

# Lunch Update: State of Public Sector Performance Management

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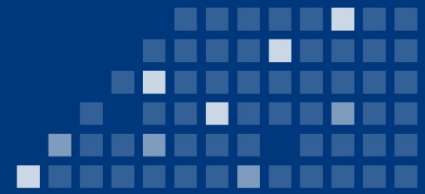
**The National Performance Management Advisory Commission**

# Sponsoring Organizations

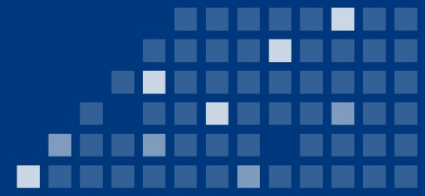
- ◆ Association of School Business Officials International
- ◆ Council of State Governments
- ◆ Government Finance Officers Association
- ◆ International City/County Management Association
- ◆ National Association of Counties
- ◆ National Association of State Auditors, Comptrollers and Treasurers
- ◆ 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



*Leaders at the Core of Better Communities*

# 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

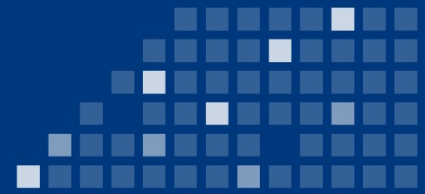
Informed Stakeholders

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

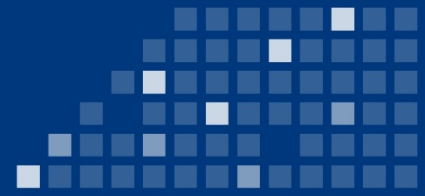
Increase Revenues

Partnerships

Management Flexibility and Transparency



# What Do Transformed Governments Look Like?



Anchored Around Purpose, Mission & Values

Risk Tolerance Profile – Innovation Matters

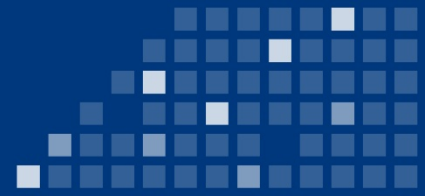
Understand the Brutal Facts but Focused on the Possibilities  
Not the Problems

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

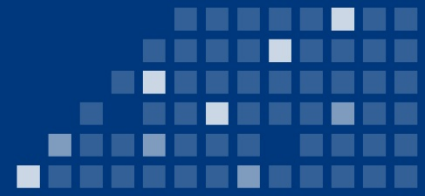


- Establish early-warning system to discern environmental trends and factors that will have impacts on strategy and timing.
- React quickly to those trends and factors.
- Having “migration” strategies in place early to weather the storms of changing environments.

# Six Characteristics of Successful Government Organizations (cont.)

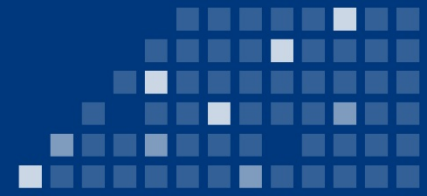
- Understanding community values and making choices based on priorities.
- Applying the rigor required to determine whether programs are working.
- Never being satisfied with the current level of performance.

# 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

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# A Performance Management Framework for State and Local Government:

From Measurement and Reporting to  
Management and Improving

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*National Performance Management Advisory Commission*



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“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

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



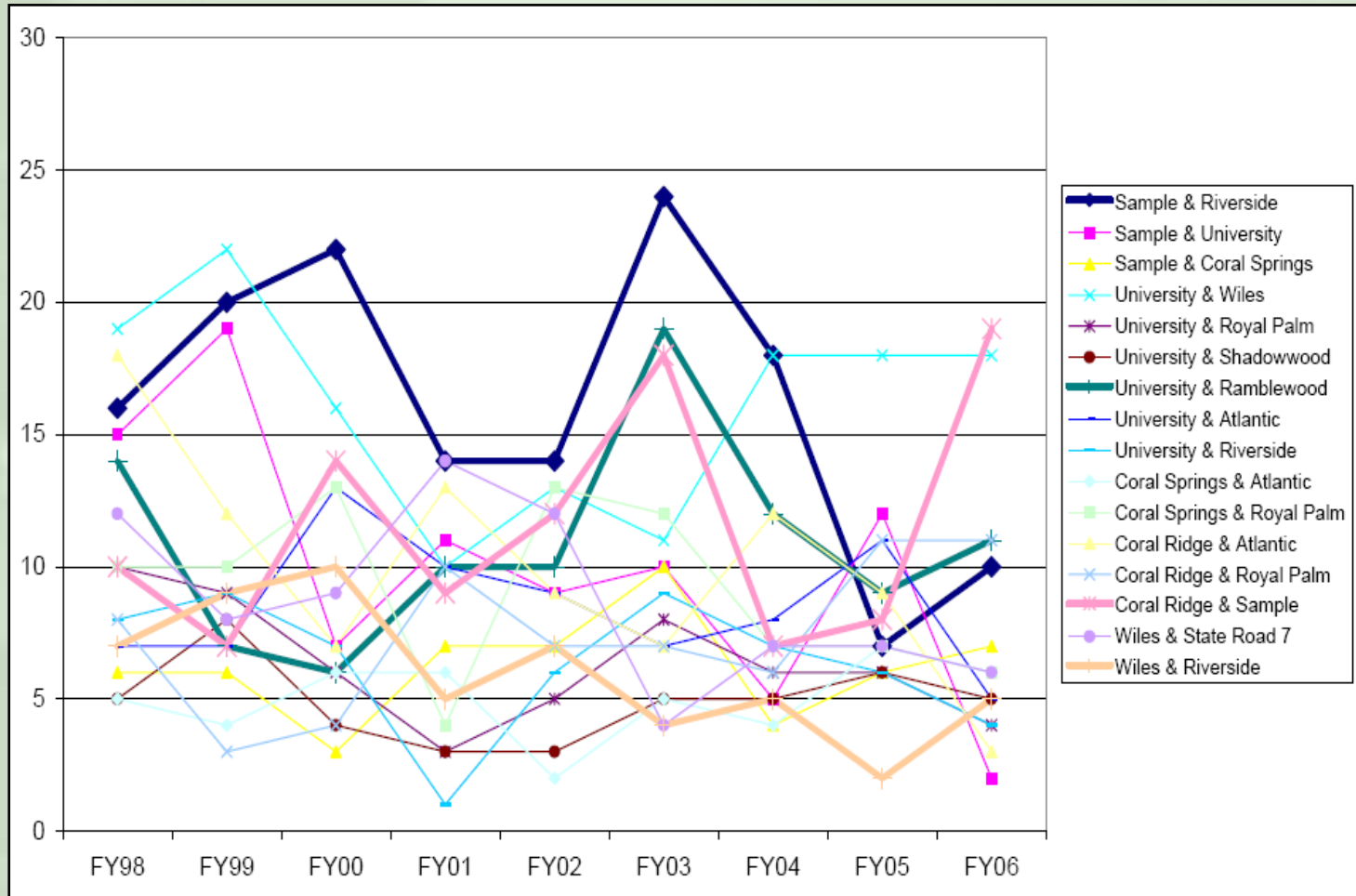
# Upgrading Your Measures to Prepare for Performance Management

