

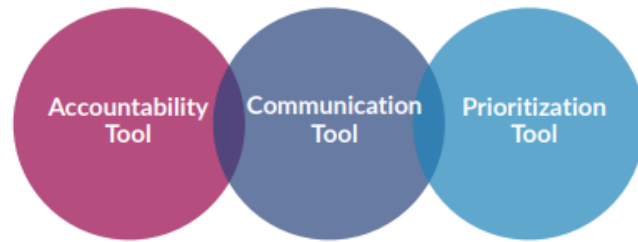
# DEFINING **SUCCESS:**

## OUTCOMES, GOALS & OBJECTIVES

### Why Should an organization set Strategic Performance Measures?

Strategic performance measures, often derived from a strategic plan, provide three main benefits to municipalities and their communities: an accountability tool, a communication tool, and a prioritization tool.

**Figure 1: Strategic Plan Benefits**



#### *Accountability Tool*

The selected objectives and measures set clear targets to achieve the vision of the elected body. This framework enables the local manager to report with regular frequency on progress to the elected leaders and the community at large. In that way, with regular reporting, the set of measures becomes a clear tool with which to hold the organization accountable to itself and its community.

#### *Communication Tool*

Strategic performance measures should communicate both the vision and the implementation steps to achieve that vision internally and externally. They should be easy to understand, both in terms of what the objectives and measures are trying to achieve, and in terms of reporting success; ie “on target” “making progress” and/or “below target.”

#### *Prioritization Tool*

There is an old refrain “what gets measured gets done.” Leveraging strategic performance measures as a tool for prioritization ensures there is a direct link between the vision of the elected officials, financial and resource investments, and staff’s day-to-day work. There should be clear continuity between the broad vision and the daily roles of city staff; and strategic performance measures are that link.

**Note on image:** Strategic Planning in Small Communities: A Manager’s Manual, September 2022; ICMA

#### **Roles and Responsibilities for Setting Strategic Performance Measures**

At the start of any strategic planning session, clearly defining roles at the outset is foundational to success. The information below is largely drawn from a 2019 ICMA article titled “Strategic Planning Revisited.” In the article, the authors identify three main groups who play critical roles in developing goals/objectives and measures.

##### *Elected Leaders*

Elected leaders set the vision or big picture for their community. Much like the standard Council-Manager relationship, where Council sets the policy framework and the Manager directs staff to implement; the same principle applies here. Council plays the critical role of developing and adopting goals and/or objectives.

##### *City Leaders and Employees*

Continuing the theme from above, the City Manager is responsible for implementing the strategic vision Council has laid out by developing and managing the activities that result in progress towards Council’s goals and objectives. City leadership has two main roles to play: 1) empower staff at all levels to work towards achieving goals and objectives 2) remain accountable to their staff, each other, council, and the community for meeting goals and objectives.

##### *Community and Stakeholders*

The vision Council sets forth should flow from input and feedback from their constituents. The community should always play a key role in shaping a city’s vision, goals at the start of a process; and they should be sought out for feedback in an on-going fashion.

### Award Winning Strategic Performance Measures

As the city moves to enhance the strategic priority framework, advancement of cohesive and efficient performance management practices were analyzed from awarded local governments' performance management initiatives. A review of best practices as outlined by the International City/County Management Association (ICMA), national leaders in performance management, and Charlotte's peer cities helped guide the analysis while providing realistic expectations for Charlotte's potential framework. Charlotte does well in many of the practices below, but there are clear opportunities for improvement in the coming months. One notable component is a public-facing dashboard to easily report and track performance of key objectives.

ICMA outlines nine leading practices for performance management:

- Public reporting – use of graphs, dashboards, etc., to highlight performance.
- Training – at least one informational or training session during the past year for staff in other jurisdictions dealing with performance management issues.
- Data Verification – creating a system for periodically reviewing performance measures, their use, and the controls in place to ensure reliability and validity of data.
- Accountability – adoption of policies for holding staff accountable to report performance data and work towards continuous improvement.
- Discussions and Process Improvement - participation on at least two occasions in communications/presentations with staff about performance measurement issues.
- Networking – sharing of performance measurement experiences/lessons learned with other communities.
- Strategic Planning and Budgeting - consideration of performance data in measuring progress toward strategic plan goals, making management decisions, or considering financial issues.
- Leadership - Internal emphasis on performance measurement that makes it pervasive in the organizational culture, and external leadership in networking, presentations, and data sharing.
- Satisfaction Surveys - Conduct and reporting of customer satisfaction surveys, both of internal customers (employees) and the general public.

