

## **Executive Summary**

### ***Performance Measurement***

***For innovations in creative systems that measure the productivity and performance of departments, programs and projects.***

The Vermont Department of Buildings and General Services has undergone substantial changes over the last five years. The divisions of two separate departments have been merged into one and the scope of our service offerings has continued to expand. In the summer of 2000 it was clear that the department was ready to renew the process of change and continual development. Each division has done an admirable job at defining their customers, benchmarks for success and strategic objectives, but this work has been done within the protected world of the individual divisions.

The Vermont Department of Buildings and General Services engaged in a “Future Search” conference in November of 2000. A “Future Search” is an innovative planning for organizations that meets two goals (1) assisting large diverse groups in discovering values, purposes, and initiatives they hold in common; and (2) enables stakeholders (internal and external) to create a desired future together. The purpose of our conference was to “look in” so that we could learn more about our organization and as a result “see out” so we could improve our services and find our “compass” for the future.

During the planning of our Future Search it was determined that we would add a new component to the context of the conference. The Department of Buildings and General Services incorporated the *Balanced Scorecard* system developed by Robert Kaplan and David Norton into the results of the conference. The Balanced Scorecard provides organizations a clear direction as to what should be measured in order to “balance” the financial and non-financial perspectives.

As a result of the conference the participants developed 10 Initiatives that are now driving the strategic planning of our organization. The Initiative teams composed of internal and external stakeholders have completed a Balanced Scorecard for each initiative and the Transition Team is in the process of completing the overall Balanced Scorecard for the organization.

Our employees have gained opportunities that engage in continuous learning; interaction with other divisions and support areas; clear focus on their internal and external stakeholders; strong teamwork and financial responsibilities. In addition

## Executive Summary (continued)

to the opportunities gained, the employees have a clear understanding and expectation of what the organizations strategic plan is and what our targets and measures are for success.

Our managers have gained clear direction and easily will contribute to the Strategic mission; better internal and external stakeholder relationships; teamwork and administration leadership. In addition to these opportunities, the managers have clear direction and control of the organizations strategic plan and will be accountable for the measures of their success.

## **Department of Buildings and General Services**

The Department of Buildings and General Services provides basic infrastructure services to other governmental entities; we enable them to better serve their constituencies. In those instances where we provide a direct service to the public, we believe that these services must be cost competitive and reflect the highest ideals of government service.

The Department is extremely diverse, offering Facilities Management, Communications and Information Technology, Central Services (printing, supplies, public records, surplus property), Purchasing and Contract Administration, Risk Management and Information Centers.

Increasingly, Buildings and General Services is bench-marking its work against best practice standards and is developing internal challenges in the form of output and outcome measures. Additionally, the product of the "Future Search" will produce a number of goals for the Department that will promote commonality and internal cooperation. This work will be embodied in our "balanced scorecard" that will guide our internal performance audits and offer a substantive base for external feedback.

### **The Mission**

The employees of the Buildings & General Services Department, working together, deliver operational and facilities management services thereby enabling Government Agencies to fulfill their missions.

### **The Vision**

To surpass customer expectations and to achieve customer astonishment.

### **Goals**

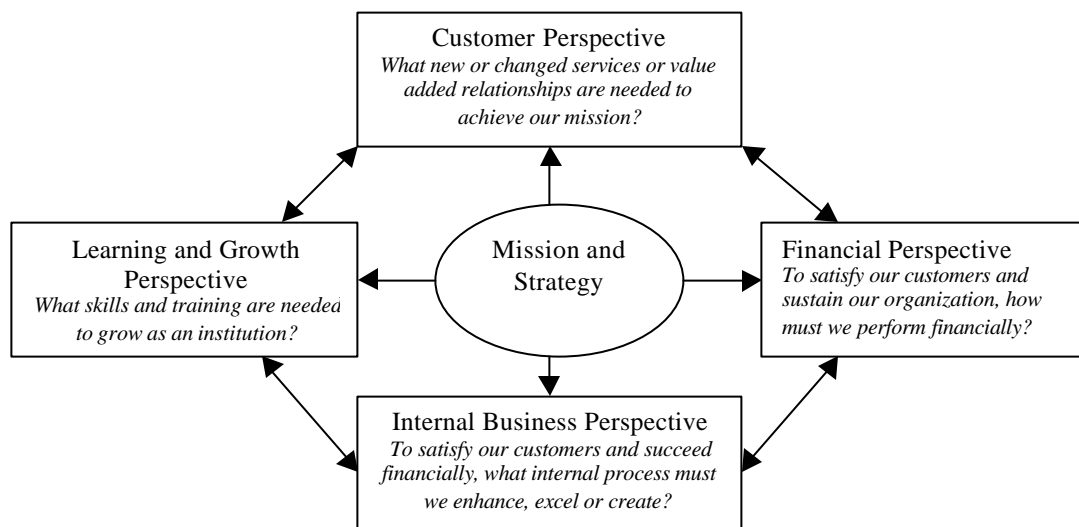
- To promote departmental unity.
- To promote customer service.
- To improve and create high level workforce.
- To increase efficiency.

