

## Managing for Results in Maricopa County

Maricopa County is meeting the challenges of rapid population growth and increasing demand for services with a careful allocation of funding to meet public service needs. The County must plan ahead to make the best possible business decisions concerning future use of limited resources. Good decisions produce results that make a difference in people's lives and give taxpayers value for their money.

Strategic planning is one mechanism used by the County to continually maintain high-quality services and ensure that the most critical needs of the community are being met with measurable results. In 2000, the Board of Supervisors adopted a policy establishing a management framework, called *Managing for Results (MFR)*, which integrates planning, budgeting, reporting, evaluating, and decision making for all Maricopa County departments and agencies. *Managing for Results* provides direction for making good business decisions based on performance, and makes departments/agencies accountable for results.

The *Managing for Results* management system is designed to allow all Maricopa County employees to be able to make the following three statements:

1. *What we are doing today contributes to our strategic direction.* (Every department has a strategic plan linked to their operational plan and each employee's performance plan.)
2. *We know what we have done has been effective.* (Performance measures are identified and managed by Activity, demonstrating the results produced.)
3. *We know how much it costs to deliver our programs effectively and efficiently.* (All human and financial resources are tied to the services delivered so we can tell how much they cost and how effectively and efficiently services are delivered.)

### Background

By the mid-1990s, Maricopa County had achieved solid success in managing its budget and finances and began to realize the fruits of its efforts. In 1998, after a review of best practices in the field of performance management and performance-based budgeting, the Office of Management and Budget (OMB) developed a proposal in which strategic planning, budgeting, and performance measures would be aligned in a unified process known as *Managing for Results (MFR)*. In the summer and fall of 2000, Maricopa County began implementing MFR by developing departmental strategic plans that integrated planning with budgeting and performance measurement. The financial cost-accounting system, which was enhanced to parallel the Programs, Activities, and Services (PAS) delineated within each department strategic plan, became operational in Fiscal Year 2002.

Today, Maricopa County has engaged in substantive planning and has experienced improved performance since launching the *Managing for Results* system. County departmental plans, and supporting strategies and budgets, focus County government on real service needs and desired results; programs and activities address those needs; and performance measures gauge how effectively and efficiently County government is delivering those services.

### Managing for Results (MFR) System

*Managing for Results* is a comprehensive and integrated management system that focuses on achieving results for the customer and makes it possible for departments to demonstrate accountability to taxpayers. MFR provides a common framework under which strategic planning, budgeting, and performance measurement are aligned in a unified, cyclical process with six components that support the process:



### Planning for Results

A well-executed strategic plan promotes common understanding of a department’s overall direction and purpose so that individual employees can readily determine how their work, actions, and behavior support the strategic direction and overall success. In *Planning for Results*, current and future trends are examined in terms of how they may affect achieving the mission, vision, and goals of the department. Strategic goals and operational plans are developed into an overall department strategic plan that is aligned to the County’s strategic priorities and goals.

Each department plan includes key strategic management elements: Issue Statements, a Vision Statement, a Mission Statement, and Strategic Goals, which determine the strategic direction of the department. Operationally, departmental strategic plans are organized into three levels—Programs, Activities, and Services—which determine how the department will deliver results. Defining levels of operation in this manner makes it possible to demonstrate how each level contributes to results at higher levels, creating an aligned organization. Supervisors and managers are able to make day-to-day decisions about resource allocation and service improvements in ways that align with the next higher level of results. The following table depicts this alignment strategy beginning with the overall Countywide vision.

Exhibit 1.1 Strategic Plan Element Alignment
Maricopa County Vision
Maricopa County Mission
Maricopa County Strategic Priorities and Goals
Department Vision
Department Mission
Department Strategic Goals
Program
Program Purpose Statement
Key Result(s)
Activity
Activity Purpose Statement
Services that compose the Activity
Activity Performance Measures
Results
Outputs
Demand
Efficiency

One of the most powerful tools available in the *Managing for Results* system is an employee performance management program that makes it possible for employees to see how they contribute at operational, departmental, and County levels. The MFR process strengthens the alignment of the County’s strategic goals with the department’s strategic goals, which in turn, directly links to the performance expectations of each employee. Employee performance ratings are based on the employee’s contributions to the department’s performance results.

**Measuring for Results**

Maricopa County has chosen a balanced and practical approach to performance measurement by using a Family of Measures that includes demand, output, efficiency, and result measures. The Family of Measures and other Key Result Measures, such as service quality and employee and customer satisfaction, taken as a whole, provide the context for understanding how effectively and efficiently departments are working toward achieving desired results, and how well the department is performing.

During the *Measuring for Results* process, benchmarks and targets are established, and data collection strategies are developed at the Activity level based on recognized data collection standards to ensure accurate and reliable performance information is collected.

**Budgeting for Results**

Maricopa County has a budget system that provides financial and performance information to help decision-makers make informed business decisions to achieve results, and ensures that the budget is driven by Board policy and customer needs and that tax dollars are used to purchase results, not just fund services. The County uses the operational structure developed in the strategic plan to structure financial planning and reporting for each department. The financial cost-accounting system parallels the Programs, Activities, and Services (PAS) delineated within each department’s strategic plan. This allows departments to collect expenditure and revenue data associated with their PAS. Integrating *Budgeting for Results* with strategic planning is critical to creating an integrated management system where financial resources, policy, department operations, and County staff are all aligned to achieve results.

**Delivering Results**

Based on available resources established through the budgeting process, departments develop and implement actions plans to deliver services and collect data about their performance, including customer and employee satisfaction. Program performance measures and budgets are monitored throughout the fiscal year. Reviewing measurement data and other information regularly ensures that program requirements are being met, that service delivery is operating effectively, and that budget revenues and expenditures are in line with the department plan.

**Analyzing and Reporting Results**

Performance data are collected and analyzed to provide County decision makers with information about how well a department is providing services and achieving its goals. Performance information also is used by all levels of management and staff to identify problems in existing programs, to try to identify the root causes of problems, and/or to develop corrective actions. The Maricopa County Internal Audit Department has put procedures in place to ensure that department performance information is sufficiently complete, accurate, valid, and consistent to provide assurance that reported data can be relied upon for decision-making.

Maricopa County is accountable to its residents by communicating what it does or does not achieve. After data have been gathered and analyzed, departments communicate the results to both employees and the public. Countywide, departments report performance measure data and progress toward achieving goals via the *Managing for Results* online database, which is available to the public through the Maricopa County website. Public reporting of performance results help citizens understand how their tax money is being used to produce results.

**Evaluating and Improving Results**

Overall evaluation of what the performance information is telling County and department leadership about the effectiveness and efficiency of programs and services leads to improving performance. Departments regularly compare organizational and individual performance against established goals and objectives and performance targets, and use the information from this evaluation to determine the need for improvement and/or the need for program or policy changes. They also use organizational performance information to plan and budget, identify priorities, develop strategies, and make resource allocation and policy decisions to ensure that the most critical needs of the community are being met today and in the future.

For more information about Managing for Results in Maricopa County, go to

<http://www.maricopa.gov/mfr>