

Lunch Update: State of Public Sector Performance Management

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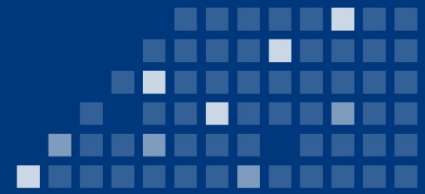
The National Performance Management Advisory Commission

Sponsoring Organizations

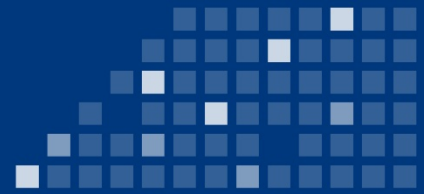
- ◆ Association of School Business Officials International
- ◆ Council of State Governments
- ◆ Government Finance Officers Association
- ◆ International City/County Management Association
- ◆ National Association of Counties
- ◆ National Association of State Auditors, Comptrollers and Treasurers
- ◆ National Association of State Budget Officers
- ◆ National Center for State Courts
- ◆ National Conference of State Legislatures
- ◆ National League of Cities
- ◆ United States Conference of Mayors



FORCES



- Fiscal Challenges
- Performance
- Transparency
- Demographics
- Sustainability
- Shifting Global Economics
- Engagement & Civility
- Boundaries Become Meaningless



Leadership in Times of Turbulence: Opportunity in Crisis

- The Greatest Opportunity
- The New Normal
- Reset Priorities
- Protect Your Most Valuable Asset

Note: from “The Upside of the Downturn” - Geoff Colvin

Leadership in Times of Turbulence: Opportunity in Crisis (cont.)

- Engage the Outside World
- Reexamine Your Strategy and Business Model
- Manage For Value
- Create New Solutions for Customers'
New Problems

Note: from “The Upside of the Downturn” - Geoff Colvin

Who Copes Best in Hard Times?



Strong Management Capacity

Targeted and Flexible Spending Choices

Revenue Diversity

Have a Long Term Financial Plan

Maintain Adequate Reserves

Fees for Service Reflecting Cost of Delivery

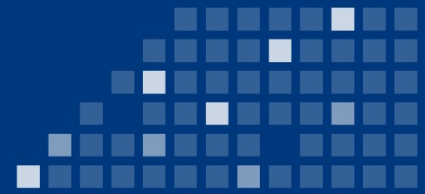
Informed Stakeholders

Relentless Pursuit of Improvement



Leaders at the Core of Better Communities

What is Working?



Reassess Community Priorities

Re-engineer Organization

Fix Structural Deficits (personnel)

Advance Technological Solutions

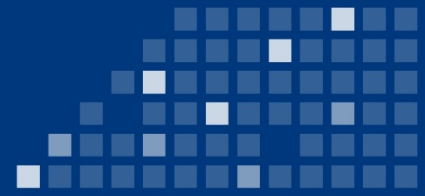
Increase Revenues

Partnerships

Management Flexibility and Transparency



What Do Transformed Governments Look Like?



Anchored Around Purpose, Mission & Values

Risk Tolerance Profile – Innovation Matters

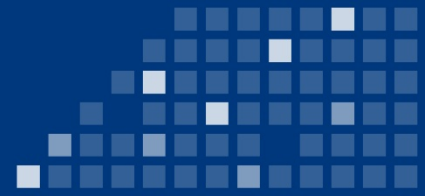
Understand the Brutal Facts but Focused on the Possibilities
Not the Problems

Engaged with all Stakeholders

See a Path to a Desirable Future that others don't

Create Opportunities When Others See Obstacles

Six Characteristics of Successful Government Organizations

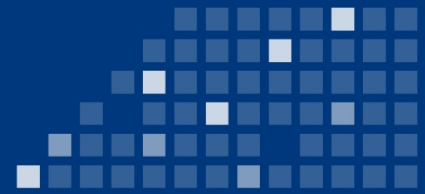


- Establish early-warning system to discern environmental trends and factors that will have impacts on strategy and timing.
- React quickly to those trends and factors.
- Having “migration” strategies in place early to weather the storms of changing environments.

Six Characteristics of Successful Government Organizations (cont.)

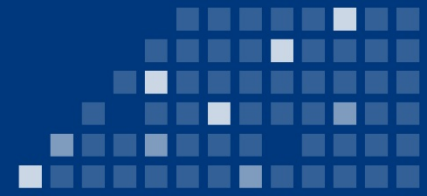
- Understanding community values and making choices based on priorities.
- Applying the rigor required to determine whether programs are working.
- Never being satisfied with the current level of performance.

