
Charlotte's Balanced Scorecard

Aligning Strategy with Government Performance

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City of Charlotte



City of Charlotte

- **Population: 658,848**
- **Council/Manager Government**
- **6,491 employees**
- **\$1.37 billion budget**
- **2nd largest financial center in U.S.**
- **Balanced Scorecard since 1996**



Governing Structure

- Part time City Council sets policy
 - Mayor
 - Seven district seats, four at large seats
 - Two year terms
- City Manager implements policy and administers operations
- Major functions
 - Police, Fire, Solid Waste, Transportation, Water and Sewer



Balanced Scorecard Defined

- Performance management tool
- Emphasis on strategy
- Forward looking
- Translates strategy into tangible, measurable objectives



Balanced Scorecard Defined, continued

- Framework includes four perspectives
 - Customer
 - Financial
 - Internal processes
 - Growth and learning



Begins with Strategy

Build consensus on

- Vision
- Focus areas, priorities
- Strategy
- What success looks like, results
- Few, vital measures



Why the scorecard?

- Link measures to strategy
 - Hypothesis, if....then.....
 - Learn and adjust, feedback
- Meaningful measures
- Motivate, stretch



Organizational Change in the 1990s

- Fiscal constraints
- Council interest in “business model”
 - Reduced layers of management
 - Competitive with private services
 - Customer focused
- Management by Objectives > 900 measures
- Need for a strategic performance management system



Voilà Scorecard

- New, private sector system
- Harvard Business Review
- Strategic, consensus building, fewer measures but meaningful and results-oriented measures



Charlotte's Balanced Scorecard

Aligning Strategy...

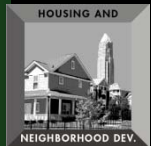
Charlotte will be:



The safest large city in America



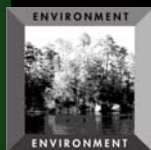
The most prosperous for all citizens



A city of great neighborhoods



The premier city for integrating land use and transportation choices



A city of environmental stewardship

Community Safety



- Reduce crime
- Homeland security
- Increase traffic safety
- Enhance neighborhood problem solving

"Charlotte will be the safest large City in America."

Economic Development

- Strategic investments
 - Business facilitation
 - Targeted development areas
- Police and Fire
- Water and Sewer



"Charlotte will be the most prosperous and livable City for all citizens through quality economic development."

Housing & Neighborhood Development



- Strategies to address economic health and quality of life
- Partnerships and capacity building with neighborhoods, businesses and schools

“Creating great neighborhoods in which to live, work and play.”

Transportation

- Integrated land use and transportation planning
- Road, pedestrian and bicycle networks
- Public transit



"Charlotte will be the premier City in the country for integrating land use and transportation choices."

