



Office of
Financial Management
STATE OF WASHINGTON

Activity Inventory Performance Measure Assessment

Washington State Department of Community,
Trade & Economic Development (CTED)

International Trade and Economic Development

April 20, 2007

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Agency Participants:

Larry Williams

Cyndee Baugh

Based on a review of the following: A review of the agency strategic plan, website, GMAP presentations, budget activity inventory and an interview with agency participants.

Current Strengths and Good Practices

- There is sufficient data to do some basic statistical analysis.
- The language and relevance of the measures is very clear
- The activity measures track the intended outcomes of the associated budget activities.
- Most of the budget activity measures are regularly reviewed as a part of the agency strategic plan.

Comments About the Budget Activity Measures

- Four budget activities rely on the data from a customer satisfaction survey that is conducted on an infrequent basis. Data from the last survey is not currently available in the OFM system.
- The current measures are long-range outcomes that CTED can only hope to influence. A few immediate outcome measures related to the results of the agency's various programs would improve the performance story of this division.

Potential Improvements

- The survey result measure should be replaced with measures more closely related to the outcomes of the related budget activities. For example, “A151 - Business Incubator Assistance” should have a measure relating to the success/failure, or the jobs created/payroll of businesses that started in the incubator.

Analysis of Current Activity Measure Data

- Two of the three activity measures show signs of non-random variation patterns which indicate something is happening to cause change:
 - The negative film industry spending trend should be a topic for management and budget conversations.

Agency Comments and Future Actions

Challenge / Opportunity for Improvement

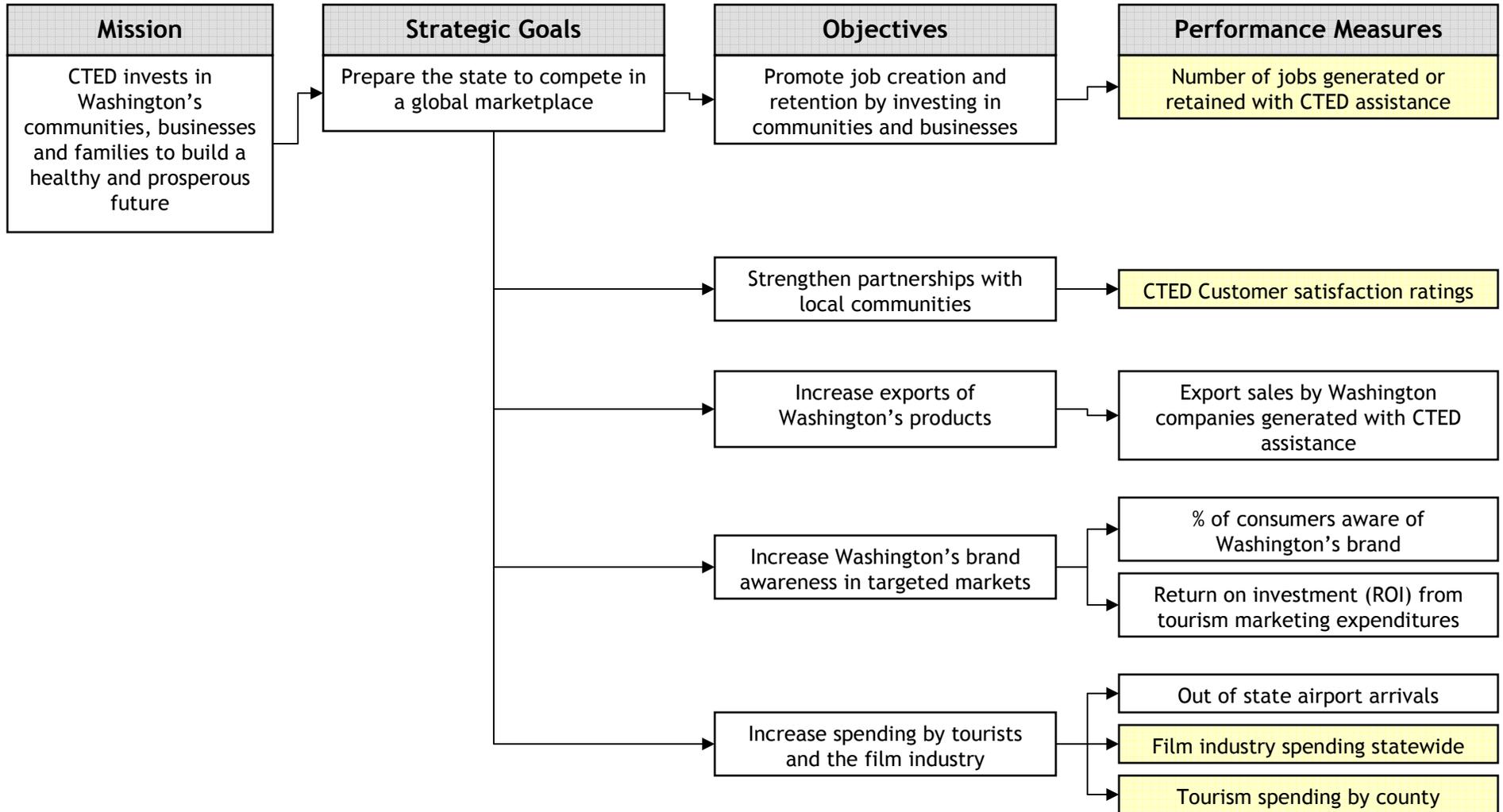
- Key outcome measures have been in place since fiscal year 2005. Input, process, output and intermediate outcome measures that drive ultimate outcomes were not in place.

