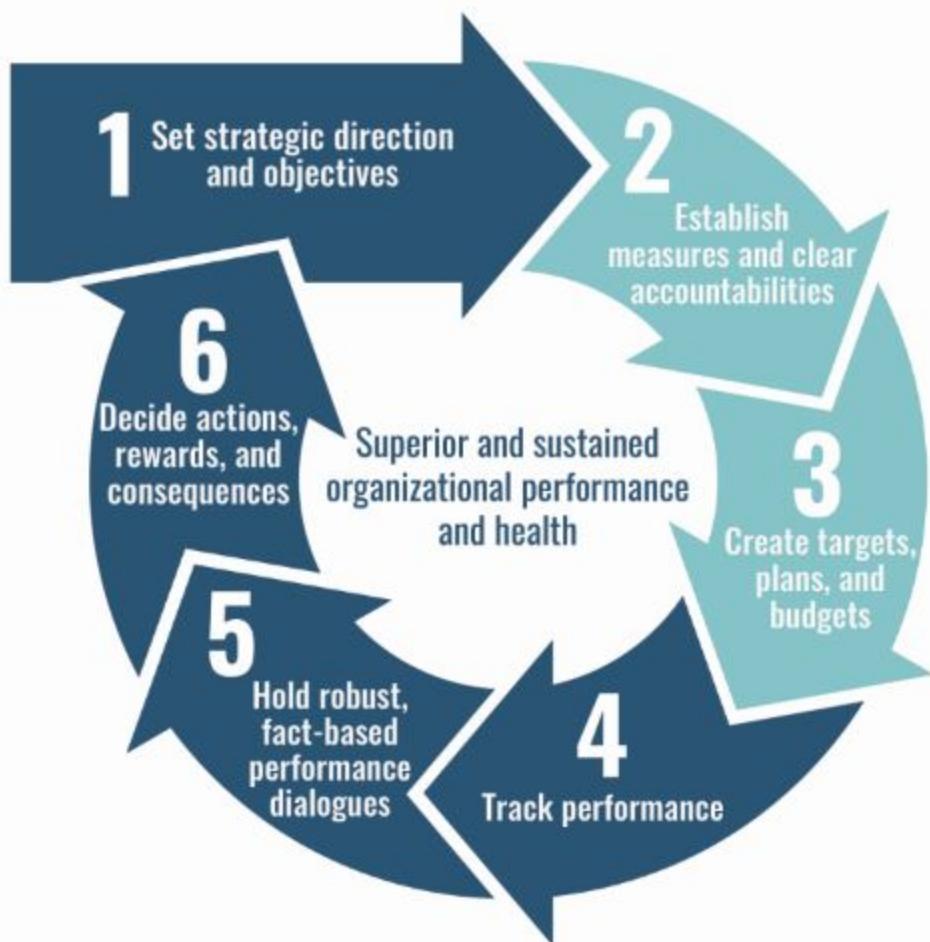


# WHY PERFORMANCE MEASURES AND TARGETS MATTER

## EFFECTIVE MANAGEMENT IS DRIVEN BY A FACT-BASED CYCLE



### WHY MEASURES AND TARGETS MATTER

“What gets measured gets managed.”

- PETER F. DRUCKER

## OUR OBJECTIVE



Missouri will be among the top tier of all state governments...

for its strategic and fact-based, approach...

to decision-making and budgeting...

that delivers impact for our citizens

## WHY GOOD PERFORMANCE MEASURES AND TARGETS HELP US

- 1** They help us know where we are, what is working, and what is not working as planned (e.g., dashboards, program and project reviews)
- 2** They help us decide what programs or initiatives we should continue, expand, accelerate, learn from, scale back, stop, or help
- 3** They help us communicate to our citizens and stakeholders what we do, why we do it, and what we recommend is the right approach (e.g., reports; testimony; NDIs)

# THE PROCESS

## DEFINE THE ACTIVITY, QUALITY, IMPACT, AND EFFICIENCY MEASURES FOR YOUR PROGRAM USING SMART MEASURES



### PROBLEM

What specific need is your program addressing?