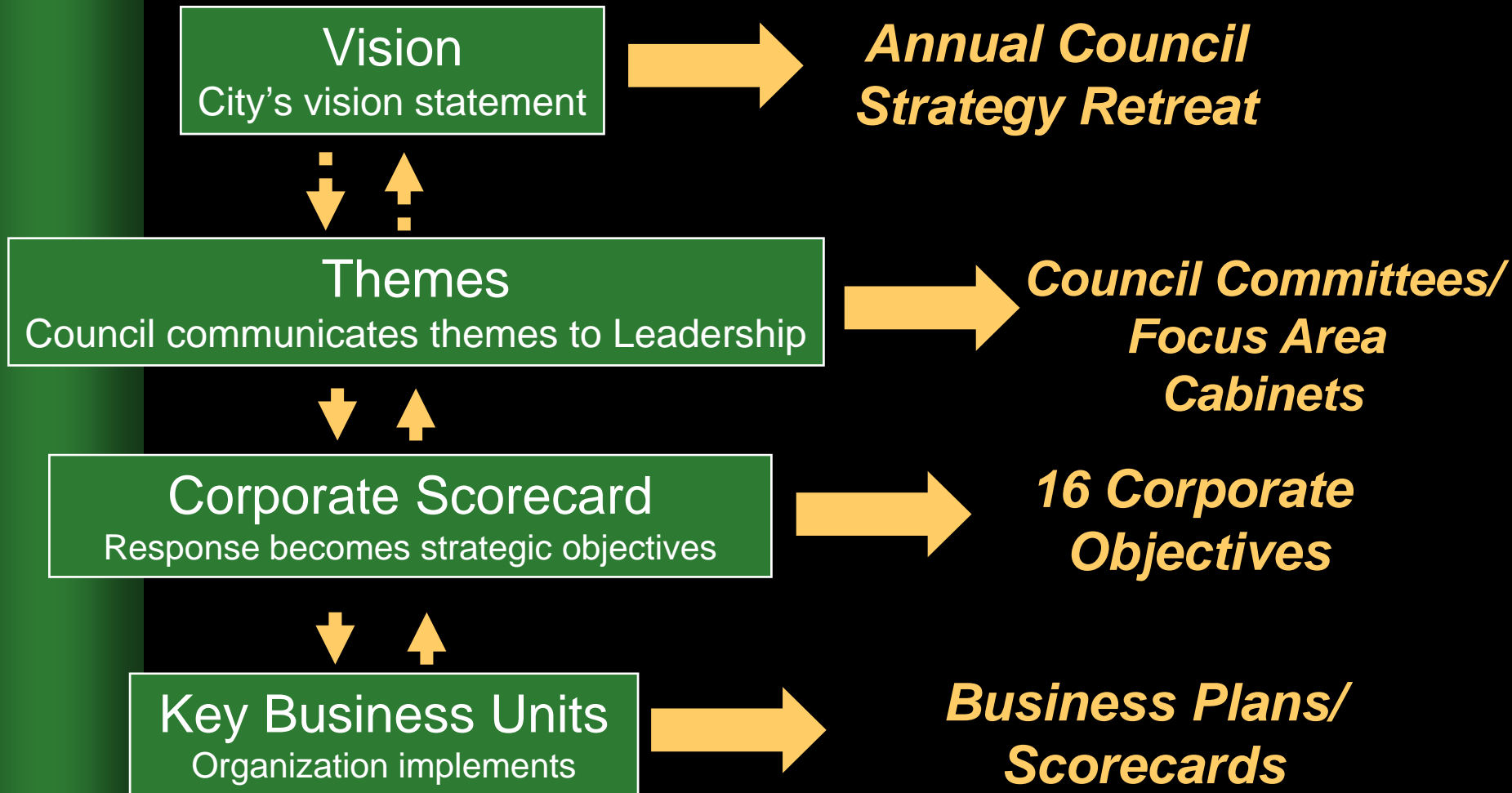
Environment

- Recognize interrelationships between air quality, water resources, land preservation and energy and resource conservation
- Share environment with regional neighbors
- Incorporate environmental goals in planning and decision-making
- Lead by example



“Charlotte will safeguard the environment, balancing environmental health, sound fiscal policy and growth.”

Charlotte's Balanced Scorecard



CITY STRATEGY

VISION
COMMUNITY
OF CHOICE
FOR LIVING,
WORKING
AND
LEISURE



CITY COUNCIL FOCUS AREAS

Community Safety • Housing and Neighborhood Development
Environment • Transportation • Economic Development

