

Measures & Targets:

One of the most important aspects of the Balanced Scorecard approach to strategy implementation is that the process leads to the development of measures and targets. The system assumes truth in the frequently quoted statements such as the following:

“You get what you measure.”

“**Choosing** accountability is preferable to being **held** accountable.”

Ideal measures and targets used in a Balanced Scorecard approach should meet the following criteria:

- Be understandable
- Be measurable and recordable
- Be challenging, yet achievable
- Be selected to promote achievement of a reasonable balance across the four scorecard perspectives – learning and growth, internal process, financial resources, and customer
- Be selected to achieve a reasonable balance between lead and lag indicators

More generally, accomplishment of measures and targets should be indicators of success. Selected measures and targets should also be clearly related to the organization's mission and the seven (7) adopted Focus Areas of the City. While few measures and targets may be considered ideal, testing of measures and targets against these criteria is beneficial in selection of effective measures and targets.

The City of Rockwall has selected measures and targets with the aforementioned “ideal” criteria in mind. As measurement data is collected and the scorecard evolves and improves over time, even further refinement is anticipated.

Selection Process:

The Core Team and Leadership Team were involved in the development of measures for the City's Balanced Scorecard. A survey questionnaire designed to encourage advanced thought of possible measures and their characteristics was developed by the Core Team. Core Team interview teams provided the Leadership Team with a copy of the questionnaire in advance of the interviews. Interviews were then held with the members of the Leadership Team. The Core Team reported back with information that had been provided by the Leadership Team. City Management then held measurement discussion meetings with the Leadership Team. These meetings produced a set of measures that were reviewed for validation with the Core Team.

Targets:

The method used to establish targets for the Balanced Scorecard included a request from City Management that the City's Department Heads review proposed measures and then propose targets to City Management for consideration. Department Heads and City Management then jointly selected targets. Stretch targets, where deemed appropriate, were also selected. Stretch targets are appropriate for use in the following situations:

- The measures and related activities are of such importance that a stretch target is needed.
- Reaching targets sooner, "producing" more than the targeted number, or exceeding targeted expectations are desired.

Lead and Lag Measures as Indicators:

Among the “balances” sought by the Balanced Scorecard approach is a balance between lead and lag indicators. Although much academic detail is available to distinguish between lead and lag indicators, the City’s scorecard process has dealt with the categorization of measures to achieve an appropriate mix.

Lag indicators are generally those measures for which the link between the accomplished measure and the desired change in the focus area(s) is based upon the hypothesis that one affects the other. For example, the City may hypothesize that enhancing cable television programming will have a positive impact on the citizen’s awareness level as measured by a citizen survey response. Measuring the degree to which the City has accomplished cable programming enhancements to improve citizen awareness is a lag indicator. A measure designed to directly determine the extent to which a citizen’s awareness has changed over time would typically be a leading indicator. Examples of leading indicators might also include crime rates or response times. For the purposes of the City’s Balanced Scorecard, this discussion is important primarily to indicate that the measures selected achieve an acceptable balance.

Use of Indexes in Customer Perspective Measures

A series of indexes has been developed to provide a method to measure change in Citizen Satisfaction as reflected by our most recent Citizen Survey. These indexes provide the means for measuring changes that will be observed in satisfaction responses when the next Citizen Survey is conducted. Increases in Index Scores will indicate a positive change toward greater levels of citizen satisfaction.

While indexes will be useful in determining changes in satisfaction levels, they are of no use in comparing relative satisfaction levels between functions. For example, one cannot assume that one “unit of satisfaction” associated with the Fire services function is equal to one “unit of satisfaction” associated with the Police function. Though generated by the same methodology, the measures use different “scales”.

Some Measures or Targets in Development

Review of the measures and targets contained in this section will indicate that measures and targets are still in development for a number of strategies. In most of these cases, measures are provided without noted targets. Target development on these items will be completed within the next several weeks. In some cases, current information is needed from outside sources to complete targets in order to complete targets.