired future condition or achievement.

Indicators: Established measures to determine how well an organization is doing (can refer to customer satisfaction, financial management, or some other operation).

Inputs: The labor (staff numbers and expertise), capital assets (land, buildings, vehicles, computers) and financial resources used by an agency to generate outputs.

Measurement: The act or process of quantitatively comparing results with requirements.

Objective: A specific statement of a desired short-term condition or achievement which includes a measurable result within a time limit.

Outcome: The end result that is sought or a description of the intended result, effect, or consequence that will occur from carrying out a program or activity.

Outputs: Refers to the measurement of an activity or service such as the total number of units of service provided (number of calls answered by a call center).

Process measure: Measures of the performance of a process such as cycle time.

Standard: A set of criteria, guidelines or practices.

Strategic Planning: The process an agency uses to envision its future and develop the appropriate strategies, goals, objectives, and action plans.

Trend: The graphical representation of a measure illustrating at least three data points.

Values: The fundamental beliefs that drive an agency's behavior and decision making.

Vision: An overarching statement of the way an organization wants to be; an ideal state of being at a future point.

Voice of the customer: The expressed requirements and expectations of customers relative to products or services.

Basic Characteristics of Measurement, Analysis, and Knowledge Management in High Performing Organizations

According to the Baldrige criteria, high performing organizations measure, analyze, review, and improve performance through the use of data and information at all levels and in all parts of the organization. Higher-performing organizations tend to have these characteristics:

1. Performance Measurement

- ✓ Select and integrate data on both daily operations and progress toward strategic objectives
- ✓ Collect performance data on a timely basis so it is available when needed for decision-making
- ✓ Use the data to support fact-based decision-making and innovation
- ✓ Select and ensure the use of external comparative data
- ✓ Take steps to keep the performance measures current with today's needs and directions

2. Performance Analysis

- ✓ Conduct performance reviews
- ✓ Perform analyses as a part of performance reviews and to develop understanding of the capabilities of the organization
- ✓ Take steps to assure the analyses are valid
- ✓ Use performance reviews to assess success, comparative performance, and progress relative to strategic objectives and actions plan

3. Performance Improvement

- ✓ Take performance review findings and translate them into priorities for continuous and breakthrough improvements
- ✓ Communicate and deploy the priorities to appropriate work and functional groups
- ✓ As appropriate, communicate and deploy the priorities to service suppliers, partners, and collaborators to assure alignment

4. Data, Information, and Knowledge Management

- ✓ Take steps to assure the accuracy, reliability, integrity, timeliness, security, and confidentiality of data and information
- ✓ Make data and information easily accessible to those who need it
- ✓ Actively manage knowledge, so that it is transferred as needed to the workforce, partners, and others
- ✓ Rapidly identify, share, and further the implementation of best practices
- ✓ Assemble and transfer knowledge for use in strategic planning

5. Management of Information Resources and Technology

- ✓ Ensure that hardware and software are reliable, secure, and user-friendly
- ✓ Have contingency plans in place to assure data is available during emergencies
- ✓ Keep data and IT systems current with business needs and technology changes

Characteristics of Good Performance Measures: The Manager’s Viewpoint

What do we need to measure to manage well:

- ✓ Gauge progress toward our results?
- ✓ Know performance gaps are closing or performance is improving?
- ✓ Identify emerging issues and problems?
- ✓ Encourage conversations about the things that matter?
- ✓ Make good decisions?
- ✓ Demonstrate & communicate that clients and taxpayers got their money’s worth?

Characteristics of Good Performance Measures: The Analyst’s Viewpoint

How well does the measure meet the following criteria:

Criteria	Explanation
Relevance	The measure is logically and directly related to the mission, goals, strategies, and results.
Validity	The measure directly and accurately measures the information of interest.
Reliability	The measure can be, or has been, gathered consistently year after year, with few changes
Objectivity	The measure cannot easily be collected or presented in a biased manner.
Resistance to unintended side-effects	The measure does not encourage unintended consequences or behaviors that attempt to “beat the system.”
Clarity	The measure is clear and easy to understand. Its relationship to other measures is clear.
Timeliness	The measure can be compiled and reported quickly enough to be useful to staff and managers.
Utility	The measure can easily be used to monitor and compare performance across teams or by multiple audiences.
Cost	The measure is cost-effective to set up, collect, analyze, and report. Less costly proxy measures are not available.
Uniqueness	The measure does not repeat or overlap information gathered from other indicators.
Necessity	Information from the measure is essential, rather than “nice to know.”
Ease of analysis	The measure has a high analytic potential, meaning it has characteristics such as the following: <ul style="list-style-type: none">✓ It can be aggregated at several levels✓ The data are continuous, rather than categorical✓ The level of error is acceptably low