COMPREHENSIVE CITIZEN SERVICE

CORPORATE OBJECTIVES

SERVE THE CUSTOMER

Reduce
Crime

Increase
Perception
of Safety

Strengthen
Neighborhoods

Provide
Transportation
Choices

Safeguard
the
Environment

Promote
Economic
Opportunity

RUN THE BUSINESS

Develop
Collaborative
Solutions

Enhance
Customer
Service

Optimize
Business
Processes

MANAGE RESOURCES

Maintain
AAA
Rating

Deliver
Competitive
Services

Expand
Tax Base &
Revenues

Invest
in
Infrastructure

DEVELOP EMPLOYEES

Achieve
Positive
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Recruit &
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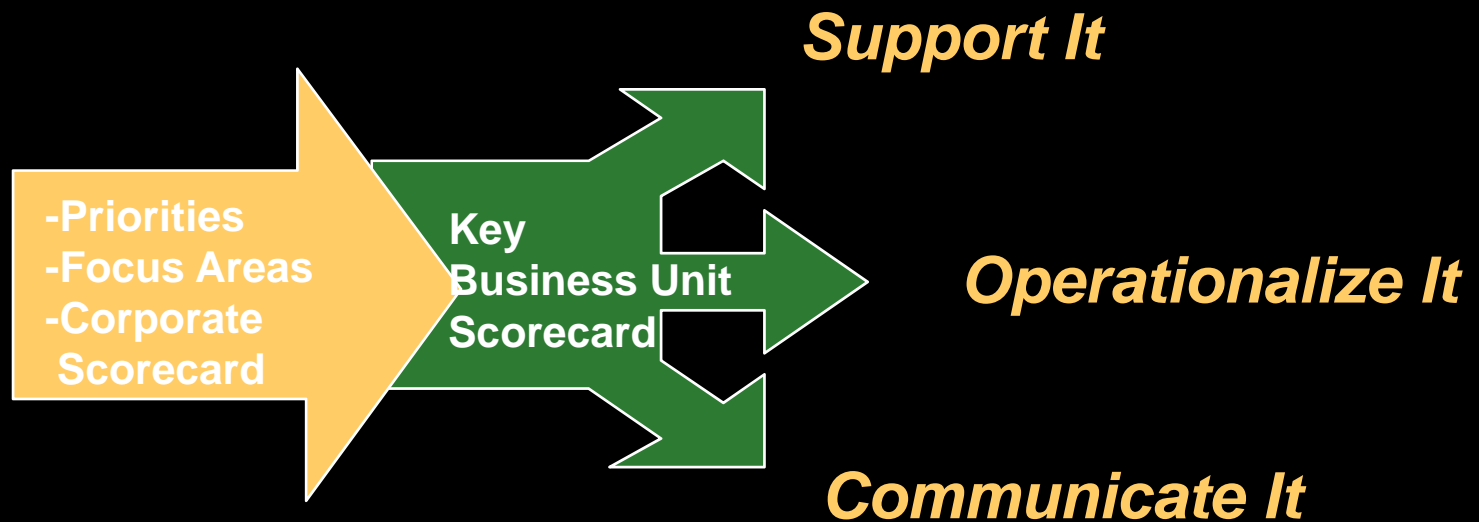
SERVE THE CUSTOMER

RUN THE BUSINESS

MANAGE RESOURCES

DEVELOP EMPLOYEES

Making Strategy Work: *Actions Required*



Supporting Strategy

Why it works in Charlotte

- Continuity in Focus
- Supportive Culture
- Priority Investment
 - People
 - Technology
 - Research
- Staff to Champion the Effort



Support for Strategy

- Leadership Commitment
 - Mayor and Council
 - City Manager
 - Budget & Evaluation Department
 - Departments
 - Operating Divisions



