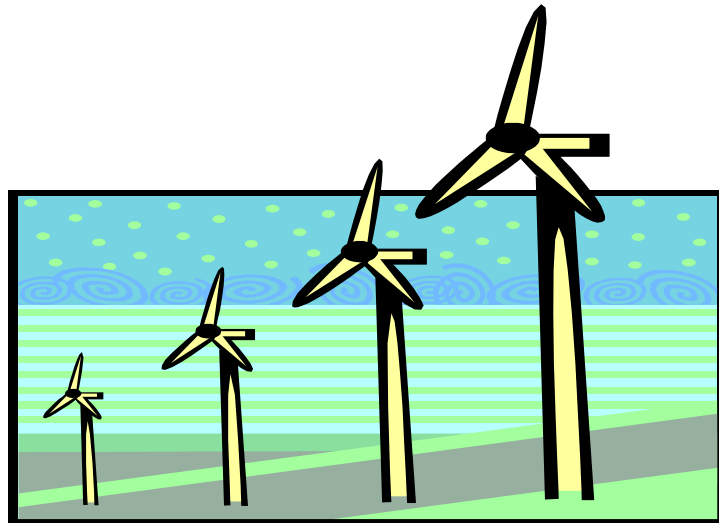


# Office of Small Business Assistance

## HOP PHASE 1 PERFORMANCE MEASUREMENT ASSESSMENT AND EVALUATION



*(Project No. 2003-P-02.16)*

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## Office of Small Business Assistance

### Phase 1 Assessment and Evaluation

*An overview survey of the current state of performance measuring and the degree of linkage present among mission statement, organizational objectives, and specific performance indicators in the department*

This publication contains the results of a structured process for evaluating the current state of program performance measurement in a county department. The process was designed and developed by the Management & Program Analysis Section of OFMB/Financial Management Division (MPA) to facilitate an agency-wide review of the county's performance measurement system. Harnessing Organizational Performance—or HOP—is a collaborative initiative with Palm Beach County's departments. The HOP methodology involves an initial evaluation of the current performance measuring system in a department, and assesses the system according to a common set of HOP criteria. In the process, the work incorporates national benchmark and subject-matter best practices into findings and recommendations concerning the department's existing performance measures. This initial phase of the project is intended as a diagnostic phase; subsequent phases will help guide the department into a re-structuring of its performance measurement program in contextually relevant ways. The long-term objective of the HOP initiative is to verify that the Palm Beach County performance measurement program is:

- A positive tool in gauging organizational achievements;
- An important management tool to aid decision-making;
- A way to connect staff-level activities to higher-level organizational missions and statements of objectives.

The methodology employed in the HOP initiative is designed to allow for a collaborative process of evaluation and assessment of the client department's current performance measurement system. To this end, MPA

has created and utilizes a Client Manual (workbook) to take a team comprised of the client representatives and the Budget Division representative through a series of facilitated meetings.

Following this series of three 2-hour meetings, a consensus point of view emerges concerning the current state of the client’s performance measurement system. In addition, the series of three HOP meetings provides the MPA consultant with useful operational insights and client-specific performance measurement information. The MPA consultant utilizes these insights and information to complete relevant best practices research.

Each of the three HOP meetings covers a “level” of evaluation. Each level of evaluation utilizes a different criterion by which to gauge the current performance measurement system. The primary criteria utilized for this evaluation are 1) linkages between the clients’ mission statements, objectives and performance measures, 2) a balanced use of the HOP defined “types” of performance measures, and 3) a balanced use of the HOP defined business “perspectives” of performance measures. The HOP defined “types” and business “perspectives” are described in greater detail below.

The HOP performance measurement program concentrates on three types of performance measures.

<b>Measurement “Types”</b>	Output performance measures - represent the department’s workload, amount of service or production, not the consequences of performing the workload.
	Efficiency performance measures – represent the ratio of <u>service unit output</u> to <u>resource input</u> ; usually cost per unit of service, or unit of service per resource (FTE’s or dollars expended).
	Outcome performance measures – represent the consequences or effects of specific actions or initiatives focused primarily on improving the citizen’s condition.

The HOP performance measurement program then employs four business “perspectives” by which organizational performance is to be guided.

<b>Business Perspectives</b>	Customer satisfaction perspective –performance measures that are created to indicate the customer’s perspective of “how they rate the county in the delivery of services” or those measures that indicate the customer use of a service.
	Internal process (operational) efficiency perspective –performance measures that are created to “indicate” the degree of efficiency involved in the delivery of services.

<b>Business Perspectives</b>	Financial accountability perspective –performance measures that are created to “indicate” the financial accountability of the organization, stewardship of the public trust, or delivering services in a cost efficient manner.
	Employee learning & growth perspective –performance measures that are created to “indicate” employee development – development which will enable the organization to succeed in its mission and/or that increases employee productivity, employee retention, career enrichment, and job satisfaction.

This publication reports on the consensus assessment developed by the HOP Team and the best practices research conducted by the MPA consultants to document findings, observations and recommendations pertaining to the client’s performance measurement system.

The Management & Program Analysis Section is leading this effort, together with our partners from the Budget Division, to establish common performance concepts and an understanding of performance measurement purposes throughout all county departments and divisions. When the three-phase HOP program is fully implemented in mid-2006, specific outputs of the Harnessing Organization Performance initiative will be:

- Standardizing performance measurement terminology;
- Establishing a collaborative, interactive approach towards performance measurement;
- Recommending improvements to the current performance system to decrease time and effort required by the system, while improving its management usefulness.

