The Cornerstone of Effective Government

"Things may come to those who wait, but only things left by those who hustle."
Abraham Lincoln

Not Enough Time, Not Fast Enough

Citizens are increasingly educated, competent and connected to technology. And their expectations for good government have increased, in terms of more and better services. Rising expectations are typically not met with rising budget increases, leading to potential gaps between a citizen's expectations and government's ability to deliver services that satisfy expectations.

Government has multiple missions, but clearly improving the quality of its citizens' lives is at or near the top of the list. To fulfill government's citizen-centric mission, Citizen Services must be able to react, adjust and satisfy demands. Qualifying citizen needs and developing effective solutions are prerequisites for leadership. New demands have made services planning and coverage far more complex, requiring a wider range of knowledge, techniques and insights. And citizens expect fast response.

This is the key challenge facing all government departments and agencies: how to balance the need for faster response while gaining the right information to qualify risk profiles and deliver the right services.

The ability to match services to needs efficiently and the insight needed to direct resources to the highest priorities are critical factors driving success. Both depend on a timely, two-way flow of information. Accurate and speedy information exchanged through the best channels can help improve results and reduce costs. Information flowing through Citizen Services organizations can affect every other department and agency. For example, better forecasting based on accurate demographic, econometric and financial data will drive better resource allocation and transaction processing capabilities to reflect citizen needs more accurately. The slower the two-way flow of information, the less responsive the organization. Consider the real estate property values example in

the Program Management chapter. There is clearly a need for better visibility into the cross-agency impacts and a trustworthy view of the future to understand gaps and work to close them in a timely manner.

This viewpoint brings together the three core insights in this book (see Introduction). Citizen Services must have clear accountability for financial results (delivering quality, highly valued services at a reasonable cost) and quality measurement (having an information infrastructure in place that captures critical performance data). This requires information sweet spots that connect central office and field decision-making capabilities. A Citizen Services function with the right information at the right time is formidable.

Unfortunately, many Citizen Services organizations do not optimize citizen connect time and speed of execution due to three barriers.

Barrier 1: *You don't set services targets and allocate effort based on maximizing overall contribution*

How you measure performance drives how Citizen Services allocates its time. If you define targets in terms of potential contribution, Citizen Services professionals will invest time where it reduces risks and maximizes benefits. If focusing on citizen relationship risks isn't a new thought, and it's not difficult to see the benefits, why is it still rare in terms of implementation?

There are several reasons. In many cases, integrated information across organizations is not available, is available but in disparate systems or is too sensitive to make broadly available. Determining how to allocate resources and costs is typically complex or politically charged. And frequently, the organizational focus is on short-term results without perspective on long-term contributions. This is particularly acute in the public sector, where changes of administration can result in significant changes in the government's core agenda. Although the vast majority of government programs persist irrespective of the incumbent administration, shifts in priorities can clearly have broad impacts. Also, as mentioned earlier, multiple programs can target the same constituency differently, so it is difficult to measure the overall impact on citizen welfare, or which program (and investment) is having the greatest impact.

The social value of services is not static: it changes over time. A good government services manager can positively effect change. This change requires understanding:

- Relative weighting of various opportunities based on the "cost" of expected effort and the expected outcomes.
- The benefits of offering efficient "straight-through" services that reduce complex activities.
- Longer term cross-organization planning as opposed to single services planning.
- A multi-tiered portfolio approach to connecting services delivery opportunities.
- Continuous focus on quality and risk controls.

Without an understanding of these sweet spots, your time may be poorly invested. Or worse, you won't know if it is or isn't.

Barrier 2: *There is no two-way clearinghouse for the right information at the right time*

IT departments are precisely benchmarked and highly subject to internal scrutiny. These departments expect reliable relationships, where vendors are advisors and valued solutions experts. Citizen Services, too, is becoming increasingly about information rather than just satisfying administrative relationships.

However, turning government professionals into experts on every service topic is not the answer. Blending "team services" with the right combination of personnel is essential when required. There is simply too much information required to process, distill and communicate for managers to be fully expert on every possible risk scenario. Instead, Citizen Services needs to be efficient clearinghouses of the right information at the right time.

What's missing in most organizations is an effective flow of "smart facts" between the citizens and their government. Smart facts are focused information packages about citizens' needs and challenges, government service advantages and important interaction points between both entities. And the onus rests largely with the government to assure that the lines of communication are clear.

The two-way nature of this information is critical. The entire organization needs citizen insights into what works, what doesn't and what is of greatest importance. Without this, your response to important concerns is impeded, and you won't understand the citizen perspective, which is necessary for sustainable relationships. Smart facts let government service organizations:

- Build on success stories and best practices.

