



Office of  
Financial Management  
STATE OF WASHINGTON

# Activity Inventory Performance Measure Assessment

## Office of Minority & Women's Business Enterprises

*October 19, 2007*

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Based on a review of the following: Agency presentation materials, the strategic plan, the budget activity inventory, and an interview with the agency contacts

# Current Strengths and Good Practices

- The agency has a good mix of outcome, output and process level measures that seem appropriate for a budget/policy audience.
- Data from the most recently completed fiscal year was available and entered into the system.
- Only the budget activity related to administrative activities does not currently have any measures associated with it.

# Comments and Potential Improvements

- Measure 3320 (slide 11) relating to the gross receipts derived should be eliminated or replaced with a performance measure that is more relevant and reliable.
- Every measure could benefit from either more frequent reporting (Annual to quarterly) or if data is only available once a year, the agency should find and enter more historical data into the Performance Measure Tracking System (PMT). The lack of data is keeping the measures from telling a compelling performance story.
- In all but one measure, the current performance levels are not capable of meeting the performance targets. Either the targets should be adjusted or process performance needs to be improved through systematic change.

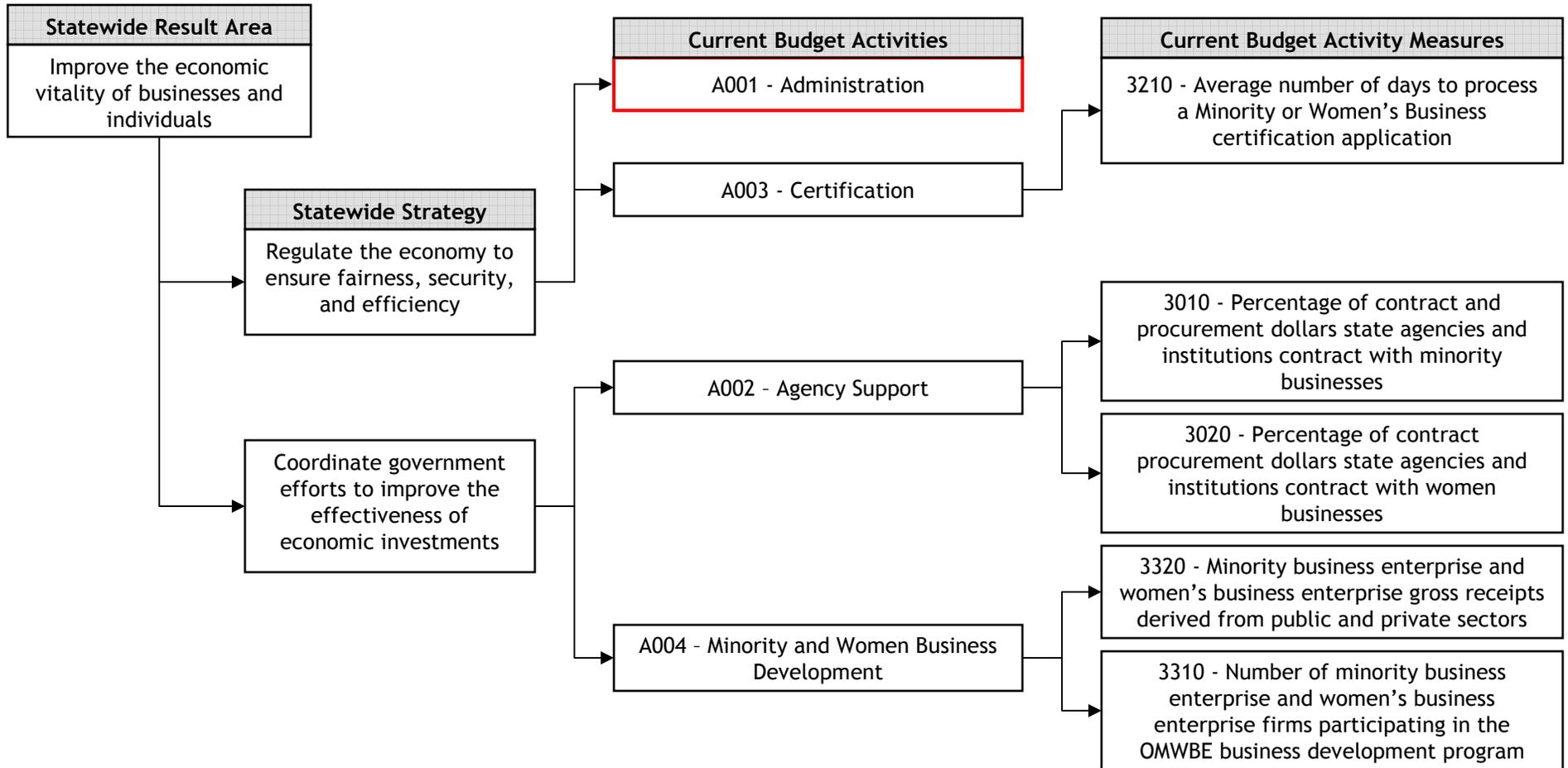
# Analysis of Current Activity Measure Data