	✓ It is easy to quantify
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ATTACHMENT B: Work Group Report Template

Section Still in Progress

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- A. Cover Page
- B. Essential Services: Statements of Results
- C. Preferred Performance Measures
- D. Statutes/Rules to Consider for Repeal or Modification

Attachments:

- 1. Measurement Selection Criteria and Scores
- 2. Inventory of Mandatory Performance Measures
- 3. List of federal statutory and regulatory references for this set of services
- 4. List of state statutory and rule references for this set of services

Steering Committee on Performance and Outcome Reforms

Performance Measurement Work Group Final Report

Work Group:

Chair:

Members: County/SDAs:

DHS:

Client Community (providers, advocates, clients):

Facilitator(s):

Technical Advisors:

Meeting Dates:

This work product represents the consensus of the small work team.

Signature of Team Leader: _____

Date: _____

Preferred Performance Measures

Performance Measurement Categories

The preferred performance measures, along with the other work completed by the Working Group, will be considered by the Steering Committee in determining how best to assess performance in the essential human services programs. For each essential human service, the group will identify performance measures that capture:

1. the intended results of the service
2. key factors for service success
3. primary constraints on service success

The measure of intended results should provide a gauge of the extent to which the service has had its intended impact on users of that service. Some of the questions to ask in identifying such measures include:

- How will we know that the results we have described in our statements have been achieved?
- What will customers experience if we are successful?
- How will we know customer expectations have been met?

The measure of key factors of success should relate to whether or how well a best practice method or technique has been deployed. These measures are important because deployment of best practices will increase the likelihood of successful results. Some of the questions to ask in identifying such measures include:

- What are the best practices for this service?
- What actions are associated with deployment of this practice?
- How will we know if the intended actions are well deployed?

The measure of constraints should describe the status of a factor that typically presents a bottleneck or restraint to success, even when best practices are deployed. These measures are important because they can prevent or limit the attainment of successful results. Some of the questions to ask in identifying such measures include:

- What strategic challenges prevent this service from performing as well as it could?
- What step in the service process slows things down the most and why is that so?
- How will we know if this constraint is getting better or worse?

Only the measures of results will eventually become associated with performance standards. The other measures will be developed to provide program managers in the counties with information about leading indicators that could be predictive of their ability to achieve results.

The Working Group should identify one to three measures in each of the three measurement categories for each outcome statement.

Preferred Performance Measurement List

Essential Service:						
Measure Description	Technical Definition (how measure is calculated)	Measure Category	Required by federal or state statute?	Agency/Unit Collecting Measure	Current Collection Frequency	Data Location (Database)

Section still in progress-

Recommendations Regarding Repeal of Minnesota Statutes and Rules.

In this section, list all recommendations in priority order of importance (#1 is the highest) of all state statutes and rules that can be recommended for repeal.

Statutory/Rule Reference	Brief Description	Rationale
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For each item, the small work team must list a rationale for its recommendation.

For example:

1. Out of date language
2. Duplicative of a different statute/rule
3. Reference is superseded by a different statute/rule
4. The service is no longer provided
5. Other:

The small work team should provide an assurance that a side-by-side comparison was completed to minimize conflicts between and among federal statutes/regulations and state statutes/rules including checking all cross references.

Attachment 1: Measurement Selection Criteria and Scores

Section still in progress

In selecting measures, the Working Group should use the matrix below as a guide in making its choices. The tables should be completed for each service.

Usefulness for Management

How well does each measure provide the information needed to manage the service well? Rate each measure from 0-5 where 5 means the measure does an excellent job of meeting the criteria.

Essential Service:							
Proposed Measure	Accurately Gauges Attainment of Results	Accurately Gauges Deployment of a Best Practice	Accurately Gauges a Key Process Constraint	Identifies Emerging Issues	Useful in Decision making	Reflects Value for Taxpayers	Necessary for Good Management

Ability to be consistent across multiple program areas (from legis.)

Technical Characteristics

How well does each measure meet the technical criteria for a good measure? Rate each measure from 0-5 where 5 means the measure does an excellent job of meeting the criteria.

Essential Service:												
Proposed Measure	Relevance	Validity	Reliability	Objectivity	Resistance to Adverse Side-effects	Clarity	Timeliness	Cost of Collection	Ease of Collection	Ease of Understanding	Addresses a Federal Mandate Required for Funding	Can be used across multiple programs