Operationalizing Strategy

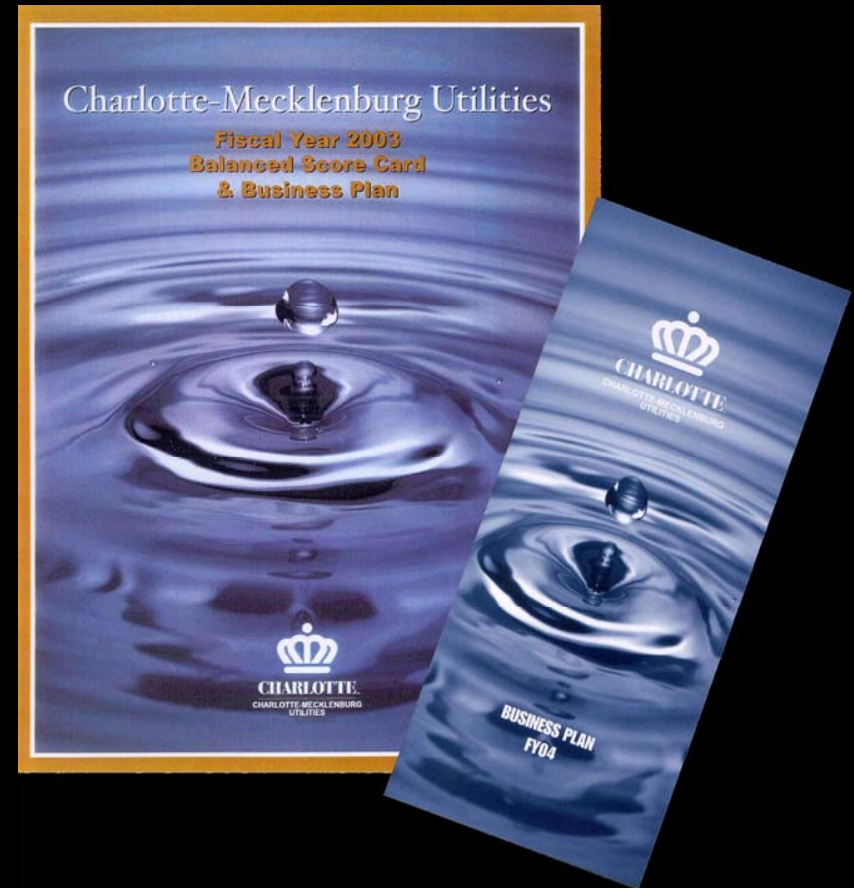
Why it works in Charlotte

- Use the balanced scorecard to operationalize council priorities
 - Corporate Scorecard Objectives Link to Key Business Units
- Translate strategy into operational terms
 - Individual Key Business Unit Scorecards
- Assign accountability

Communicating Strategy

- Clarify and translate vision and strategy
- Communicate how employee roles support corporate strategy

management version



employee version

Why the Balanced Scorecard Works in Charlotte

- **Support** from executive leadership
- Alignment of **organizational structure** to strategy
- Translation of strategy into **operational terms**
- **Communication of** strategy to everyone



Aligning the Organizational Structure to the Strategy

- Bring people together from different departments to work on strategies and plans
 - Council Committees organized by focus area
 - Focus Area (staff) Cabinets
 - Manager's Cabinet



Organizational Structure - Council Committees

- Organized around focus areas
 - Housing and Neighborhood Development
 - Environment
 - Economic Development
 - Community Safety
 - Transportation



Organizational Structure – Focus Area Cabinets

- Develop, implement and measure success of strategic plans for focus areas
 - Focus areas stable
 - Initiatives and objectives reviewed and measured annually to be responsive to the needs of the community and organization



Example - Members of Neighborhood Cabinet



Organizational Structure - Manager's Cabinet

- Review strategic direction, share information and review recommendations of focus area cabinets
 - Members include City Manager, Assistant City Managers and all Department Heads
 - Meetings chaired and facilitated by an Assistant City Manager
 - Meets bi-monthly



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Charlotte's Balanced Scorecard

How it Works

- Five strategic themes adopted by City Council
- Balanced Scorecard perspectives modified to city needs
 - Serve the Customer
 - Manage Resources
 - Run the Business
 - Develop Employees
- 16 Corporate Goals
- Key Business Units link to corporate scorecard through their business plans