- None of the measures have sufficient data history to see patterns or suggest what future performance levels might be.

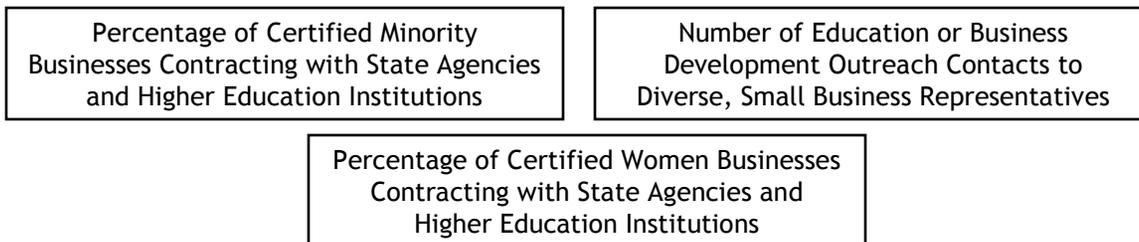
# Agency Comments and Future Actions

- We added a new Administrative measure involving the Linked Deposit Program. See A001.
- OMWBE agrees that Measure 3320 slide 11 should be eliminated.
- OMWBE agrees that every measure should be and can be reported with more frequency (annual to quarterly) which should provide the agency with sufficient data to see patterns and suggest future performance.
- OMWBE agrees that performance levels are not meeting performance targets and have adjusted targets downward while actively adjusting agency process performance upward through systemic change.

# Budget Activity & Performance Measure Linkages

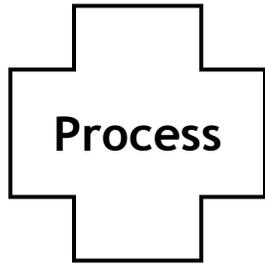


## Proposed New Measures



# Budget Activity Measure Perspectives

⑤ Process characteristics the customers/stakeholders want

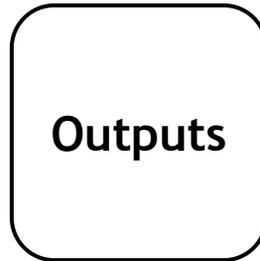


⑥ Process characteristics the agency wants

Average number of days to process a Minority or Women's Business certification application

⑤

③ Product/service attributes customers/stakeholders want

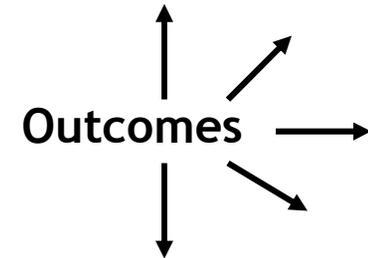


④ Product/service attributes the agency wants

Minority business enterprise and women's business enterprise gross receipts derived from public and private sectors

Number of minority business enterprise and women's business enterprise firms participating in the OMWBE business development program

① Customer/stakeholder desired outcomes



② Agency desired outcomes

Percentage of contract and procurement dollars state agencies and institutions contract with minority businesses