Where have we been

- July 2006 Identified 47 input, process, output and outcome measures (logic model)
- August 2006 Created initial reporting and tracking system (interim system)
- September 2006 Began collecting data twice a month (segmented by business unit)
- October 2006 Established preliminary targets

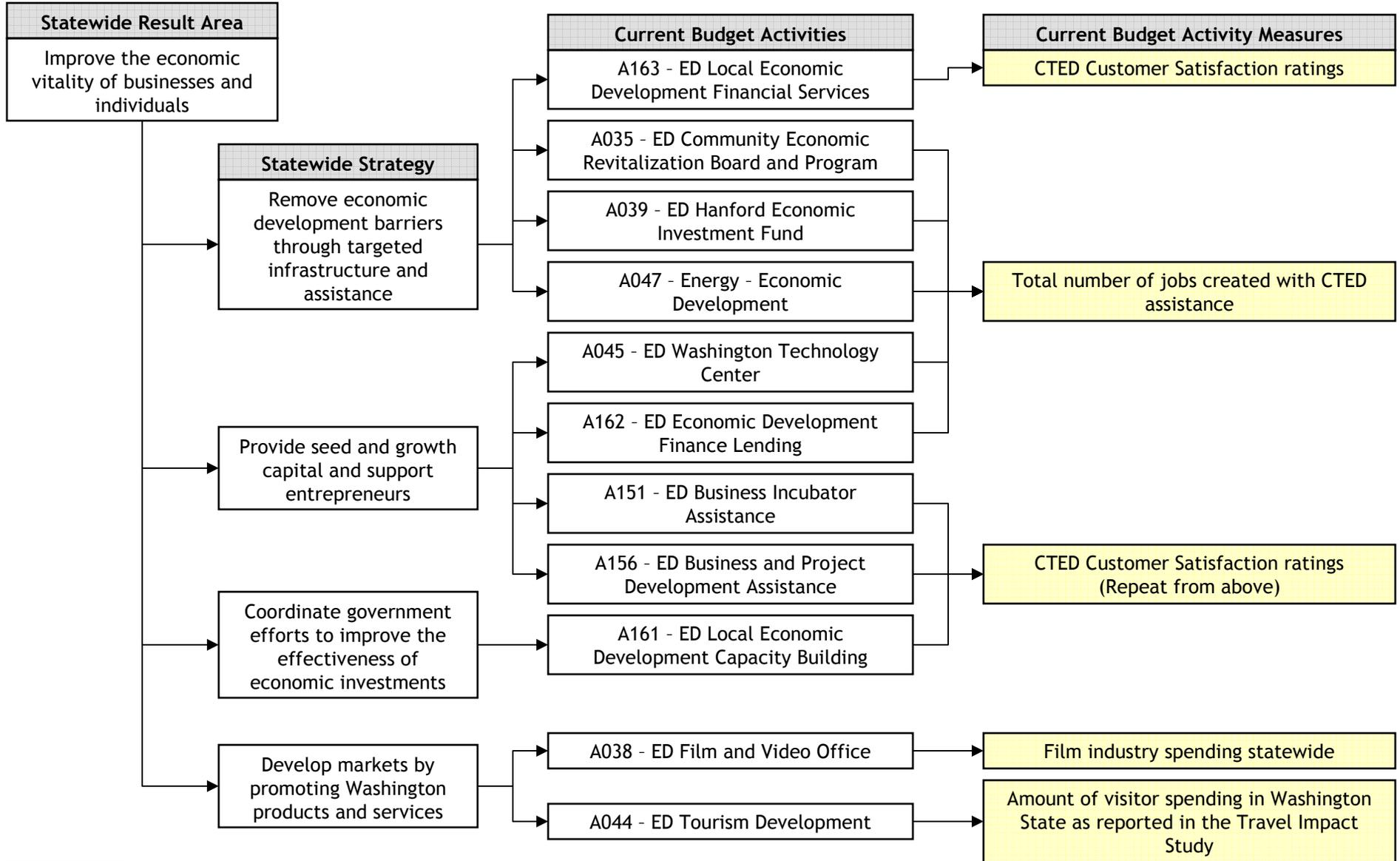
<u>Where we go from here – Action Plan</u>	<u>Who</u>	<u>Date Due</u>
1. All business units actively using the interim tracking system. (currently all but tourism and film)	Bill Stewart	May 2007
2. Update database to easily pull out quarterly data, rather than rollup.	Tuan Hoang	May 2007
3. Refine targets, based on results to date	Larry Williams / Managing Directors	May 2007
4. Pay attention to the data. Is it telling us what we need to know to manage our business and demonstrate results. If not, modify.	Larry Williams / Managing Directors	Ongoing
5. Work with the Office of Financial Management (OFM) to ensure key performance measures feed the performance measure tracking system	Cyndee Baugh	June 2007
6. Link performance measures to individual PDP	Managing Directors	June 2007
7. Implement a solid performance tracking system (data warehouse)	Pending Funding	Dec. 2007