Implementation

- Developing Departmental Scorecards



- Integrating Budget and Strategy

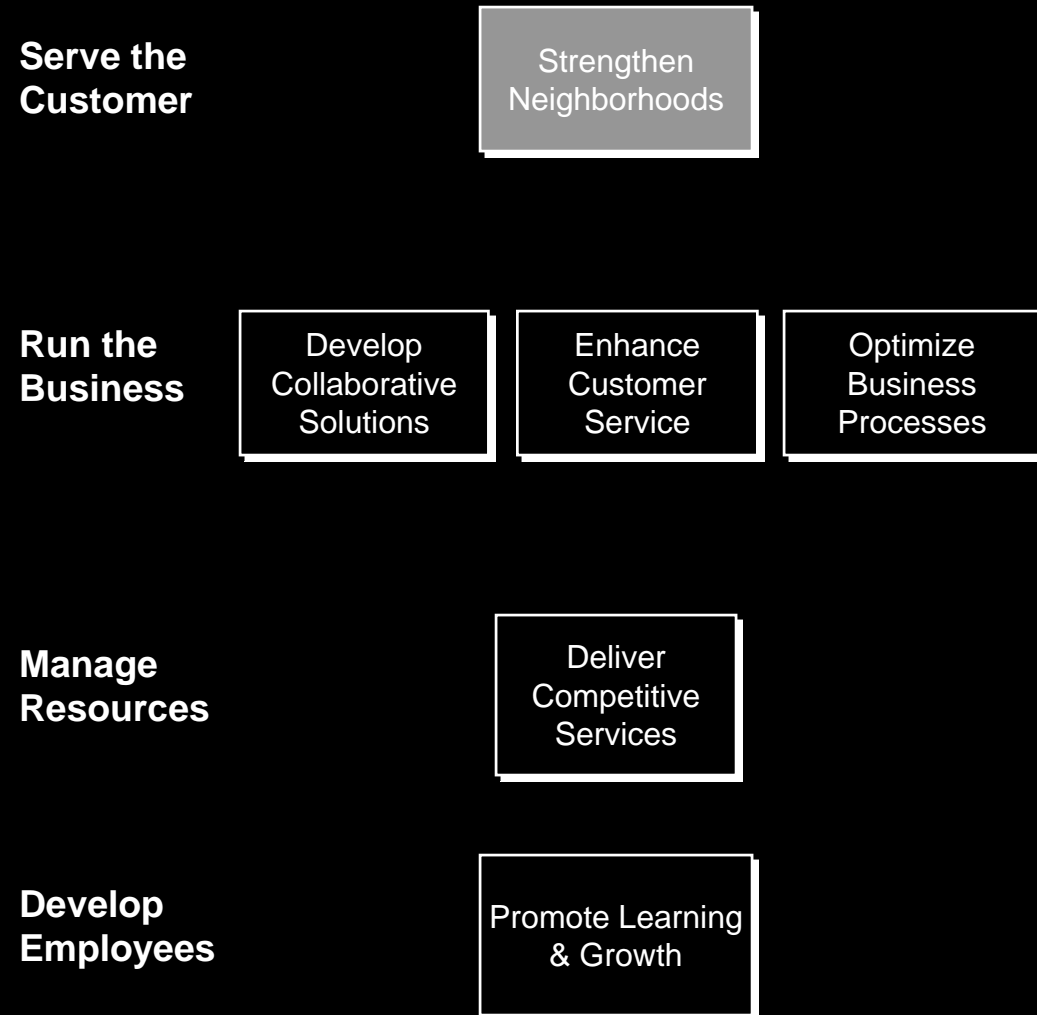


Departmental Scorecards

- Tool to communicate strategic results to be achieved by department
- Clear linkage to corporate strategy
- Help monitor and evaluate performance
- Provide basis for developing individual performance plans



Example - Solid Waste Services



How will SWS support/respond to corporate objective? What are SWS' strategic initiatives?

- *Improve neighborhood appearance and raise public awareness about solid waste services*

How will SWS know that the strategic initiatives are being achieved? What is the information you need to make decisions?

- *Achieve citywide litter rating of 2.0 or less*
- *Increase public education about bulky item scheduling in targeted neighborhoods*
- *Number of community awareness promotions targeted*

Integrating Strategy and Budget

- Strategy is the foundation upon which the organization builds its budget and allocates resources
 - Strategy - “Why”
 - Budget - “What” and “How”



Example – Integrating Strategy and Budget for Utilities Field Operations



- Strategic Initiative (Why)
 - Improve customer service
 - Enhance efficiency and productivity
- Budget (What and How)
 - Water and sewer line repair crews
 - Consolidated work and training
 - Created geographic service areas
 - Developed employee skill levels
 - Consolidated and improved budget structure