②

Percentage of contract procurement dollars state agencies and institutions contract with women businesses

②

# Activity Measure Assessment - Minority Business Contract & Procurements

**Performance Measure Description:** No additional explanation is necessary.

**Budget Activity Links:** A002 - Agency Support

**Category of Measure:** Outcome

**Analysis of Variation:** Not enough data for much analysis, but what is there seems to be fairly stable.

**Analysis of Targeted vs. Actual Performance:** Actual performance has never been capable of achieving or exceeding the lower targets around 2%, let alone the 10% stretch target.

**3010 - Percentage of Contract and Procurement Dollars State Agencies and Institutions Contract with Minority Businesses**



## Comments About Desirable Characteristics

**Relevance:** The purpose of the agency is to increase access to state contracts.

**Timeliness:** Annual measures are not timely, but at least data were available for the most recently completed fiscal year.

**Understandability:** The words used and their meaning are very understandable to readers outside the agency.

**Reliability:** Data come from electronic accounting system reports cross referenced with records maintained by the agency.

**Comparability:** The agency does compare this with other states. A target of 5% is more in line with other state.

**Cost Effectiveness:** Calculating the data is very automated, and it appears this information is also used for internal management purposes.

## General Comments & Explanations:

The agency wants to stop measuring women and minority-owned businesses separately. The agency feels a new target of 5% for the combined measure would be appropriate.

# Activity Measure Assessment - Women's Business Contract & Procurements

**Performance Measure Description:** No additional explanation is necessary

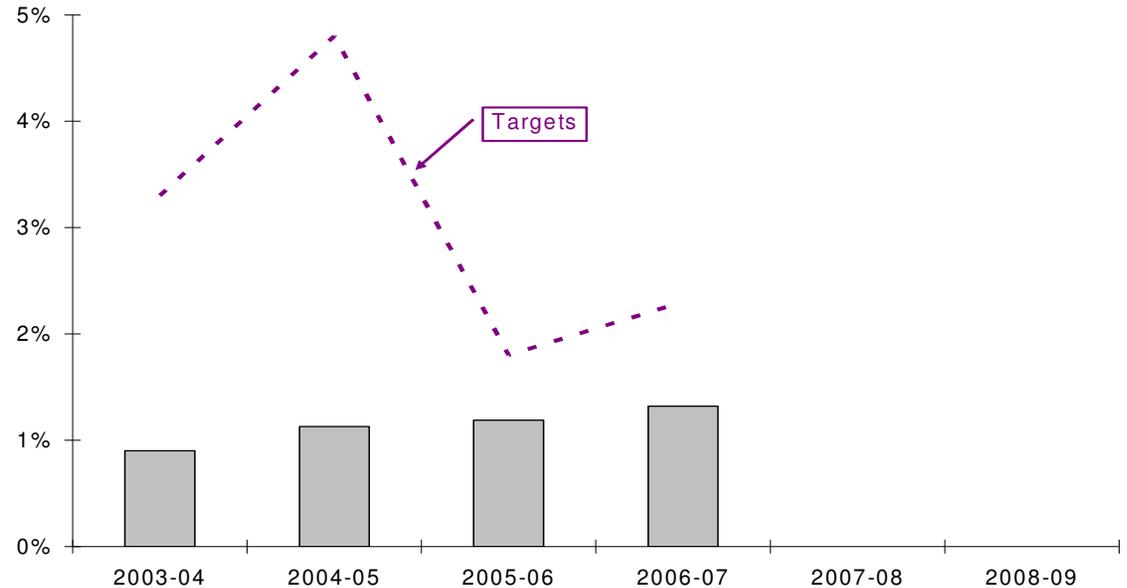
**Budget Activity Links:** A002 - Agency Support

**Category of Measure:** Outcome

**Analysis of Variation:** Not enough data for much analysis, but what is there seems to be fairly stable.

**Analysis of Targeted vs. Actual Performance:** Actual performance has never been capable of achieving or exceeding the lower targets around 2%-3%, let alone the 5% stretch target.