**PHASE 1: “EVALUATING EXISTING MEASURES”**

This is the first phase of the HOP program. This report contains the results of the phase 1 evaluation and assessment of the Office of Small Business Assistance mission statement and current year objectives. Current performance measures that cannot be linked to, or do not support, the mission statement or statements of objectives will not be required as part of the county’s official performance measurement program, although they can be maintained for departmental purposes, if desired. This phase also establishes the common terminology that will be used throughout the HOP project, as it relates to performance measures, linkages and relevant business perspectives. During this phase, the department will probably experience a reduction in the number of required performance measures, thereby reducing the time and effort spent in gathering and reporting on departmental performance.

## PHASE 2: “MANAGING FOR HIGH PERFORMANCE”

The second phase will include communicating to every level of the department the linkage and relevancy among mission statement, objectives, performance measures, and stakeholder desires. Where the first phase is primarily a diagnostic step to establish the current state of the department’s performance measuring program, during the second phase a number of linked and highly relevant performance measures will be developed for the department’s future use.

## PHASE 3: “PUTTING IT INTO PRACTICE”

Finally, in this stage of the project, all of the required performance management infrastructure is established to permit the meaningful tracking and reporting of the department’s performance. Formal guidelines will be developed and adopted regarding, (1) validation of acceptable measures, (2) reporting mechanisms and schedules, (3) accuracy verification techniques, (4) approval of goals, targets, and benchmarks, (5) incentive programs to reward the attainment of high performance, (6) internal financial control uses, and (7) ways and means of carrying out periodic reviews of performance indicators and targets to keep them current and relevant.

## OVERVIEW OF PHASE 1 FINDINGS

The findings and recommendations summarized below provide an overview of the performance measurement program assessment conducted for the Office of Small Business Assistance.

The performance measurement program consists of the department’s mission statement, departmental objectives and the department’s performance measures, along with the processes for tracking and reporting on the department’s success in achieving those measures. The findings and recommendations are based on the evaluations of the HOP Team, made up of the department’s staff representatives, and an MPA consultant from the OFMB/Financial Management Division. The HOP Team used the published performance elements from the FY05 draft budget narrative to perform the HOP Assessment & Evaluation.

The summary of findings and recommendations is followed by detailed findings and recommendations for the Office of Small Business Assistance. The detailed assessment is based upon the structured, four levels of evaluation conducted by the HOP team. Each level of evaluation was accomplished by use of evaluation tools designed expressly for that purpose by the MPA Section. In addition to the conclusions reached by using the 4-level evaluative tools, the MPA consultants performed “best practices” research involving similar operations nationwide, and cited examples from this research which the divisions can use as a starting point for its own further efforts. That research also forms an important foundation and knowledge base for the work yet to come in phase 2 of the HOP project.

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*All of the findings in this report were made by the members of the Office of Small Business Assistance HOP Team, and represent the consensus conclusions of that staff group.*

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## General Findings

- The current department mission statement meets the HOP criteria for identifying the purpose of the organization; there are 4 service topics that are easily identified. The mission statement is within the HOP specified criteria of 2 to 3 sentences but was considered too wordy and not concise.
- The department mission statement, along with the department's Definition of Programs and Services fulfills the HOP criteria for providing mission-level guidance (broad), thus enabling the department to create cohesive and linked objectives and performance measures.
- Descriptive detail using expressive narratives such as "protection", "efficient" and "timely" are generally absent from the department's Definition of Programs and Services.
- The mission statement conveys 4 service topics (clearinghouse for information and referral, technical service and training, monitoring reviewing and evaluating local conditions, and making recommendations) providing one broad, general guidance statement; one that is applicable across the department.
- In the current mission statement, the customers of the services are identified ("small businesses"), but may require clarification of additional customers.
- There is good linkage between "mission topics" and objectives statements with 7 of the 10 objectives statements linking to mission topics. However, the HOP team agreed that more clearly defined objectives would enhance linkages.
- There is poor linkage between existing "mission topics" and performance measures. Only 1 of the 8 performance measures had direct linkage.
- There is good linkage between objectives statements and performance measures but rewriting them would enhance linkages as well as increase clarity of intent.
- There is a poor balance of performance measurement "types". There are no "efficiency type" and no "outcome type" indicators out of 8 total performance measures.
- None of the 8 total performance measures can be categorized into any of the four HOP business perspectives.

## General Recommendations

- Revise the Definition of Programs and Services to include a 2-3 sentence opening paragraph that conforms to the HOP definitions and guidelines regarding a mission statement.
- Review the department's mission topics and statements of objectives; update either or both to create a more direct "linkage" or coherence, per the HOP defined criteria.

- Review the performance measure types (output, outcome, efficiency) with an eye toward developing a better mix of measures.
- Determine which current performance measures best meet the HOP defined criteria for business perspectives, consider how the others can be restated (if at all) to achieve a better balance across the four HOP business perspective categories for the department.