Effective and easy understand performance measures are led by concise Council priorities. Overall, leading and peer cities have about 30 key strategic measures across their Council priorities. These elevated measures in most instances are in addition to other department measures that are tracked and evaluated annually. A snapshot of this information is presented below, with peer cities highlighted in orange. Excerpts of Dallas, Fort Lauderdale, and Kansas City's performance management framework is also attached.

City	# of Council Priorities	Measures per priority	Notes
Dallas	8	3-5 per priority, 35 total	2021 ICMA performance measure certificate of excellence
Austin	6	~5 Indicators per priority, with 3-5 measures associated with one indicator	2021 ICMA performance measure certificate of excellence
Seattle	7	2-5 per priority, 19 total	

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<b>Fort Lauderdale</b>	6	3-10 per priority, 35 total	2021 ICMA performance measure certificate of excellence
<b>Kansas City</b>	4	6-10 measures per priority, 31 total	2021 ICMA performance measure certificate of excellence

### Charlotte History

The City's Management by Objectives (MBO) process served the organization well over many years and helped staff track performance against targets. However, it did not reflect the city's emerging emphasis on strategic goals, mission-driven government, and rapid change. The old measurement system focused the city's attention backward, not forward. It was an audit tool, not a planning tool. It did not directly relate to the city's vision, mission, or goals.

At the 1990 retreat, City Council endorsed a proposal to restructure its goal-setting process. City Council would now identify strategic themes in which the city would strive to excel and focus its limited resources. By identifying strategic themes, Council would have consensus areas in which to develop specific goals, make budgetary decisions, and provide city staff with a better understanding of what priorities were endorsed by the entire Council.

During the FY 1992 Budget Discussion Council established Focus Areas, and broad objectives for each area. Council Committee's were then structured around the Focus Areas to draft or review policy items before presenting to full council for consideration. A strategic plan was developed for each focus area.

To illustrate the performance management process, Charlotte wanted a performance measurement tool and report that gave a quick yet comprehensive view of progress in strategic areas and translated mission and strategy into tangible objectives and measures. In 1994, the City of Charlotte became the first municipality to implement the Balanced Scorecard (BSC). The BSC provided a way to summarize the most critical performance measures in a single management report.

The scorecard included objectives, each addressing one of the four perspectives and linked also to one or more focus areas. The linkage of the scorecard objectives to the Council focus areas advanced the city's the strategic management process. Each of the objectives was broadly worded to provide a context for a range of initiatives that might be undertaken to achieve that objective. The city's scorecard did not represent every important service delivered. Instead, it encapsulated the strategic focus areas of the organization.

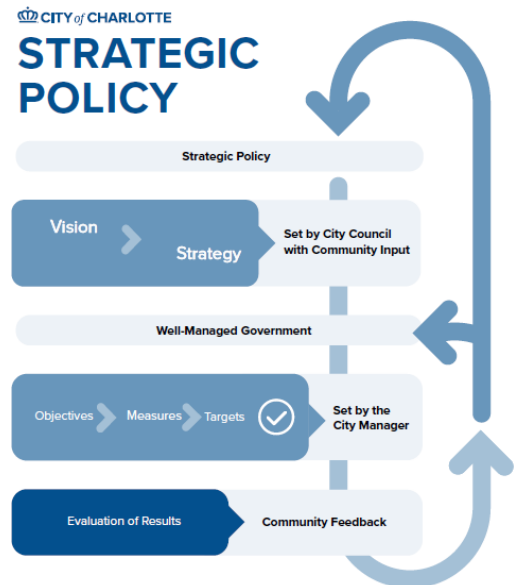
The BSC served as a solid performance management tool and City of Charlotte received awards for implementing it. However, over time one drawback of the BSC Scorecard approach became more evident. The number of layers and terminology of Focuses, Perspectives, Objectives, and Initiatives was not easily followed or meaningful for the public. In 2018, the city further streamlined the performance reporting process to directly link objectives to Council Strategic Priorities (previously "Focuses"), no longer including the layer designating type of "perspective" for each objective. This helped to more clearly represent to the public served by the city how efforts are directly targeted to achieving the Strategic Priorities.