**3020 - Percentage of Contract Procurement Dollars State Agencies and Institutions Contract with Women Businesses**



## Comments About Desirable Characteristics

**Relevance:** The purpose of the agency is to increase access to state contracts.

**Timeliness:** Annual measures are not timely, but at least data were available for the most recently completed fiscal year.

**Understandability:** The words used and their meaning are very understandable to readers outside the agency.

**Reliability:** Data come from electronic accounting system reports cross referenced with records maintained by the agency.

**Comparability:** The agency does compare this with other states. A target of 5% is more in line with other state.

**Cost Effectiveness:** Calculating the data is very automated, and it appears this information is also used for internal management purposes.

## General Comments & Explanations:

The agency wants to stop measuring women and minority-owned businesses separately. The agency feels a new target of 5% for the combined measure would be appropriate.

# Activity Measure Assessment - Certification Application Timeliness

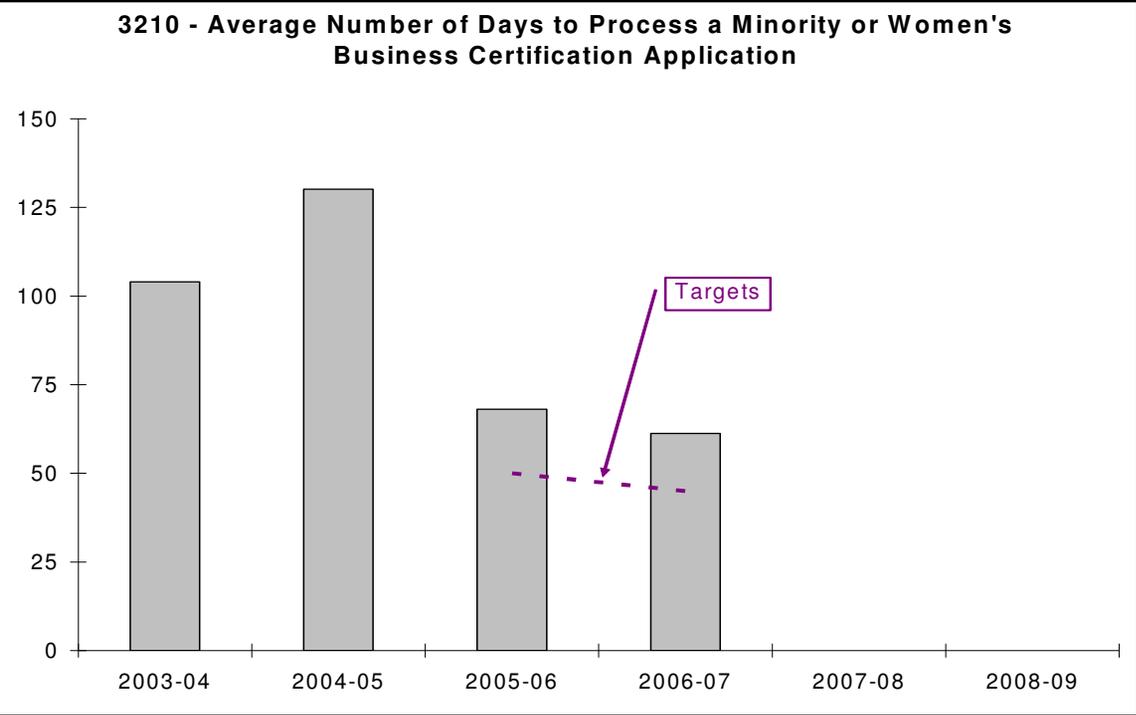
**Performance Measure Description:**  
 Certifications awarded to companies that use minority/women owned vendors.

**Budget Activity Links:** A003 - Certification

**Category of Measure:** A process-level measure of timeliness

**Analysis of Variation:** Not enough data for much analysis, but recent years look much lower than those in the past.

**Analysis of Targeted vs. Actual Performance:**  
 This measure has not been capable of keeping the processing time below the 45-50 day targets.