- Link service delivery values to what the customer requires.

- Proactively deal with issues between citizens and government, such as service delays, and stay on top of the relationship.

Services managers (broadly including all functions who have face-to-face relationships with citizens)— your front line with citizens—are at a disadvantage when trying to build reliable relationships and loyalty if you do not provide them with these smart facts in a timely fashion.
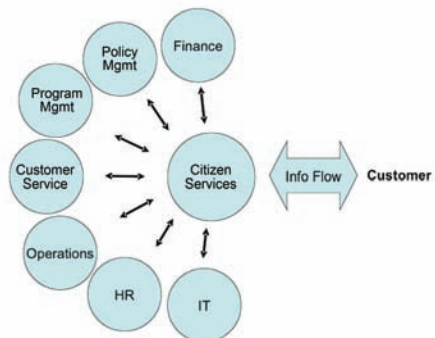
Citizen Services: two-way clearinghouse of smart, fast facts

Barrier 3: *You don't measure the underlying drivers of services effectiveness*

What type of input drives the results, as measured by service success? This is rarely evaluated or understood, and yet it is one of the most critical areas for government to master. This varies considerably by region, level of government and type of service.

In some cases, such as social services, there are extensive metrics that must be captured by law, but frequently these represent the raw data to track social welfare issues, not necessarily tying social spending to specific outcomes. In regions where health care is a public service, health authorities have implied or explicit social contracts to deliver specific service levels, such as wait times. Such data is tracked and reported on ruthlessly. Similarly, for regions that have invested in 311 calling systems for government services, the more progressive localities have also invested in performance management environments that allow them to track calls, response times and times to resolution across all calls, across types of calls or into single incidents.

A management problem in the public sector is the lack of a standard benchmark for what constitutes "good performance." Performance targets tend to be set based on what is reasonable, rather than what is achievable or what has been achieved by other similar agencies or in other jurisdictions.

There are clearly missed opportunities that come from not tracking what expectations were set around service delivery tactics, not monitoring what actually happens and not striving for continuous improvement. Despite significant investments in automation and customer (citizen) relationship management systems, government organizations miss this opportunity when they see setting targets as a complicated planning exercise or when it conflicts with an organization's bias to rely more on intuition.

This is changing out of necessity and maturity. Political leadership is increasingly demanding that government agencies strive toward specific performance targets and justify ongoing investments in programs that produce results. In addition, despite lagging the commercial sector in ERP system and back-office infrastructure investments, much of the information backbone is now in place, so the data issues will be less onerous. To leverage these IT investments fully, a performance management layer can deliver to executives and decision makers the kind of information they require.

The choice doesn't have to be "either/or." Experience and intuition can guide the initial tactical choices and outcome expectations—but monitoring these outcomes lets you make informed decisions to improve your results. Your goal is to increase services productivity and adjust tactics when something doesn't work. Without set expectations and a means to monitor the underlying drivers of services effectiveness, you will likely suffer both higher costs and missed targets.

Continuous Accelerated Realignment

The five decision areas described below can improve the speed of services execution and enable a more effective use of time. They rely on the two-way flow of vital information between citizens and government. This sharing of information can accelerate the speed of adjustments and realignments of strategy and tactics. Decision areas in Citizen Services management:

- **Revenue/income results** ➜ What is driving services revenue and income performance?
- **Services contribution** ➜ What is driving services net contribution performance?
- **Services tactics** ➜ What is driving Citizen Services "connections" effectiveness?
- **Services pipeline** ➜ What is driving the revenue pipeline?
- **Services revenue plan variance** ➜ What is driving the revenue plan?
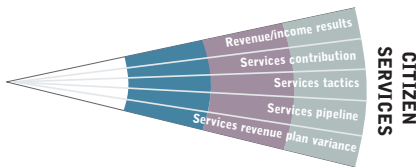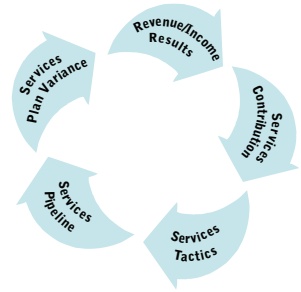
The order of these decision areas reflects a logical flow of analysis and action. They start with understanding where Citizen Services are achieving results, first in terms of overall revenue performance and then in terms of net income or contribution to mission fulfillment. This is followed by drilling deeper into how the services organizations are using time and to what effect. Finally, the insights gained are applied to revising the planning and forecasting process. In this way, Citizen Services can drive a continuous and accelerated re-examination and realignment of the organization. This cycle is anchored by the organization's strategic objectives and incorporates frontline realities for an accurate view of relationship performance.