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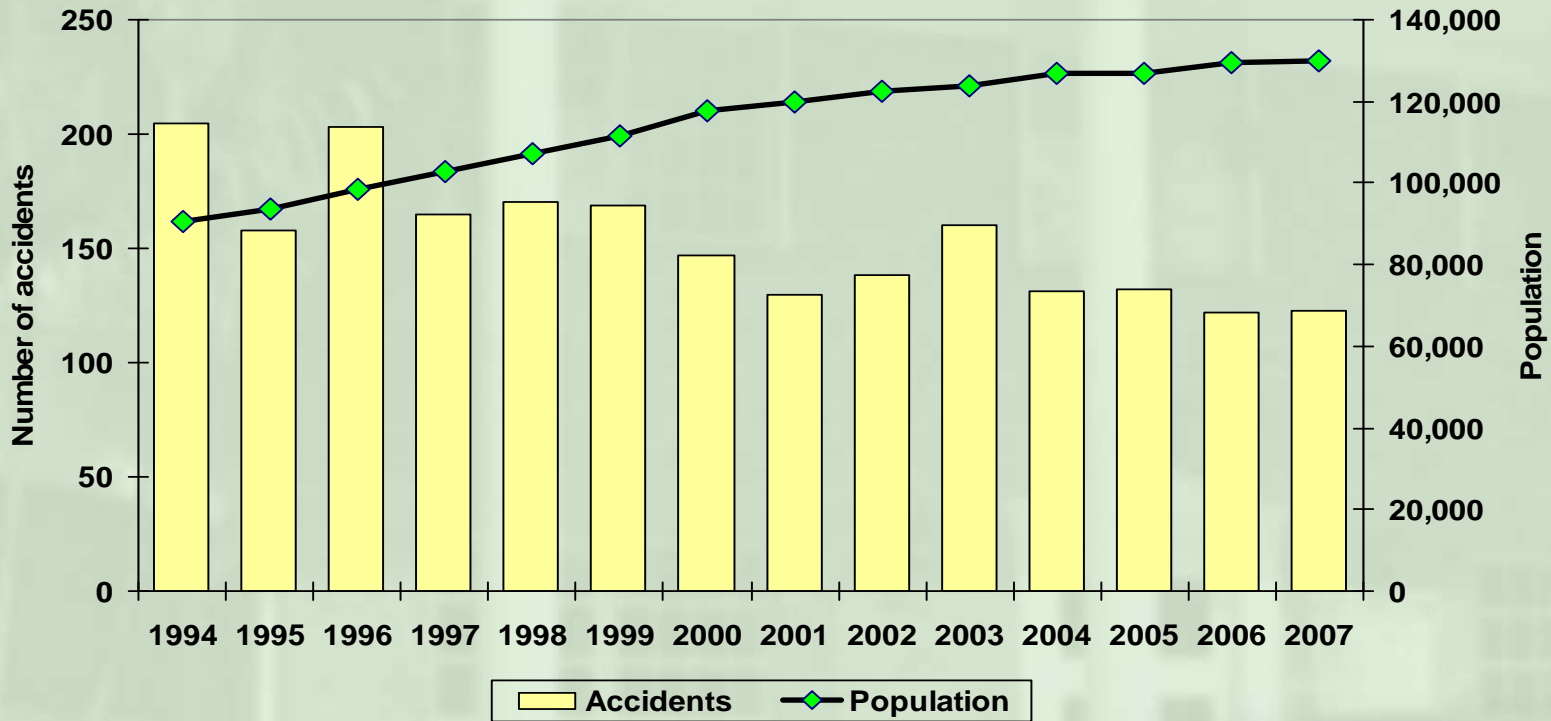
- ◆ Shift more of your focus from process to results
- ◆ Shift your focus from outputs (i.e., workload) to efficiency, effectiveness, outcomes.



# Accidents by major intersection



# Accidents at major intersections despite population (and traffic) increases



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

*--A Performance Management Framework for State and Local Government*