## Comments About Desirable Characteristics

**Relevance:** Certification is one of the primary services provided by the agency, and timeliness of the certification process is very relevant.

**Understandability:** The words used and their meaning are very understandable to readers outside the agency.

**Comparability:** The agency does compare its performance against other states with similar programs.

**Timeliness:** Annual measures are not timely, but at least data were available for the most recently completed fiscal year.

**Reliability:** The agency controls the data source.

**Cost Effectiveness:** Calculation and storage expenses should be minimal since the data is extracted from the application process.

## General Comments & Explanations:

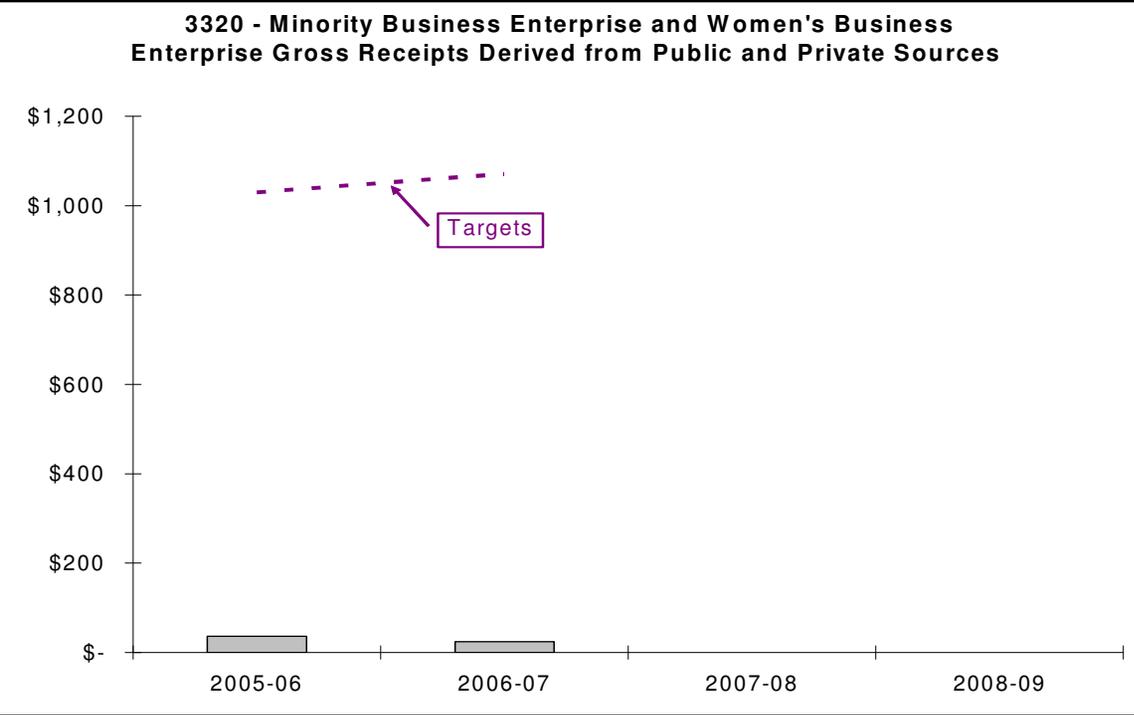
Agency Comments:

We would like to change 3210 to the **Median** number of days to process a state minority.....

The federal applications are excluded since requirements are dramatically different.

# Activity Measure Assessment - Gross Receipts

<b>Performance Measure Description:</b> The amount of business derived from public and private contracts received by registered businesses.
<b>Budget Activity Links:</b> A004 - Minority and Women Business Development
<b>Category of Measure:</b> An output of the registered business' processes
<b>Analysis of Variation:</b> Not enough data for any analysis.
<b>Analysis of Targeted vs. Actual Performance:</b> The actual performance does not approach the targets set.