Revenue/Income Results

Revenue/income results are one of the most basic and important information sweet spots. They are one of the two foundations of Citizen Services management, the other being planning. They provide a consistent overview of new and recurring revenue across the five basic components of analysis—product, customer, territory, channel and time.

For government entities, "revenue" represents all the forms of income and funding the entity receives—tax revenue, license revenue, grants, etc. Government revenues are, of course, dependent on income levels, spending patterns, property values, employment levels, demographics, econometrics and a host of other issues.

There are also significant compliance issues related to managing funding streams, with different "colors" of money that can only be used in certain ways, grants that must be spent on specific programs (e.g., renewing low-cost housing) and tax revenue that is tied to the service (e.g., road toll revenue that may only be spent on road construction and maintenance). For example, in K-12 education, funding levels may be based on number of students, property taxes or programs such as special education. There are state funds available for busing and perhaps fuel surcharges, federal funding for school lunch programs and others. It would be impossible to overstate the linkage between revenue and cost. As demographic trends are shifting, with less students enrolling in many school districts, funding levels are dropping off, requiring school districts to make continuous adjustments to teacher levels, class sizes, school utilization and so on.

Accurate understanding of these components suggests why results diverge from expectations. *How are demographic shifts impacting funding streams? How are the impacts being felt across regions, whether urban or rural? What is the impact on tax projections given declining real estate values? Is this consistent across all services, channels, territories and customers?*

GOALS	METRICS	DIMENSIONS	
Income Growth (%)	Service Activities (#)	Reporting Period	Services Organizations
	Service Quality Audit Score	Year	Services Region
	Services Revenue - Income ($)	Quarter	Services Territory
	Grant - Income ($)	Month	Org. Code
		Government Services	Services Representatives
		Service Type	Services Representative
		Service	
		Citizens	Services Delivery Partners
		Citizen Types	Services Partner Type
		Citizen	Services Partner
		Service Delivery Locations	
		Territories	
		Geo Codes	
		Government Programs	
		Program Type	
		Program	

FUNCTION	DECISION ROLES	PRIMARY WORK	CONTRIBUTORY	STATUS
Services				
	Executives	•		
	Managers	•		
	Analysts	•		
	Professionals	•		
Audit				
	Executives			•
	Managers	•		
	Professionals	•		
Program Management				
	Executives		•	
	Managers		•	
	Analysts		•	
Finance				
	Executives			•
	Managers		•	
	Analysts		•	
	Professionals		•	
Customer Service				
	Executives		•	
	Analysts		•	
General Management				
	Executives			•

Revenue/income results should not be confined to managerial levels, but should be shared at various levels of the organization. You can empower the frontline with appropriately packaged analytic information, adapted for individual representatives with specific services in specific territories.

Beyond immediate operational analysis, revenue analysis lets you recognize broader performance patterns to see if strategies and management objectives are on track and still making sense. With a consistent flow of information over time, you can make more strategic comparisons, interpretations and adjustments.

For example, if incomes are flat in sparsely populated rural areas, you need to know: *Is this a tactical problem or a strategic one—i.e., should this lead to a full re-evaluation of the market segment or the service? How will changes in federal program funding impact various household income levels in market segments in our region, such as changes in biofuel subsidies in farm communities growing corn or soy beans? Are significant investments necessary to revive or stabilize this segment? Has the service proposition changed due to demographic or economic factors? Are there subsidy programs that can be utilized to supplement farm incomes?* These questions and others are part of an accurate assessment of revenue/income results.

Revenue/income results information also connects level of responsibility, strategic decision-making and operational activities. If you identify a funding weakness in a segment of the market, the agency has a number of time-related options to deal with it. An increase in cost in a service area without an equivalent increase in the subsidy or grant—such as a drastic increase in fuel costs without an increase in school grants for busing costs—in the short term may cause funding damage in other programs that can lead to long-term difficulties. The short-term solution might be more aggressive monitoring and possibly scenario planning for the delivery of funded services that are at risk. Longer term it may call for realigning service deliveries, or perhaps dropping the service and giving back the grant.

Given the impact of this change on services budget decisions, management may choose to look at the overall program and service proposition to shift resources. This may require long-term cross-functional strategic decisions involving Program Management, Operations, Customer Service and Finance. Revenue/income results are one of the main contributors of information for this decision. The speed and accuracy with which this information is provided is critical. More of this dynamic will be covered in the Executive Management chapter.