In the course of the first phase evaluation, the department identified a series of important, FY05 operational initiatives. These initiatives are ideal starting places from which the department can develop meaningful objectives and linked performance measures. Displayed in brackets are the potential business perspectives that could be used in creating performance measures for the stated initiatives. Each performance measure should be created from primarily one business perspective.

Office of Small Business Assistance:

- Increase on-site certifications for vendors [customer satisfaction, operational efficiency].
- Increase educational opportunities for staff / SBEs [employee growth and learning, operational efficiency, customer satisfaction].
- Increase outreach / inreach [customer satisfaction, operational efficiency].
- Increase S/W/MBE contract awards [customer satisfaction, operational efficiency, financial accountability].
- Improve Procurement Specification Review [customer satisfaction, operational efficiency].
- Customer Satisfaction Survey (external / internal) [customer satisfaction, operational efficiency].
- Increase outreach efficiency [customer satisfaction, operational efficiency].

We recommend that the department utilize these initiatives to develop meaningful objectives and performance measures.

The detailed recommendations that follow are supported by references to the HOP Client Manual and to the best practices research. The recommendations are presented for each of the four levels of evaluation performed by the HOP Team. The Best Practices research is drawn from public sector entities that are recognized as leaders in their operational fields and in the measurement of performance. A listing of best practices Internet sites and contact information is included (Appendix A) to give the divisions a ready resource for assistance in developing modifications to their performance measurement programs.

## LEVEL 1 EVALUATION – OFFICE OF SMALL BUSINESS ASSISTANCE

### A. Department Mission Statement: Content and Structure

The Level 1 evaluation begins by examining the content and structure of the published material that guides the department. The department’s mission statement offers this type of guidance, as does the department’s Definitions of Programs and Services; both are published in the county’s annual budget document. From these two sources, the HOP methodology identifies “mission level topics”. These are macro-level, topical areas that communicate the direction or vision for the department. Department objectives and performance measures flow from the mission level topics to ensure the departments’ operations strive to meet the mission.

For the purpose of the HOP evaluation, “mission level topics” are listed as the first component of the departments’ over-all performance programs, followed by the departments’ objectives and performance measures. This allows a consistent approach to creating and defining departmental mission statements and divisional programs and services descriptions throughout all county departments. The HOP Team determined that all “mission level guidance” currently listed as part of the department’s Definition of Programs and Services could fall under one of the four topical areas identified in the department’s mission statement. The mission statement used in the HOP evaluations is taken from the FY2005 draft budget narrative. The convention of using the department’s name within the mission statement should be incorporated in the published performance measurement documents, the annual budget book and semi-annual reports.

#### *Performance Component*

**Mission Statement**

The mission of the Palm Beach County Office of Small Business Assistance is to assist small businesses by serving as a clearinghouse for business information and referral services; by providing technical assistance and training opportunities through a network of business resource partners; by monitoring, reviewing and evaluating local conditions affecting small businesses, and making recommendations to promote an environment which encourages the growth and development of small business in the procurement of goods and services for Palm Beach County government.

#### *Recommendations*

- Consider possible strategic uses of the department mission statements such as, 1) actively using the verbiage as the yardstick for decision making, and 2) placing this macro-level statement of mission on the backside of business cards and on division letterhead or public forms to promote the mission to employees, customer-citizens and stakeholders.

1

Findings and Observations	Recommendations
<p>The HOP Team had several insights as to the content and structure of the current mission statement: The mission statement was too long and included objective statements.</p> <p>The team also concluded the mission statement was too wordy to accurately and readily convey the core mission of the department to the reader.</p> <p>The team additionally determined that descriptive adjectives were absent.</p>	<p>Fully define the core activities of the department in the mission statement to communicate them to the department as well as all stakeholders. Add pertinent descriptive adjectives per HOP guidelines.</p> <p>Ensure that the department’s mission statement broadly addresses all activities of the department and adheres to the HOP guidelines for mission statements structure and content.</p> <p>Review the objective statements in the mission statement and restate them, if applicable, per HOP definitions in the objective section of the Budget Book.</p>

*Resources*

HOP Client Manual: Reference **Section IV. HOP Definitions and Concepts**, mission statement definitions and examples (page 13).

Best Practices Research: Examples of the Office of Small Business Assistance mission statements are listed below. Descriptive adjectives are in bold type and customers underlined.

**State of Texas**

- “The mission of the Office of Small Business Assistance is to **serve** as a focal point in **assisting small and underutilized businesses...****provide** sources of contacts and research information that will assist with federal, state, and local business issues for **small businesses...****provide** information, referrals and assistance regarding small business startup and service programs available to individuals needing assistance.”

**Miami-Dade County, FL**

- “The mission of the Department of Business Development is to **provide assistance, coordination and enforcement to promote** the economic growth of small and minority enterprises located in and doing business with Miami-Dade County while **ensuring** compliance with established guidelines and procedures ...”
- “...to **provide professional assistance and technical responsiveness** to small and minority business enterprises as well as County departments in accordance with established policies and guidelines...”
- “...through **innovative technology and fair business practices provide excellent** customer service and **encourage empowerment and competitiveness** of small and minority business enterprises in conjunction with County departments that utilize our services.”

**City of Lowell, MA**

- “The Lowell Small Business Assistance Center’s mission is to **provide** entrepreneurs from ethnically and economically diverse groups with the education, tools, and resources necessary to **create, sustain,** and **expand** small businesses and **to assist, stabilize** and **grow** existing businesses through education and technical support.”