# Management System

## *Measuring Productivity and Performance*

We chose the Balanced Scorecard model as a management system because it incorporates financial and non-financial measures with the emphasis that our financial and non-financial measures must be part of the information system for all employees at all levels of the organization. Our employees will be able to understand the financial consequences of their decisions and actions; senior management will be responsible to recognize the drivers of our long-term financial success.

The Balanced Scorecard suggests we organize from four key perspectives, and to develop measures, collect data and analyze it relative to each of the perspectives. Our Balanced Scorecard is organized around a Strategic Theme. That framework translates mission and key “drivers” into strategic objectives and measures organized into these key perspectives:



Each perspective incorporates strategies; measurements; targets and unity. By defining our strategic objectives in relation to our customers, financial capacity, internal business perspective and ability to learn and grow we will identify critical measurements.

The following example is one of our (nine) Initiative Teams Balanced Scorecard. It translates their Strategic Theme into tangible objectives and measures.

Strategic Theme Marketing	Strategic Actions What actions are needed to achieve goals	Measurements How success will be monitored	Targets The level of performance or rate of improvement	Unity How does this support BGS unity,
<b>Skills and Training Goals</b> <ul style="list-style-type: none"> <li>Change the culture of BGS to appreciate the benefits of marketing</li> <li>Change the culture of BGS to value the benefits of training and professional development at all levels so that every employee appreciates his/her role in presenting a positive image of BGS</li> </ul>	<b>Strategy</b> <ul style="list-style-type: none"> <li>Develop core skills program that includes marketing, phone skills, customer service, team building, &amp; automated system training</li> <li>Identify &amp; train front-line staff to utilize online database of services</li> <li>Identify &amp; publicize the benefits of marketing</li> <li>Allocate funds in budget for training</li> </ul>	<b>Measurement</b> <ul style="list-style-type: none"> <li>Number of employees (current &amp; new) that have completed core skills training and number of training hours completed</li> <li>Count number of hits on customer service web page (BGS employee hits)</li> <li>Do performance reviews reflect increased skill levels &amp; use of them on job</li> </ul>	<b>Target</b> <ul style="list-style-type: none"> <li>All employees will receive core training by the end of FY'02</li> </ul>	<b>Unity</b> <ul style="list-style-type: none"> <li>Promotes pride in work product</li> <li>Encourages team work</li> <li>People come to teams with skills that allow them to be successful</li> </ul>
<b>Internal Goals</b> <ul style="list-style-type: none"> <li>Develop &amp; implement marketing campaigns that reflect the department vision &amp; mission</li> <li>Improve coordination of marketing efforts among divisions</li> <li>Anticipate &amp; influence future needs of customers</li> </ul>	<b>Strategy</b> <ul style="list-style-type: none"> <li>Develop BGS marketing plan *</li> <li>Develop marketing teams within divisions</li> <li>Develop marketing oversight function to integrate individual divisions'/units' marketing campaigns with BGS plan</li> <li>Organize a database/catalog of BGS services (online database &amp; hardcopy)</li> <li>Identify under-utilized resources</li> <li>Explore new products and services</li> <li>Establish timelines</li> </ul>	<b>Measurement</b> <ul style="list-style-type: none"> <li>Completed BGS marketing plan</li> <li>Number of marketing campaigns or initiatives annually</li> <li>Increased brand awareness (logo, letterhead, etc.)</li> <li>Track new products &amp; services for marketability</li> <li>Services listed on web &amp; in hard copy format</li> </ul>	<b>Target</b> <ul style="list-style-type: none"> <li>Develop BGS Marketing Plan by the end of FY'02</li> <li>All BGS divisions/units have an integrated marketing plan by the end of FY'03</li> </ul>	<b>Unity</b> <ul style="list-style-type: none"> <li>An integrated marketing plan inherently promotes a common sense of purpose</li> </ul>