Comprehensive Citizen Service Linkage



Develop
Collaborative
Solutions

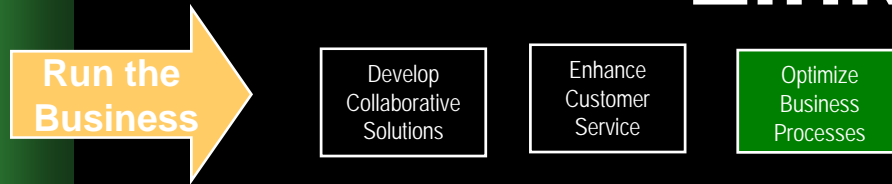
Enhance
Customer
Service

Optimize
Business
Processes

- **Initiative** - Improve citizen access to city services
- **Target** - Rating in biennial citizen survey of good or better from 70% of respondents
 - 311 Call Center customer satisfaction rate of 90%



Comprehensive Citizen Service Linkage



- **Initiative** - Develop a strategic IT Portfolio for Neighborhood Development functions
- **Target** - Implement the *City View Code Enforcement Information System* by year end

Environment Linkage



Reduce
Crime

Increase
Perception of
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Strengthen
Neighborhoods

Provide
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Choices

Safeguard the
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Promote
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Opportunity

- **Initiative** – Protect natural ecosystems, habitats and tree canopy
- **Target** - Conduct tree canopy assessment/survey and set percentage of tree canopy to maintain or increase



Transportation Linkage



Reduce
Crime

Increase
Perception of
Safety

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– **Initiative** – Implement Centers and Corridors strategy

– **Target** - 40% of new housing, 75% of new multi-family housing, 75% of new office development and 75% of new employment will occur in centers and corridors



Economic Development & Environment Linkage

Run the Business

Develop Collaborative Solutions

Enhance Customer Service

Optimize Business Processes

- Initiative** - Collaborate with partners to improve air quality
- Target** - Reduce vehicle miles traveled and vehicle emissions per capita
- Initiative** - Implement Permitting Process improvements
- Target** - Survey result of “7” on 9 point scale for 90% of categories



Housing & Neighborhood Development Linkage

Serve the Customer

Reduce Crime

Increase Perception of Safety

Strengthen Neighborhoods

Provide Transportation Choices

Safeguard the Environment

Promote Economic Opportunity

- **Initiative** - Conduct housing and property inspections to enforce city codes
- **Target** - Number of compliances achieved and Improvement in Neighborhood Quality of Life Index Scores



Housing & Neighborhood Development Linkage



Maintain
AAA Rating

Deliver
Competitive
Services

Expand Tax
Base &
Revenues

Invest
in Infrastructure

- **Initiative** - Manage Housing Trust Funds and housing projects to leverage private funds with public funds to expand number of housing units
- **Target** - Leverage ratio of one public dollar to five private dollars