**Fairfax County, VA**

- “The mission of the Office of Small Business is to **provide** outreach and education programs to **assist** the small and minority community in their efforts to do business with Fairfax County Government.”

**State of Maryland**

- “The mission of the Governor’s Office of Minority Affairs is **facilitating** minority business enterprise activities through **coordinating** and **promoting** government programs aimed at **strengthening** and **preserving** the state’s minority and women owned businesses.”
- “...to **plan** and **carry out** projects that are intended to overcome special problems related to minority business enterprise participation initiatives.”

**Pinellas County FL**

- “The mission of the Small Business Assistance Program is to draft a partnership between Pinellas County’s Economic and Purchasing Department to **assist** small businesses in **improving** participation in the competitive process for County contracts.”

**Broward County, FL**

- “The mission of the Small Business Development Division is to **promote** the growth of small, minority and women-owned firms by **providing innovative** programs at a **high level** of service excellence.”
- “...to **foster** economic growth among small, minority and women-owned businesses, while allowing the County to get the greatest possible value in economics as well as social terms.”

## LEVEL 1 EVALUATION – OFFICE OF SMALL BUSINESS ASSISTANCE

### B. Department Definition of Programs and Services

*Recommendations*

- Modify the opening paragraph of the department’s current Definition of Programs and Services to conform to HOP definitions and guidelines regarding a mission statement. To achieve consistency throughout the county, this “statement of departmental mission” should: 1) include the name of the mission owner (Office of Small Business Assistance), 2) describe over-all mission outcomes desired, and 3) specifically identify direct customers and/or important stakeholders.

1

Findings and Observations	Recommendations
The current Definition of Programs and Services does clearly state the department’s purpose in terms of identifying a) the services it provides, b) a customer focus, c); it does not include the name of the department or the level or degree of the service provided (e.g. “prompt, efficient”).	Include the department’s name in the Definition of Programs and Services: add descriptive adjectives to enhance the communication of the department’s service levels to the reader.

*Resources*

HOP Client Manual: Reference **Section IV. HOP Definitions and Concepts**, mission statement definitions and examples (page 13).

Best Practices Research: Examples of the Office of Small Business Assistance mission statements researched at best practice sites can be found on page 8.

### C. Statements of Objectives: Mission Linkage

The Level 1 evaluation next examined the linkages between the mission level topics and the department’s objectives. This ensures that there is continuity of purpose between these two important components of the performance program. An assessment of the content and structure of the statements of objectives was also performed.

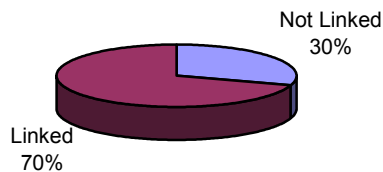
*Performance Component*

Mission Level Topics (From Department Mission Statement)	To assist small businesses by : <ul style="list-style-type: none"> <li>➤ Serving as a clearing house for business information and referral services</li> <li>➤ Technical assistance and training</li> <li>➤ Monitoring, reviewing and evaluating local conditions</li> <li>➤ Making recommendations</li> </ul>
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*Performance Component*

<b>Objectives</b>	<ol style="list-style-type: none"> <li>1. Make a minimum of 200 referrals for small business firms.</li> <li>2. Assist in registering small businesses as vendors with the PBC Purchasing Department.</li> <li>3. Award 15% of construction contracts to SBE firms.</li> <li>4. Expend 15% of procurement contract funds with SBE firms.</li> <li>5. Expend 15% of professional services contract funds with SBE firms.</li> <li>6. Distribute newsletters to 1,000 recipients quarterly.</li> <li>7. Conduct audits on professional services and construction contracts.</li> <li>8. Conduct an Annual Business Summit.</li> <li>9. Participate in trade outreach functions outside of Palm Beach County.</li> <li>10. Hold Quarterly reciprocal certification round table meetings.</li> </ol>
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**Office of Small Business Assistance  
Objectives  
Linkages to Mission Level Topics**



*Recommendations*

- As the chart indicates, the objectives exhibit relatively good linkage, with 7 of the 10 department’s objectives being linked to at least one mission topic. The recommendations concentrate on the HOP Team’s findings concerning the content and structure of the objectives statements.
- Ensure that objectives are relevant to the department’s core mission and that they have direct linkage to the mission statement topical parts.

- Based on the new initiatives planned for the department in FY 2005 (see page 6), 3 to 5 objectives statements seem appropriate. Modify the current objectives statements or create anew using the HOP definitions for content and structure to guide development of objectives.

Examples of objectives statements that conform to HOP definitions concerning content and structure follow the findings and recommendations generated from the HOP Team’s assessment and evaluation of the existing objectives statements. An objective statement example is “To promote community awareness of the Office of Small Business Assistance (the “what”) by implementing a series of public outreach programs (the “how”) to increase small business participation in County procurement by 10% over FY 2004 (the “why”).”

When reviewing the findings and recommendations below, please reference the HOP Client Manual: Section IV. HOP Definitions and Concepts, the objectives definitions and examples (pages 14).