Keys to Local Government Transformation



- Create alternative migration paths
- Understand their risk profiles
- Know what success looks like
- Determine the upside of stakeholders

The Future



- Local Government and Regions will be on their own
- Cross Sector Strategies will be the norm
- Performance Matters
- Maintain Identity but Match Issues to Geography – Political Identity Versus Economies of Scale

A Performance Management Framework for State and Local Government:

From Measurement and Reporting to
Management and Improving

National Performance Management Advisory Commission



“Performance management is an ongoing, systematic approach to improving results through evidence-based decision making, continuous organizational learning, and a focus on accountability for performance.”

--A Performance Management Framework for State and Local Government



Examples of Performance Management Practices

- ◆ Performance Contracting
- ◆ Pay-for-Performance Systems
- ◆ Task Systems
- ◆ Gainsharing Plans
- ◆ Stat Systems (e.g., New York City's Compstat and Baltimore's CitiStat systems)

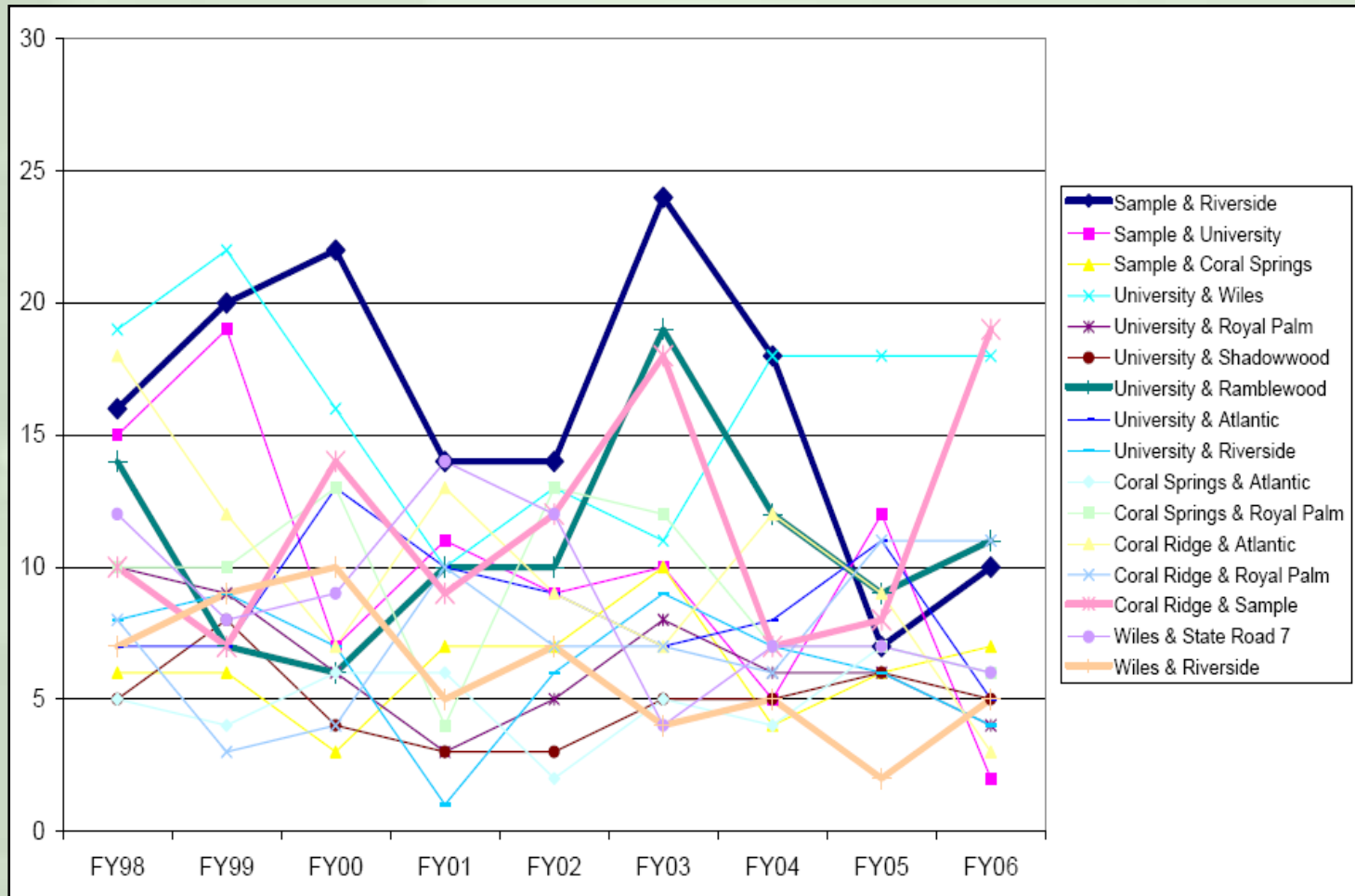


Upgrading Your Measures to Prepare for Performance Management

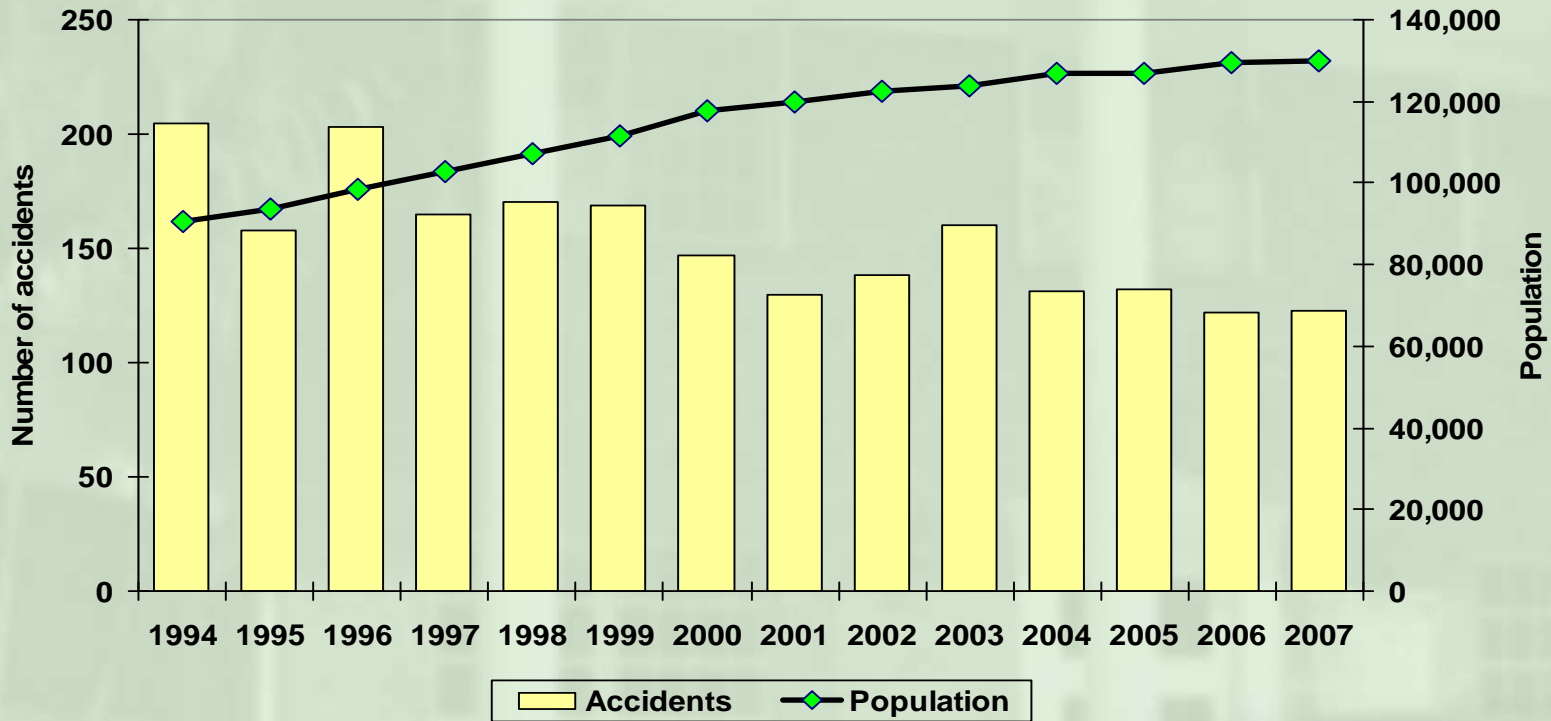
- ◆ Shift more of your focus from process to results
- ◆ Shift your focus from outputs (i.e., workload) to efficiency, effectiveness, outcomes.



Accidents by major intersection



Accidents at major intersections despite population (and traffic) increases



“Moving from measuring and reporting to managing and improving results...”

--A Performance Management Framework for State and Local Government