### ACTIVITY

Is the organization doing what it said it would do?



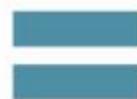
### QUALITY

Is the activity done well?



### IMPACT

Does it deliver? Is the activity causing meaningful impact?



### EFFICIENCY

Is it worth it? How much effort is invested to achieve the impact?

## 1a. START BY DESCRIBING YOUR PROGRAM IN WORDS WITH A CENTRAL ISSUE STATEMENT

My organization, fill in: Department, Division/agency ...  
is fill in: key activity ...  
to help fill in: target audience ...  
by fill in: describe impact on target audience ...  
with fill in: describe additional details about program  
if appropriate

## 1b. YOUR CENTRAL ISSUE STATEMENT PROVIDES A STARTING POINT FOR YOUR PROGRAM DESCRIPTION FORM

Your central issue statement provides basis for your answer to section 1b on the Program Description Form.

The "is" section of your central issue statement provides the core activities to measure in section 2a.

The "to help" and "by" sections of your central issue statement together provide the impact to measure in section 2c.

Department	
Program Name	
Program is found in the following core budget(s):	
1a. What strategic priority does the program address?	
1b. What does this program do?	
2a. Provide an activity measure(s) for the program.	
2b. Provide a measure(s) of the program's quality.	
2c. Provide a measure(s) of the program's impact.	

## 2a. GOOD MEASURES FOLLOW THE "SMART" PRINCIPLE



### SIMPLE

- Does it have a clear definition?
- Is it straightforward and easy to understand?



### MEASURABLE

- Is it easy to measure?
- Can it be benchmarked against other organizations or outside data?



### ACHIEVABLE

- Do we understand the drivers that are behind the measure?
- Can we take action to deliver impact?



### RELEVANT

- Is the measure aligned with the State's and/or the department's strategy and objectives?



### TIMELY

- Is the time to impact defined and is it practical?
- When will we monitor it? Can the measure move between periods?

## 2b. SET TARGETS FOR YOUR MEASURES

- ➔ Targets should be practical and specific
- ➔ Targets should roll up so that they would "move the needle" on a strategic priority
- ➔ Try to set individual program targets at two levels – base (minimum acceptable) and stretch (truly distinctive)

## 2c. LEARN FROM OTHERS

- ➔ Ask "who is the best in the country at similar programs or activities?"
- ➔ Research how other states, professional associations, the federal government, and even the private sector measures

## 3. USE THE CHECKLIST AS YOUR GUIDE

- Draft a central issue statement that describes in clear language the program's:
  - Connection to department strategic goals (What placemat goal does this program connect to?)
  - Core activities (What are your program's primary activities?)
  - Primary impact (Who is your program helping? How does your program help them?)
  - Additional details on program design, activities, and secondary impacts (if appropriate)
- Ask someone outside your program to review the draft central issue statement to ensure clarity, and revise as needed
- Develop version 1.0 performance measures and targets for your program:
  - Research "who is the best in the country at this sort of program or activity? If a direct one-to-one comparison does not exist, what other organizations might provide analogies?"
  - Review how other organizations measure performance and define their targets: where appropriate, adapt; where needed, improve or create new measures and targets
  - Draft version 1.0 measures and targets
    - Core activities: start with "what is the most important activity to implement the program?"
    - Quality: then "how to we measure the quality of the core activities?"
    - Impact: consider "what impact matters most to our citizens and/or major stakeholders?"
    - Efficiency: this typically involves some sort of ratio or relationship between activities (or total effort) and impact
- Review measures and targets to ensure they meet best practice standards:
  - You should be able to describe all the measures and targets in clear language
  - All measures use SMART principles
  - All targets are clearly identified
  - All charts adhere to the 10 second rule and follow best practices for displaying information (e.g., component, ranking, time series, distribution)
- Ask someone outside your program to review the draft central issue statement to ensure clarity, and revise as needed