Overview of Strategic Planning & Performance Measure Alignment



Also a Budget
Activity Measure

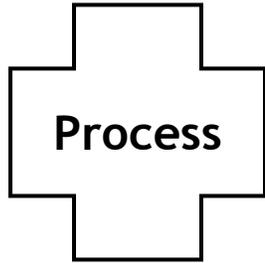
Budget Activity & Performance Measure Linkages



Also Strategic Plan Measure

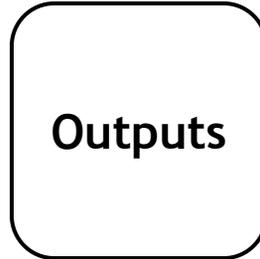
Strategic Plan and Activity Measure Perspectives

⑤ Process characteristics the customers/stakeholders want



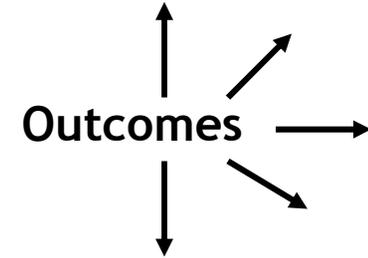
⑥ Process characteristics the agency wants

③ Product/service attributes customers/stakeholders want



④ Product/service attributes the agency wants

① Customer/stakeholder desired outcomes



② Agency desired outcomes

CTED Customer satisfaction ratings

⑤

Return on investment (ROI) from tourism marketing expenditures

⑥

Number of jobs generated or retained with CTED assistance

②

Export sales by Washington companies generated with CTED assistance

②

% of consumers aware of Washington's brand

②

Film industry spending statewide

①

Tourism spending by county

①

Legend

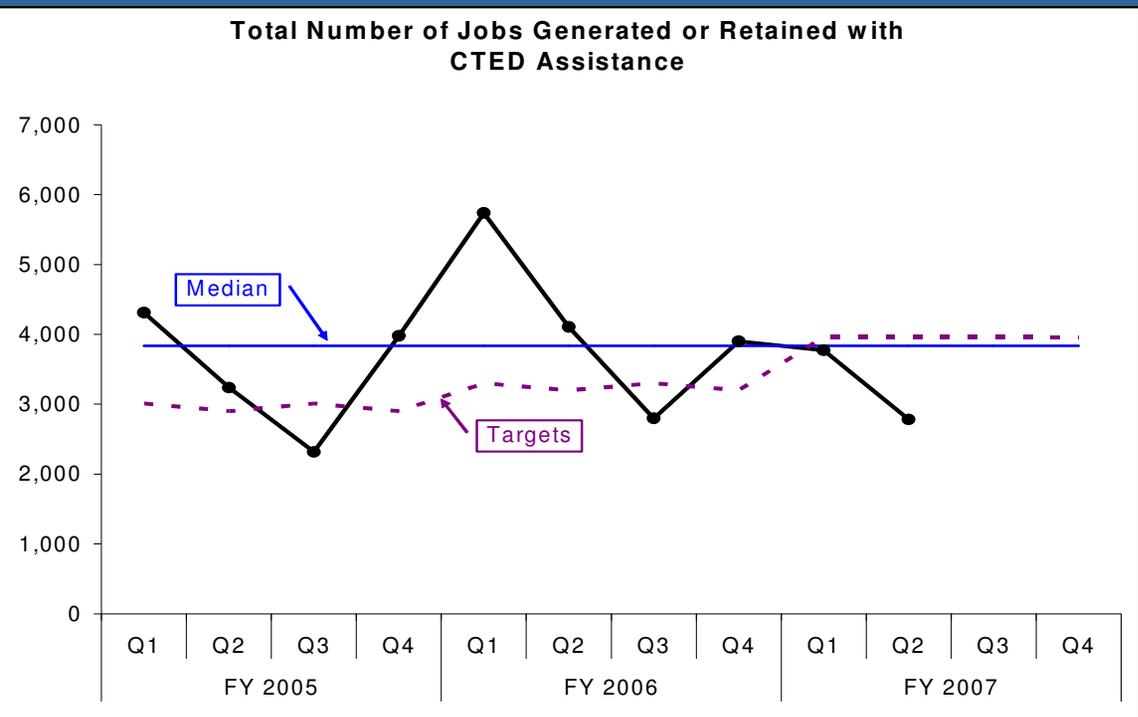
Strategic Plan Measure

Budget Activity Measure

Strategic Plan and Budget Activity Measure

Activity Measure Assessment - Jobs Created with CTED Help

Performance Measure Description: Jobs added and job loss avoided because of CTED-based investments.
Budget Activity Links: A035, A039, A047, A045, A162 (CTED proposes some realignment with current budget activities)
Category of Measure: A desirable outcome from the agency's point of view
Analysis of Variation: The highs and lows are normal variation that is part of the process. There is no indication of significant change.*
Analysis of Targeted vs. Actual Performance: For the most part, actual data meets or exceeds targets.*



Comments About Desirable Characteristics	
Relevance: Good - All the associated activities have something to do with economic development.	Timeliness: Good
Understandability: The term, "Jobs generated or retained," clouds the message somewhat.	Reliability: Data comes from Associate Development organizations funded through CTED.