Linking Employees to City Strategy



Linking Employees to City Strategy

Corporate Balanced Scorecard

Enhance Customer Service



Division Balanced Scorecard

Customer Satisfaction Rate of 80%



Employee Performance Plan

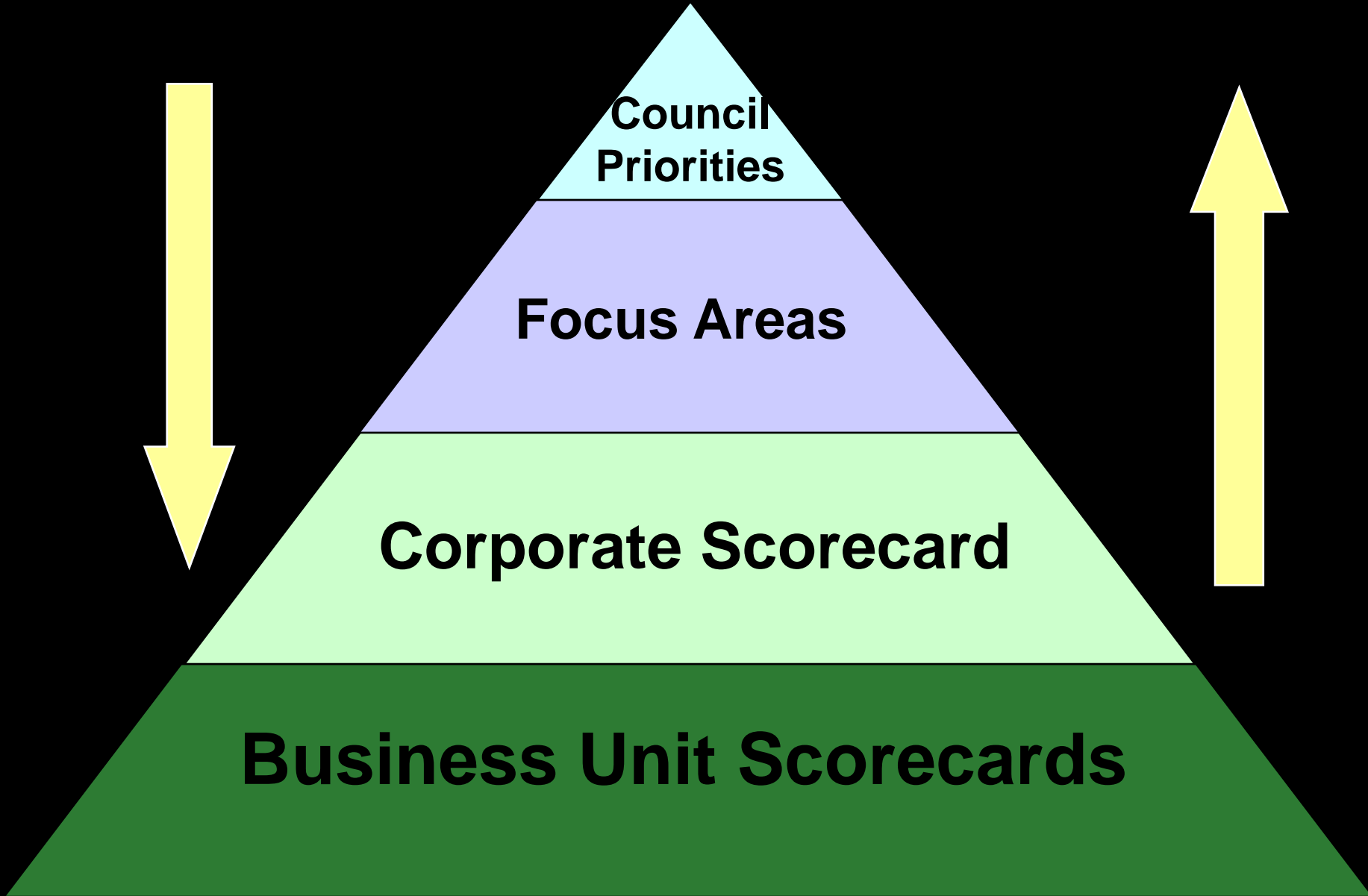
Customer Satisfaction Rate of 80%



Development Plan

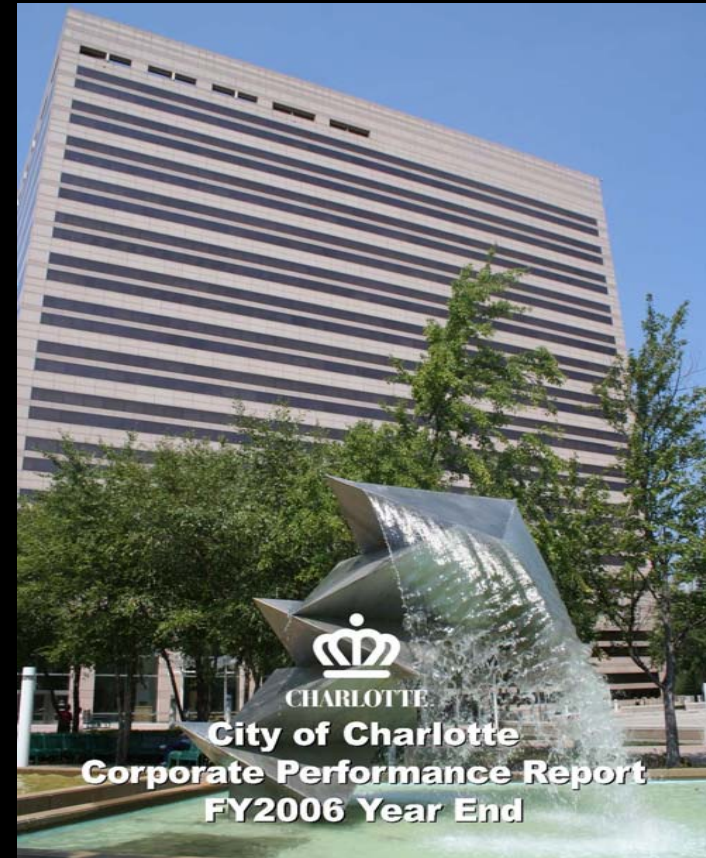
20 hours of KBU site visits/training

Performance Management Strategic Linkage



Reporting

- Mid-year
- Year-end



Charlotte's Balanced Scorecard

Alignment of Key Business and Corporate Support Functions

- Business Planning
- Budgeting
- Training and Development
- Customer Service Philosophy
- IT Investments





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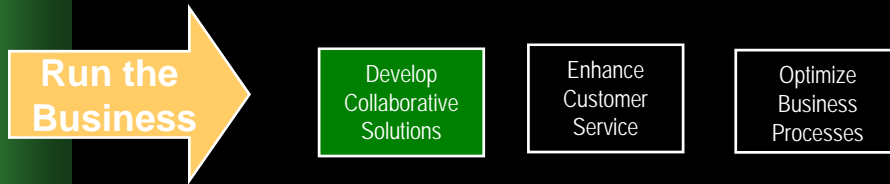
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Promote Learning & Growth

Charlotte's Balanced Scorecard

Current Challenges

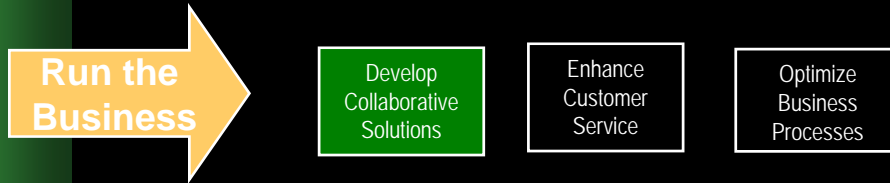


- **Customer Service**

- 311 Call Center - 13 Different data platforms
- “SILO” approach
- “My customer” not the citizen
- Not achieving excellent customer service

Charlotte's Balanced Scorecard

Current Challenges



- **IT Investments**

- Separate e-mail systems
- Multiple work order systems
- Duplication
- Priorities for expenditures not made strategically

Charlotte's Balanced Scorecard Technology Collaboration

- **Goals**
 - Adopt a unified citizen view of city services
 - Align expenditures with priorities
 - Eliminate duplication
- **Teams organized across Key Business Units**
 - Policy Management
 - Technology Management
 - Strategic Alignment