2

Findings and Observations	Recommendations
Department representatives on the HOP Team determined that the department’s objectives do not specify 1) why the objective is important, and 2) how the objective will be accomplished, through what means.	Enhance the objectives statements to provide 1) why the objective is important, and 2) how the objective will be accomplished, through what means.  Fully define all statements of objectives. Refer to the HOP manual page 14 and the best practices examples listed below.  Develop objectives that are relevant and meaningful to the department’s core mission activities.

3

Findings and Observations	Recommendations
The HOP Team determined that the objectives lacked clarity and were not definitive enough per HOP guidelines. Objectives #3, #4 and #5 were determined not to link to the mission statement and needed to be reviewed for accuracy of content.  It was also decided that the objectives in general lacked descriptive adjectives to convey the department’s objectives per HOP guidelines.	Per HOP guidelines include descriptive adjectives such as “increase, decrease, and improve” to communicate the department’ objectives in a way that fosters organizational efficiency.  Reword objectives to improve clarity and enhance linkage to the mission statement.  Rewrite objectives to accurately represent the department’s goals.

*Resources*

Best Practices Research: Examples of the Office of Small Business Assistance objectives statements researched at best practices sites:

**City of Austin, TX**

- “To heighten awareness of procurement opportunities and cultivate a cooperative business atmosphere:”  
“...(by) educating bidders / proposers and contractors.”  
“...(by) conducting outreach aimed at recruiting and retaining certified MBE / WBE businesses.”
- “To ensure fair opportunities for all businesses to participate in the City’s procurements:”  
“...(by) monitoring the City’s procurement activities to ensure that City departments and vendors / contractors comply with the requirements of the Minority and Women Owned Businesses Procurement Ordinance.”  
“...(by) review and maintenance of vendors / contractors, compliance plans, approval of specific project goals, site audits, and review of contract closeout documents.”  
“...(by) thorough review of business records, ownership documents and a site audit to ensure applicant businesses meet the eligibility requirements for certification as an MBE / WBE.”

**City of Charlotte, NC**

- “To promote economic opportunity:”  
“...(by) retaining and expanding existing businesses by implementing the business retention strategy.”  
“...(by) assisting in creating new businesses through economic development strategic partnerships.”  
“...(by) ensuring that small businesses have opportunities to do business with the City.”  
“...(by) developing relationships with Latino, Asian and African-American and other emerging ethnic business communities.”  
“...(by) working with internal and external partners to grow small businesses.”  
“...(by) developing employees through education and team building exercises.”

**Miami-Dade, FL**

- “To recruit small businesses and encourage them to bid on county contracts:”  
“...(by) providing monthly forums, workshops and an annual Community Small Business Enterprise (CSBE) conference.”  
“...(by) recruiting firms through community outreach efforts by making presentations to Community Based Organizations; exhibiting at conferences and utilizing print media and radio advertisement to increase the Department of Business Development’s certification pool.”

“...(by) providing management, technical assistance and certification updates to all Advisory Boards.”

“...(by) certifying small businesses interested in bidding on County contracts.”

“...(by) developing a race and gender neutral program for the acquisition of all commodities and services less than \$50,000.”

“...(by) providing additional training sessions for CSBE firms.”

“...(by) developing an informational video for certified firms.”

“...(by) developing marketing tools to promote the department, for example, newsletters and departmental brochures.”

**Sarasota County, FL**

- “To create an environment of innovation and entrepreneurship that supports entrepreneurs and small business owners:”

“...(by) creating online resources for entrepreneurs.”

“...(by) developing an active advisor database.”

“...(by) actively pursuing grant and technical assistance.”

“...(by) exploring technology transfer opportunities for local businesses.”

“...(by) partnering with Chambers to develop high profile two-day entrepreneur conference in South Tampa Bay.”

## LEVEL 2 EVALUATION – OFFICE OF SMALL BUSINESS ASSISTANCE

### Performance Measures: Mission Linkage

The Level 2 evaluation examined the linkages between the mission level topics and performance measures. This ensures that there is continuity of purpose between these two important components of the performance program.

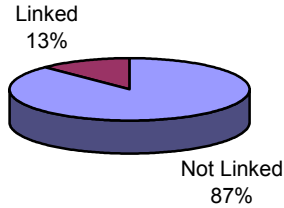
*Performance Component*

<b>Performance Measures</b>	<ol style="list-style-type: none"> <li>1. Referrals</li> <li>2. Certified vendors</li> <li>3. % of M/WBE awards for construction projects</li> <li>4. % of M/WBE awards for procurement contracts</li> <li>5. % of M/WBE awards for professional service contracts</li> <li>6. % of SBE awards for construction projects</li> <li>7. % of SBE awards for procurement projects</li> <li>8. % of SBE awards for professional projects</li> </ol>
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*Performance Component*

<b>Mission Level Topics (From Department Mission Statement)</b>	<p>To assist small businesses by :</p> <ul style="list-style-type: none"> <li>➤ Serving as a clearing house for business information and referral services</li> <li>➤ Technical assistance and training</li> <li>➤ Monitoring, reviewing and evaluating local conditions</li> <li>➤ Making recommendations</li> </ul>
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**Office of Small Business Assistance  
Performance Measures  
Linkages to Mission Level Topics**



*Recommendations*

- Evaluate existing performance measures and determine the importance of the information they convey in measuring the attainment of the current mission level topics. Do they each indicate progress or success in meeting current objectives?