## Where we are today

Each year at an annual strategy meeting, council reviews, revises and/or confirms their strategic priorities for the upcoming fiscal year. The strategic priorities serve to set a focus on the higher-level policy framework to guide the city's steady progress. Council's priorities create a well-structured foundation for aligning the delivery of city services and measuring the city's progress. An annual review and adoption of performance measure objectives, measures, prior year actuals, and targets, provides a view of progress year-to-year.

The current strategic priorities defined by City Council serve as the foundation for funding decisions and setting objectives.

- **Well-Managed Government, Equity, and Environment**  
Ensuring the city maintains a commitment to and focus on equity and safeguarding the environment; leadership in financial stewardship; reviewing best practices; and maintaining consistency in approach with an emphasis on effective and efficient services that are accountable, customer focused, and inclusive.
- **Great Neighborhoods**  
Focusing on comprehensive initiatives designed to create affordable housing and provide opportunities that align with creating great neighborhoods.
- **Safe Communities**  
Ensuring neighborhoods are safe, healthy, and inclusive, with a focus on policing, fire protection, and community relations.
- **Transportation and Planning**  
Anticipating and planning for the growth of the community. Addressing growth with strategic investments, building, and maintaining a comprehensive transportation network, and placemaking strategies that encourage connection between neighborhoods and employment centers.
- **Workforce and Business Development**  
Building and maintaining a successful business climate and workforce talent, including the number of jobs with sustainable wages/benefits; economic opportunity for all residents; and encouraging business development, innovation, and entrepreneurship.



Within the annual budgeting process, each department sets objectives toward the advancement of Council's Strategic Priorities. The objectives link the efforts to advancement of the citywide priorities, and the measures gauge advancement within each of the priority areas.

- **Objectives:** An objective is the driver which describes the desired outcome that if achieved will further progress in advancing the strategic priorities.
- **Measures:** Performance measures are metrics or indicators which assess progress towards meeting the objective.
- **Targets:** Serving as a benchmark, targets are established to evaluate the effectiveness of efforts in meeting the objectives.

## Where we want to go

Charlotte has a strong history of effective performance measurement and management to drive decision making at all levels of the organization from City Council representing the interests of the public, and translating those priorities into service priorities for front-line staff. The current state of performance management includes robust metrics for each department linking to Council's Strategic Priorities. To further advance the city's performance management framework the city is working toward:

- Improving linkage to existing Council-adopted plans, frameworks, and policies
  - Highlighting specific goals and objectives and tying them to key metrics
  - Illustrating the linkage across initiatives toward achieving Council's priorities
- Identifying and developing a set of key metrics for Council and the public to understand achievement/progress tied to Council's strategic priorities
  - Providing highlights from a subset of the of performance measures the city tracks, that most directly serve as key indicators to show the city's progress
- Developing more targeted communication, adoption, and understanding of performance measure targets
  - Developing easily understood and accessed dashboards to demonstrate progress.
  - Increasing frequency of reporting on metrics to staff, Council, and the public

Staff will pull from the following plans to develop a framework of performance goals and objectives to be shared with Council at the FY 2024 Annual Strategy Meeting:

- Housing Charlotte – Adopted August 2018
- Strategic Energy Action Plan – Adopted December 2018
- Violence Reduction Framework – Adopted September 2020
- SAFE Charlotte – Adopted October 2020
- Charlotte Future 2040 Comprehensive Plan – Adopted June 2021
- Strategic Mobility Plan – Adopted June 2022
- Equity in Governance Framework – Adopted October 2022
- Charlotte Business INclusion Policy – Updated April 2023
- Arts and Culture Plan – accepted November 2023

An example of this enhanced connection between Council's strategic priorities, adopted plans, and performance metrics is demonstrated below:

- Council's Strategic Priority: Transportation and Planning
  - Policy Goal within Plan: 10-minute neighborhoods (Comprehensive Plan)
    - Policy Objective: All Charlotte will have access to a high performance transit corridor a 10-minute walk, bike, or transit trip of high-performance transit station
      - Staff-developed Performance Measure: Percent of residents living within a 10-minute walk, bike, or transit trip high transit station
        - Performance Target: To be Determined

***Prior to the Annual Strategy Meeting, please review the document titled Performance Measure Framework and familiarize yourself with the policy goals and activities for an exercise on Monday January 22, to determine your top priority objectives within each Strategic Priority.***