Services Contribution

The key to this decision area is recognizing which market segments and services incur the greatest expense in relation to critical success factors. A basic contribution assessment is possible using an "income less direct costs and incurred claims" formula for services and risk events. Once this is calculated, you can develop more complex views by allocating direct costs using certain drivers to determine effort or activity plus related costs. This may highlight inconsistencies in internal transfer pricing and lead to a reassessment of net contribution for various services. Using a phased approach when moving to a more direct measure of income enables learning by successive iterations, with the benefit of gaining wins and proof of value before tackling more complex cost allocations and associated drivers. The services function must adopt the contribution goals and work with the rest of the organization on achieving them.

Understanding citizen relationship services cycles is vital to a government organization's charter. It focuses the organization on the value of long-term benefits. Services contribution is a powerful tool that is used at senior levels of program management, risk management and finance. The sensitivity of this information dictates that it cannot be widely distributed, but by indexing some of this information, you ensure Citizen Services understands its priorities and is ready to put that knowledge into action.

GOALS	METRICS	DIMENSIONS	
Net Contribution	Service Activities (#)	Reporting Period	Services Organization
Net Contribution Growth (%)	Direct Cost ($)	Year	Services Region
	Allocated Cost $	Quarter	Services Territory
	Claims Paid ($)	Month	Org. Code
	Loss Adjustment Expense ($)	Government Services	Services Representatives
		Service Type	Services Representative
		Service	Services Delivery Partners
		Citizens	Services Partner Type
		Citizen	Services Partner
		Service Locations	
		Territories	
		Geo Codes	
		Government Programs	
		Program Type	
		Program	

FUNCTION	DECISION ROLES	PRIMARY WORK	CONTRIBUTORY	STATUS
Finance				
	Executives	•		
	Managers	•		
	Analysts	•		
	Professionals	•		
Services				
	Executives	•		
	Analysts	•		
Program Management				
	Executives			•
	Analysts		•	
IT/Systems				
	Executives			•
	Analysts		•	
Operations/Production				
	Executives			•
	Analysts		•	
Customer Service				
	Analysts		•	
Audit				
	Analysts		•	
Human Resources				
	Analysts		•	
Procurement				
	Analysts		•	
General Management				
	Executives			•

Services Tactics

This decision area evaluates the services process to determine which activities and mechanics are most effective. The key is to understand what resources, activities and technology tools you need to achieve targets for specific channels and accounts. This decision area continually monitors and reviews the *what* (resources) versus the *how* (mechanics).

The *what* includes understanding the following: *Who will use or is entitled to use or draw on the service? How many participants are required to make the program viable? How do you reach them to let them know about the service? How much time is spent with existing relationships versus time with new relationships? What is the proportion of direct effort to indirect effort?* You require insight into all these areas to optimize time and resources.

The how includes understanding how the cost and time spent on service relationship activities—outreach and promotion of the service to citizens, live meetings, brochures, direct mail and calls that will raise awareness and encourage participation among the citizens who are targeted by the service.

By combining these two viewpoints, Citizen Services is able to guide greater effectiveness by matching prospects to the most effective channels and contact points for citizen connections and ongoing fulfillment. You need a structured and coordinated understanding of tactics to manage your service efforts effectively. This information must be accessible by frontline professionals to direct their efforts and help them learn from the success of others. In today's climate, service process information is also audited to evaluate compliance with mandates and related regulations.

GOALS	METRICS	DIMENSIONS	
Services Calls (#)	Potential Customers (#)	Government Services	Reporting Period
Customer Gains ($/%)	Qualified Prospects (#)	Service Type	Year
Commission ($/%)	Active Customers (#)	Service	Quarter
	Service Cancellations (#)	Citizens	Month
	Lost Service Customer Count (#)	Citizen	Week
	New Service Customer Count (#)	Service Delivery Methods	Services Organization
	New/Lost Customer Ratio (%)	Channel	Services Region
	Services Cost $	Service Delivery Method	Services Territory
		Services Channel Partners	Org. Code
		Services Channel Type	Service Representative
		Services Partner	Service Representative
		Service Locations	Services Time Priority Rating
		Territories	Priority Rating
		Geo Codes	

FUNCTION	DECISION ROLES	PRIMARY WORK	CONTRIBUTORY	STATUS
Services				
	Executives	•		
	Managers	•		
	Analysts	•		
	Professionals	•		
Finance				
	Executives			•
	Analysts		•	
Customer Service				
	Executives			•
	Analysts		•	
Program Management				
	Executives			•
	Managers		•	
	Analysts		•	
Legal				
	Executives			•
	Professionals		•	
Risk Management				
	Executives			•
	Analysts		•	
Operations/Production				
	Executives			•
	Managers		•	
	Analysts		•	
IT/Systems				
	Executives			•
	Analysts		•	
Audit				
	Executives			•

Services Pipeline

This is more than a revenue forecast; it is an opportunity to see into your organization's future and change it. The income pipeline is critical as an early warning system of future opportunities, growth and problem areas. And, importantly, by understanding the various income sources and how they will be impacted by things such as property values or demographics, you can derive metrics that let you qualify new performance standards, manage growth and continue to deliver services that benefit the citizens in your community. Your pipeline intelligence can become even more sophisticated by looking at details such as cases for new versus repeat "customers," regional variances, service groups, market segments and more.