**4**

Findings and Observations	Recommendations
<p>During the HOP level 2 evaluation, the HOP Team determined that 7 of the department's 8 performance measures did not link to the mission statement topical parts, and performance measure #1 "Referrals" was the sole performance measure to have linkage.</p> <p>The evaluation also yielded that a performance measure for "compliance" should be added and that in general all the performance measures needed to be clarified.</p>	<p>Develop performance measures that provide meaningful and long-term significance in the tangible information they supply to management, employees and other stakeholders. Create performance measures that communicate the department's most important activities.</p> <p>Rewrite performance measures to adhere to HOP guidelines as per page 30 of the HOP Client Manual "Performance Measures "and "Linking Performance Measures to the Mission Statement."</p>

**5**

Findings and Observations	Recommendations
<p>Trend analysis of performance measures #4, #5, #7 and #8 "state that FY 2003 actuals were all approximately 5%. The FY 2005 target for all 4 performance measures is 15%. No rationale is given for the increase in the target.</p>	<p>Changes in targets vs. actual performance should be noted in the objective. For example, if funding for M/WBE awards has been projected to increase, and that is the reason for a higher target in the current year vs. prior years actuals it should be mentioned in the objective (or annotated in the Annual Budget Book) to explain the change to the reader.</p>

*Resources*

HOP Client Manual: Reference **Section IV. HOP Definitions and Concepts**, the performance measure definitions and examples (page 14-19).

## LEVEL 3 EVALUATION – OFFICE OF SMALL BUSINESS ASSISTANCE

### Performance Measures: Objectives Linkage & Types

The Level 3 evaluation examined the linkages between statements of objectives and performance measures. This ensures that there is documented progress or success in achieving objectives. An assessment of the “types” of measures being used in the department was also performed.

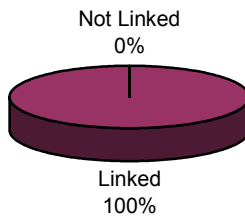
*Performance Component*

Objectives	<ol style="list-style-type: none"> <li>1. Make a minimum of 200 referrals for small business firms.</li> <li>2. Assist in registering small businesses as vendors with the PBC Purchasing Department.</li> <li>3. Award 15% of construction contracts to SBE firms.</li> <li>4. Expend 15% of procurement contract funds with SBE firms.</li> <li>5. Expend 15% of professional services contract funds with SBE firms.</li> <li>6. Distribute newsletters to 1,000 recipients quarterly.</li> <li>7. Conduct audits on professional services and construction contracts.</li> <li>8. Conduct an Annual Business Summit.</li> <li>9. Participate in trade outreach functions outside of Palm Beach County.</li> <li>10. Hold Quarterly reciprocal certification round table meetings.</li> </ol>
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*Performance Component*

<b>Performance Measures</b>	<ol style="list-style-type: none"> <li>1. Referrals</li> <li>2. Certified vendors</li> <li>3. % of M/WBE awards for construction projects</li> <li>4. % of M/WBE awards for procurement contracts</li> <li>5. % of M/WBE awards for professional service contracts</li> <li>6. % of SBE awards for construction projects</li> <li>7. % of SBE awards for procurement projects</li> <li>8. % of SBE awards for professional projects</li> </ol>
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**Office of Small Business Assistance  
Performance Measures  
Linkages to Objectives**



*Recommendations*

- Develop performance measures that exhibit greater linkage to objectives.
- Objectives should have at least one related/linked performance measure to indicate success or status of the objective.
- Based on the concept of a “vital few” and the suggested number of objectives (3 to 5) the current number of performance measures (8) could be reduced to 3 to 5.

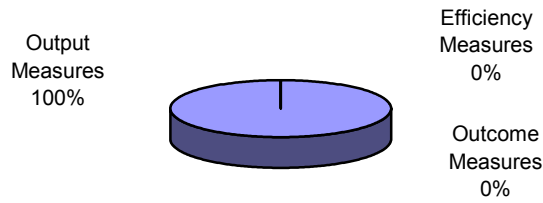
*Resources*

HOP Client Manual: Reference Section IV HOP Definitions and Concepts, the performance measure linkages definition (page 15).

*Evaluation Criteria*

<b>PM “Types”</b>	<ol style="list-style-type: none"> <li>1. Output</li> <li>2. Efficiency</li> <li>3. Outcome</li> </ol>
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**Office of Small Business Assistance  
Performance Measure "Types"**



*Recommendations*

- Evaluate existing performance measures and determine the importance of the information they convey in measuring the attainment of a stated objective (or of a mission topic). Update or replace those indicators that have lost importance or that are not particularly meaningful.
- Develop performance measures that exhibit greater balance among the three HOP defined “types” of performance measures.

Examples of performance measures that conform to HOP guidelines concerning type definitions would be “number of businesses assisted” (indicates an amount of workload or production = **output measure**); “cost per certification” (\$ per unit of service = **efficiency measure**); “% of customers satisfied with The Office of Small Business Assistance” (indicates the consequences of the department’s service by asking the customers if they are satisfied = **outcome measure**).