Comments About Desirable Characteristics	
<b>Relevance:</b> This has little to do with the work the agency performs.	<b>Timeliness:</b> Annual measures are not timely, but at least data were available for the most recently completed fiscal year.
<b>Understandability:</b> The term "Gross receipts" is business jargon, and the conversion rate (x 1 Million?) does not appear in the title or published notes.	<b>Reliability:</b> Relies on data reported to the agency by organizations that do not need the data to be accurate.
<b>Comparability:</b> Unknown	<b>Cost Effectiveness:</b> Requires staff to actually go into the field and get the data from certified businesses.

**General Comments & Explanations:**

The agency would like to drop this measure, because it has no effective way to control or influence the performance of the results, and its relevance, cost effectiveness, and reliability are questionable.

# Activity Measure Assessment - Business Development Program Participation

**Performance Measure Description:** A program to improve access to capital, opportunities, and procurement opportunities.

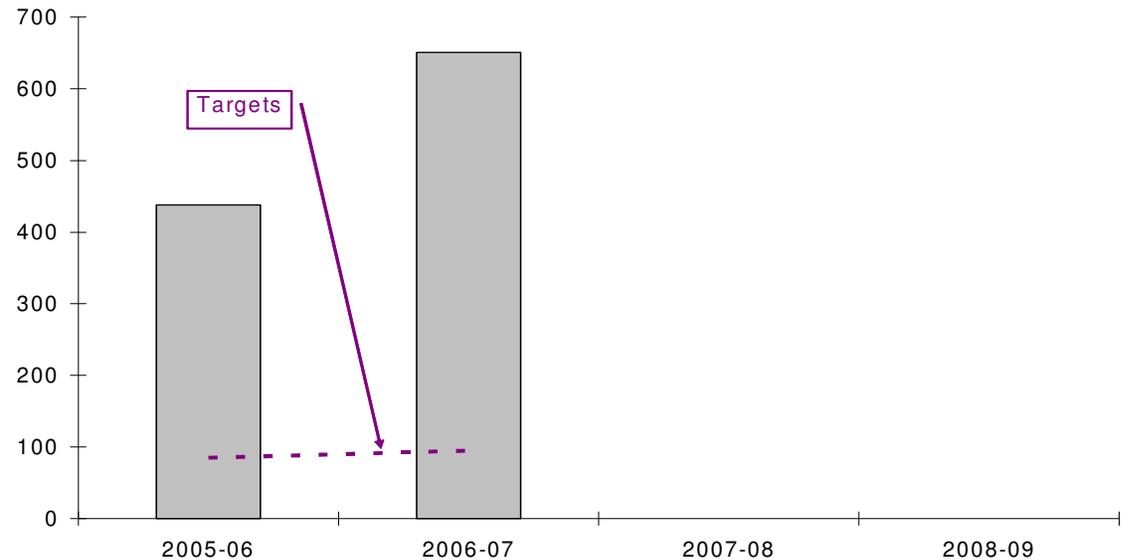
**Budget Activity Links:** A004 - Minority and Women Business Development

**Category of Measure:** The number participating is an output of the recruiting and marketing processes.

**Analysis of Variation:** Not enough data for any analysis.

**Analysis of Targeted vs. Actual Performance:** Based on the performance levels from the past two fiscal years, the current targets appear to be obsolete.

**3310 - Number of Minority Business Enterprise and Women's Business Enterprise Firms Participating in the OMWBE's Business Development Program**



## Comments About Desirable Characteristics

**Relevance:** One of the program goals is to teach businesses how to compete for state contracts. Therefore this is a very relevant measure.

**Timeliness:** Annual measures are not timely, but at least data were available for the most recently completed fiscal year.

**Understandability:** The words used and their meaning are very understandable to readers outside the agency.

**Reliability:** Relies on simple counts of participation in a program the agency sponsors. Should be good as long as the word "Participating" is operationally defined.

**Comparability:** The value in this measure has more to do with comparing participation over time to see if it is growing or declining.

**Cost Effectiveness:** Getting the data from the agency's attendance records should not be expensive.

## General Comments & Explanations:

### Agency Comments:

OMWBE would like to change this measure to read: "Increase the number of certified M/WBEs in database." This is measurable and achievable.