 - Total Cost of Ownership
- **Celebrate results to date**

Charlotte's Balanced Scorecard

Celebrating Achievement

- **Manager's Strategy Award**

Recognizes a Key Business Unit or team that has made significant progress in a key area

- **2006 Award - Developing Collaboration Solutions**

- **South Corridor Light Rail Transit/Infrastructure Program**

- **Previous Awards**

- **Training and development (2005)**
- **Communicating the balanced scorecard (2004)**
- **Integrating strategy and budget (2003)**



Why the Balanced Scorecard Works in Charlotte

- **Support** from executive leadership
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Five Principles of the Strategy Focused Organization

- Mobilize change through executive leadership
- Translate strategy into operational terms
- Align the organization to the strategy
- Motivate to make strategy everyone's job
- Govern to make strategy a continual process



Accountability

“The corporate scorecard is a communication, information and learning system. Building a scorecard helps managers link today’s actions with the achievement of today’s priorities. It encourages accountability. And today we define accountability by results.”

-Pam Syfert, City Manager



Conclusion

- Strategy is continuous
- Strategy must be supported
- Strategy must be operationalized
- Strategy must be communicated
- Implementing strategy is not easy



More Information

- Web site:
www.charmeck.org/cibudget
 - Publications available
 - Focus Area Plans
 - Balanced Scorecard
 - Strategic Operating Plan
 - Year End Report
 - BSC references
 - Frequent questions