**6**

Findings and Observations	Recommendations
<p>The HOP Team determined that all 8 of the department’s performance measures were output types.</p> <p>Additionally, the HOP participants concluded that an objective for “monitoring goal compliance” should be added.</p> <p>It was also decided that the wording of objectives and performance measures could be changed to enhance linkage, improve clarity, and increase the overall communication of the department’s core missions.</p> <p>Objectives #6, #8, #9, and #10 were found to have no corresponding performance measures.</p>	<p>Use HOP criteria to revise and/or create performance measures that will achieve balance across the three HOP “types” of performance measures by adding efficiency and outcome measures.</p> <p>Select objectives and related performance measures that are meaningful and relevant to the core elements of the department and have lasting importance to the department. This approach will allow for the establishment of significant trends that enhance management decision making.</p> <p>Ensure that all objectives have a corresponding performance measure to ascertain the attainment and status of the objective.</p>

*Resources*

HOP Client Manual: Reference **Section IV. HOP Definitions and Concepts**, the performance measure definitions and examples (pages 15-19).

Best Practices Research: Examples of performance measures researched at best practices sites:

**City of Austin, TX**

- “Number of compliance documents reviewed” (OP)
- “Percent increase of recommendations upheld” (OC)
- “Percent increase of compliance plans reviewed within 7 business days” (OC)
- “Number of audits performed annually” (OP)
- “Cost per audit” (E)
- “Percentage decrease of compliance review errors” (OC)
- “Percent increase of businesses certified that meet eligibility requirements” (OC)
- “Cost per application processed” (E)
- “Turnaround time for new certifications (in days)” (OP)
- “Percent increase of applications processed within 60 days” (OC)
- “Number of projects requiring opportunity notices” (OP)
- “Percent increase in compliant bidders and proposers” (OC)

**Fairfax County, VA**

- “Total dollars awarded to small and minority businesses” (OP)
- “Vendors attending monthly vendor workshops” (OP)
- “Average cost per small and minority businesses educated and assisted” (E)
- “Percent of small and minority businesses rating workshops as satisfactory or better” (OC)
- “Percent increase of procurement dollars awarded to small and minority businesses” (OC)

**Hillsborough County, FL**

- “Number of small business clients served” (OP)
- “Number of workshops facilitated” (OP)
- “Percent increase of initial Small Business Information Center (SBIC) requests converted to referrals” (OC)
- “Percentage increase of SBIC requests responded to in 3 days” (OC)
- “Percent customer satisfaction with workshops” (OC)

- “Number of MBE bid reviews completed” (OP)
- “Number of MBE certifications / SME registrations processed” (OP)
- “Number of bid reviews per FTE” (E)
- “Percent increase of construction projects which meet the DM / DWBE goal” (OC)

**Miami-Dade County, FL**

- “Number of construction management training sessions for construction contractors” (OP)
- “Number of conferences for Community Small Business Enterprise”(OP)
- “Percentage increase in the number of certified firms through community outreach and marketing efforts” (OC)
- “Percent of businesses satisfied with the County’s business processes” (OC)
- “Percent of employees who believe that training received helped their job performance” (OC)
- “Percent of families who are satisfied with services” (OC)

**City of Charlotte, NC**

- “Number of businesses added to the Business Retention & Growth Program” (OP)
- “Percent increase of businesses contacted through a targeted call program” (OC)
- “Percent increase in SBE representation in the five work categories that were identified in the 1998-2002 Disparity Study” (OC)
- “Average dollar value of subcontract construction awards for formal contracts with SBE firms” (OP)
- “Percentage increase of small business owners completing City sponsored training programs” (OC)
- “Percentage increase of employees who have developed and completed an individual training plan” (OC)

**LEVEL 4 EVALUATION – OFFICE OF SMALL BUSINESS ASSISTANCE**

**Performance Measures: Business Perspectives**

The Level 4 evaluation examined performance measures as they relate to defined business perspectives. This ensures that there is a balanced approach in defining and utilizing performance measures to maintain high performance in several important focus areas.

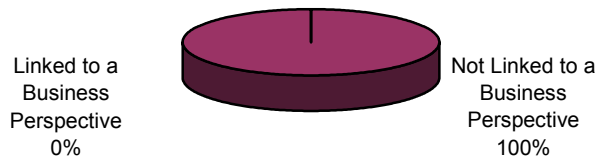
*Performance Component*

Performance Measures	<ol style="list-style-type: none"> <li>1. Referrals</li> <li>2. Certified vendors</li> <li>3. % of M/WBE awards for construction projects</li> <li>4. % of M/WBE awards for procurement contracts</li> <li>5. % of M/WBE awards for professional service contracts</li> <li>6. % of SBE awards for construction projects</li> <li>7. % of SBE awards for procurement projects</li> <li>8. % of SBE awards for professional projects</li> </ol>
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*Evaluation Criteria*

Business Perspectives	<ol style="list-style-type: none"> <li>1. Customer satisfaction perspective</li> <li>2. Internal process efficiency perspective</li> <li>3. Financial accountability perspective</li> <li>4. Employee growth and learning perspective</li> </ol>
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**Office of Small Business Assistance  
Performance Measures  
Linkage to Business Perspective**



*Recommendation*

- Review any changes to the departmental mission statement, “Definition of Programs and Services” and departmental objectives. The department should strive to have at least one performance measure developed from each of the four business perspectives.

*Resources*

HOP Client Manual: Reference **Section IV. HOP Definitions and Concepts**, the performance measure definitions and examples (pages 20-22).

Best Practices Research: See the examples from the Level 3 Evaluation.