Comparability: Should be comparable with other states	Cost Effectiveness: O.K. - Presently, only some of this data collection is automated.

General Comments & Explanations:
* Since the data variation is normal, improved performance will require a significant change to some part of the system. The increasing targets are an indication that the agency desires improvement. Raising the target without significant changes, will result in future performance that will fail to meet or exceed the target more often.

Activity Measure Assessment - Film Industry Spending

<p>Performance Measure Description: Estimated spending generated as a result of Film and Video Office promotional activities</p>	<p style="text-align: center;">Film Industry Spending Statewide</p> <table border="1"> <caption>Film Industry Spending Statewide Data (Estimated)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Spending (\$)</th> </tr> </thead> <tbody> <tr> <td>1999-00</td> <td>18,000,000</td> </tr> <tr> <td>2000-01</td> <td>50,000,000</td> </tr> <tr> <td>2001-02</td> <td>21,000,000</td> </tr> <tr> <td>2002-03</td> <td>17,000,000</td> </tr> <tr> <td>2003-04</td> <td>13,000,000</td> </tr> <tr> <td>2004-05</td> <td>14,000,000</td> </tr> <tr> <td>2005-06</td> <td>9,000,000</td> </tr> <tr> <td>2006-07</td> <td>5,000,000</td> </tr> </tbody> </table>	Fiscal Year	Spending (\$)	1999-00	18,000,000	2000-01	50,000,000	2001-02	21,000,000	2002-03	17,000,000	2003-04	13,000,000	2004-05	14,000,000	2005-06	9,000,000	2006-07	5,000,000
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<p>Budget Activity Links: A038 - ED Film and Video Office</p>																			
<p>Category of Measure: A desired outcome measure from the stakeholders' point of view</p>																			
<p>Analysis of Variation: With only 7 data points, the stable and predictable decreasing trend must be viewed only as a preliminary observation.*</p>																			
<p>Analysis of Targeted vs. Actual Performance: The current downward trend deviates from the performance targets.*</p>																			