<b>Customer Goals</b> <ul style="list-style-type: none"> <li>External customers (other state agencies, vendors, and outside state government) increased awareness of the services we provide and how to access them (brand name recognition/one-stop shopping/soup-to-nuts)</li> <li>Increase BGS staff understanding of the diversity &amp; complexity of services offered by the department so that they can actively refer customers within Buildings &amp; General Services</li> </ul>	<b>Strategy</b> <ul style="list-style-type: none"> <li>Identify barriers for all types of customers for using our services (ie: response time/payment method/misperceptions)</li> <li>Encourage single-use customers to use additional BGS services</li> <li>Develop customer feedback system</li> <li>Identify customers utilizing outside services, the services they are being provided, and the reasons they are not using BGS services (current &amp; potential customers)</li> </ul>	<b>Measurement</b> <ul style="list-style-type: none"> <li>Customer satisfaction survey</li> <li>Number of single-use customers who become multi-use customers</li> <li>Number of multi-use customers who increase their use of BGS services</li> <li>Identify &amp; monitor a department-wide customer list based on customer codes to track additions</li> <li>Measure the increase in vendors</li> <li>Do customers use new products and/or services</li> <li>Do external customers use web site of services provided by BGS</li> </ul>	<b>Target</b> <ul style="list-style-type: none"> <li>20 % increase in hits on website</li> <li>10 % increase in vendors</li> <li>10 % of customers who increase the use of BGS services</li> <li>10 % increase in customer base</li> </ul> <p>Will be measured annually over 5 years (final results by the end of FY'06)</p>	<b>Unity</b> <ul style="list-style-type: none"> <li>BGS staff more actively refer others to our department based on increased awareness/appreciation for the quality of service provided</li> </ul>
<b>Financial Goals - if applicable</b> <ul style="list-style-type: none"> <li>Increase revenue through increased use of services and products</li> <li>Cost avoidance and reduction</li> </ul>	<b>Strategy</b> <ul style="list-style-type: none"> <li>Financially quantify the benefits of the marketing efforts</li> <li>Use financial incentives to reward staff performance related to increasing revenue &amp; reducing costs</li> <li>Promote programs that reduce direct and indirect costs to customers</li> <li>Increase staff awareness of the relationship between customer satisfaction &amp; increased revenue</li> <li>Preferred customer discounts for BGS staff using BGS services &amp; all multi-service users</li> </ul>	<b>Measurement</b> <ul style="list-style-type: none"> <li>Increased department revenue</li> <li>Cost reduction</li> <li>Increased revenue per customer</li> </ul>	<b>Target</b> <ul style="list-style-type: none"> <li>20 % of increase in division revenue</li> <li>10 % of cost reduction</li> <li>10 % of increased revenue per customer</li> </ul> <p>Will be measured annually over 5 years (final results by the end of FY'06)</p>	<b>Unity</b> <ul style="list-style-type: none"> <li>Financial incentives contribute to increased job satisfaction, morale, &amp; commitment to the Department</li> </ul>

## Management System (continued)

By accepting the Balanced Scorecard as a management system the Department of Buildings and General Services has a set of objectives that reach beyond the financial measures. We will be measuring how the objectives create value for current and future customers, enhance our internal capabilities and invest in our staff, systems and procedures. The Balanced Scorecard exposes the key drivers for long-term performance.

## **Conclusion**

The process used by Building and General Services accomplished a number of tangible and intangible results. Regarding the former, it brought the Department forward to a new level of strategic thinking that had been dormant since the reorganization of five years ago. The process made concrete a number of strategic visions that managers had conceptualized and provided a framework from which to go forward and gauge success. It brought unity to a department whose individual units more resemble an urban shopping mall than a unified manufacturing organization.

As importantly, and perhaps more so, the Future Search process brought together all employees of the department (approximately 500) through different planning events and gave each of them a stake in both the process and outcomes. For the first time, maintenance mechanics sat across from computer programmers and discussed what was important for the “department” and not their individual business units. The power of this type of integration will out last any administration or Commissioner.

Future Search is not an individual event or series of events that culminates in a static process. It is, and has become, the lifeblood of how this organization defines itself and functions into the future.