**7**

Findings and Observations	Recommendations
<p>The HOP Team determined that none of the department’s performance measures could be linked to a business perspective.</p>	<p>Review the best practices performance measure examples listed as resources for Evaluation 3. Modify the existing performance measures, or create anew, to achieve a balance across the four HOP business perspectives.</p> <p>Review performance measures and determine if the measure is intended to represent a HOP defined business perspective. Determine if the measure provides adequate, accurate representation of the business perspective. Performance measures that cannot be categorized as belonging to a business perspective should be eliminated and replaced.</p>

The following examples of performance measures are created from the four business perspectives. Corresponding objectives statements are also displayed. The examples were developed with input from various best practices sites.

Customer Satisfaction Perspective

- *Objective*: Be rated ‘extremely good’ or ‘good’ in overall service delivery by at least 80% of customers surveyed in the citywide phone survey.
- *Performance Measure*: Respondents rating overall service delivery as ‘good’ or ‘extremely good’ in the citywide phone survey.

Internal Process Perspective

- *Objective*: Increase the number of small and / or minority women owned firms certified by making website “user friendly” improvements.
- *Performance Measure*: Number of certifications processed per FTE.

Financial Accountability Perspective

- *Objective*: Reduce the cost and time of educating small business firms by streamlining processes and related paperwork.
- *Performance Measure*: Operating costs per client.

Employee Growth and Learning Perspective

- *Objective*: Increase the capabilities of the Office of Small Business Assistance to respond to various client needs by providing staff training in dealing with diverse client requests.

- *Performance Measure:* Percentage of Office of Small Business Assistance staff that are trained in dealing with client requests that deal with recruiting, certifying, monitoring and educating small businesses.

### **Project Summary**

The findings, observations, and recommendations were all developed from the series of three evaluation meetings held with The Office of Small Business Assistance. The report's findings and recommendations follow the Harnessing Organizational Performance (HOP) principles of:

- Concise, clear descriptions of mission statements, objectives and performance measures
- A clear linkage or coherence between the mission level topics, objectives and performance indicators
- A balanced representation of all “types” of performance measures (output, efficiency and outcome)
- A balanced focus to performance measurement across the HOP “business perspectives” (customer satisfaction, internal process efficiency, financial accountability and employee growth & learning)

The anticipated organizational benefits of successfully implementing the HOP recommendations are:

- Creating a vital few, meaningful performance measures
- Decreasing the time and energy spent collecting and reporting performance measures that lack meaning
- Focusing the organization on activities and initiatives that achieve the over-all departmental mission
- Development of a uniform approach to measuring performance; creating linkages from performance measures to mission statements or objectives statements; utilizing different “types” of performance measures to provide balance across the four defined “business perspectives”

## Appendix A

### Best Practices Reference Sites

- (1) **State of Texas** – Office of Small Business Assistance  
Contact: Joe Morin, SBA Advocate 512-936-0226  
  
Web Address: <http://www.txed.state.tx.us/SmallBusiness>
- (2) **Miami-Dade County, FL** – Office of Strategic Business Management  
Contact: Ray Scher, Assistant Director 305-375-5143  
  
Web Address: <http://www.miamidade.gov/dbd>
- (3) **City of Lowell, MA** – Small Business Assistance Center  
Contact: Russ Smith, Executive Director 978-322-8401  
  
Web Address: <http://www.lowellsbac.org/Services/LSBAC%20SERVICES.htm>
- (4) **Fairfax County, VA** – Department of Purchasing and Supply Management  
Contact: Patti Innocenti, Chief, Administration Branch 703-324-2261  
  
Web Address: <http://www.fairfaxcounty.gov/dpsm/osb/sbc/smbc.htm>
- (5) **State of Maryland** – Office of Business Advocacy and Small Business Assistance  
Contact: James McLean, Executive Director 410-767-0545  
  
Web Address: <http://www.choosemaryland.org/whoweare/divisions/busad.asp>  
<http://www.mdminoritybusiness.com/omaWhat.html>
- (6) **Pinellas County, FL** – Business Assistance Program  
Contact: Kay Daly, Business Assistance Manager 727-464-7374  
  
Web Address: <http://www.pinellascounty.org/purchase/default.htm>
- (7) **Broward County, FL** – Small Business Development Division  
Contact: Peg Buchan, Manager 954-357-6400  
  
Web Address: <http://www.broward.org/smallbusiness/welcome.htm>
- (8) **Sarasota County, FL** – Economic Development Corporation  
Contact: Bill Brown, Manager Business Assistance 941-861-5421  
  
Web Address: <http://www.sarasotaeconomy.org>
- (9) **City of Austin, TX** – Small Minority Business Resources  
Contact: John Vamzamarripa, Business Development Associate 512-974-7738  
  
Web Address: <http://www.ci.austin.tx.us/smbr>

- (10) **Hillsborough County, FL** – Economic Development Department  
Contact: Spencer Albert, Manager 813-276-2735

Web Address:

<http://www.hillsboroughcounty.org/econdev/enterprise/home.html>

- (11) **City of Charlotte, NC** – Economic Development Division  
Contact Brad Richardson, Manager, Business Retention and Growth 704-336-3857

Web Address:

<http://www.charmeck.nc.us/Departments/Economic+Development/SBDP/Home.htm/>