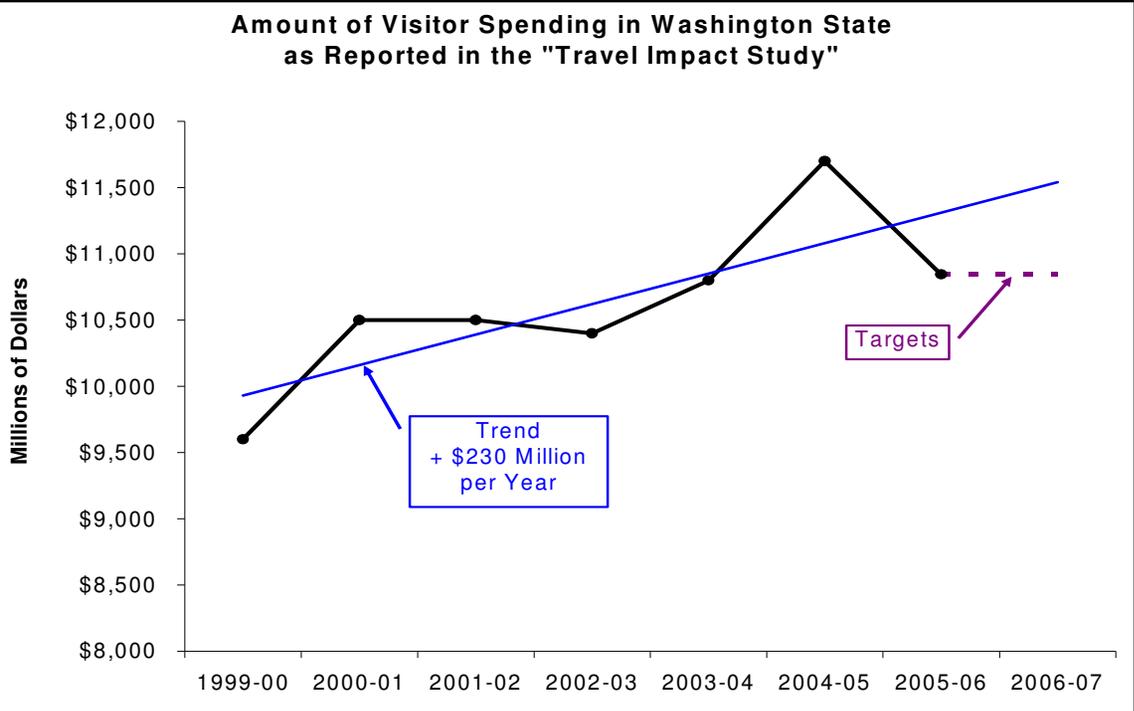
Comments About Desirable Characteristics	
<p>Relevance: Good - Seems to be directly related to the purpose of the tourism development activity.</p>	<p>Timeliness: An annual reporting cycle makes sense for this type of data.</p>
<p>Understandability: Good</p>	<p>Reliability: Unknown</p>
<p>Comparability: Unknown, but similar data must available for British Columbia and Oregon.</p>	<p>Cost Effectiveness: Unknown</p>

General Comments & Explanations:

* In order to reverse a stable trend, significant changes will need to be made to the key components of the processes that combine to make these results.

Activity Measure Assessment - Visitor Spending

Performance Measure Description: An estimate of visitor spending in the state based on the Travel Impact Study
Budget Activity Links: A044 - ED Tourism Development
Category of Measure: A desired outcome measure from the stakeholders' point of view
Analysis of Variation: With only 7 data points, the stable and predictable increasing trend must only be viewed as a preliminary observation.
Analysis of Targeted vs. Actual Performance: If the increasing trend continues, the current targets will soon be obsolete, because actual performance will out pace them.*



Comments About Desirable Characteristics	
Relevance: Good - Seems to be directly related to the purpose of the tourism development activity.	Timeliness: The annual reporting cycle usually not desirable, but makes sense for this type of data.
Understandability: Good	Reliability: Good - This is a formal study with established sampling techniques.
Comparability: Data is available by county within Washington State and should be available for other states as well.	Cost Effectiveness: Good - The cost of subscribing to this information is negligible.

General Comments & Explanations:

* A better target might mirror the current growth rate trend line to tell the readers whether the current growth rate is acceptable.