Each metric suggests useful questions that can lead to positive functional change: *Why do only 20 percent of initial inquiries lead to service application requests? How does this compare with past experience? What would it take to increase this ratio to 50 percent? Why are "qualified" applications lost, possibly for a given segment?* The services income pipeline should tie into operations, typically to future resource and processing requirements. The more predictive and accurate the revenue plan is in terms of product or service needs, the more efficiently operations can manage its transaction processes and staffing and stop expensive, reactive resource allocations due to short-term bottlenecks.

GOALS	METRICS	DIMENSIONS	
New Citizens Services Volume Growth (%)	Services Applications (#)	Government Services	Services Market Segments
Citizen Services Renewal Volume ($/%)	Eligible submissions (#/%)	Service Type	Market Segment
	New Services (#)	Service	Micro-Segment
	Renewed Services (#)	Citizen Customers	Services Organization
	Services cost ($)	Customer Type	Services Region
	Cost per service ($)	Citizen	Services Territory
		Service Locations	Org. Code
		Territories	Reporting Period
		Geo Codes	Year
		Service Delivery Methods	Quarter
		Channel	Month
		Service Delivery Method	Week
		Services Channel Partners	
		Services Channel Type	
		Services Partner	

| FUNCTION	DECISION ROLES	PRIMARY WORK	CONTRIBUTORY	STATUS
Services				
	Executives	•		
	Managers	•		
	Analysts	•		
	Professionals	•		
Program Management				
	Executives			•
	Managers		•	
	Analysts		•	
Operations/Production				
	Executives			•
	Managers		•	
	Analysts		•	
Procurement				
	Executives			•
	Analysts		•	
Customer Service				
	Executives			•

Services Revenue Plan Variance

Revenue/income planning is a control mechanism, tightly linked to the budgeting and planning process. It is also a way to manage change and understand the ebb and flow of activity. Unfortunately, the control side tends to dominate. A top-down budgeting process, where management objectives must be achieved at all costs, emphasizes planning over the actual situation. This leads to identifying and plugging revenue gaps with short-term revenue solutions, usually at the expense of long-term quality—milking the future to get results today. More useful revenue income plans work from the bottom up.

Alignment and accountability must be meaningful. In a meaningful revenue plan, every department that affects the citizen provides feedback on revenue objectives, target constituencies, channels and service offerings. Iterations of this process may be needed to fit with top-down objectives, but it allows individuals across the organization to own their numbers and be fully accountable.

GOALS	METRICS	DIMENSIONS	
Results Plan ($/%)	Active Service Activities (#)	Reporting Period	Service Locations
Results Variance ($/%)	New Service Activities (#)	Year	Territories
	Service Activity Income ($)	Quarter	Geo Codes
		Month	Services Channel Partners
		Forecast Scenario	Services Channel Type
		(Plan/Actual/Forecast)	Services Partner
		Scenario	Services Organizations
		Services Market Segments	Services Region
		Market Segment	Services Territory
		Micro-Segment	Organization Code
		Government Services	
		Service Type	
		Service	

FUNCTION	DECISION ROLES	PRIMARY WORK	CONTRIBUTORY	STATUS
Services				
	Executives	•		
	Managers	•		
	Analysts	•		
	Professionals	•		
Finance				
	Executives	•		
	Managers	•		
	Analysts	•		
	Professionals	•		
Audit				
	Executives			•
	Managers	•		
	Professionals	•		
Customer Service				
	Executives			•
	Analysts		•	
Operations/Production				
	Executives			•
	Analysts		•	
Procurement				
	Executives			•
	Analysts		•	
Program Management				
	Executives			•
	Analysts		•	
General Management				
	Executives			•

When the entire organization is engaged in monitoring under- or over-performance, frontline levels of the organization can answer questions regarding the *where* and *why* of existing revenue targets. The services function responsible for a missed target can explain the *why* and suggest ways to correct the gap. Today's tools enable that essential granular knowledge to be included and rolled up into meaningful plans. Variance analysis helps reinforce citizen focus and strengthen service delivery standards.
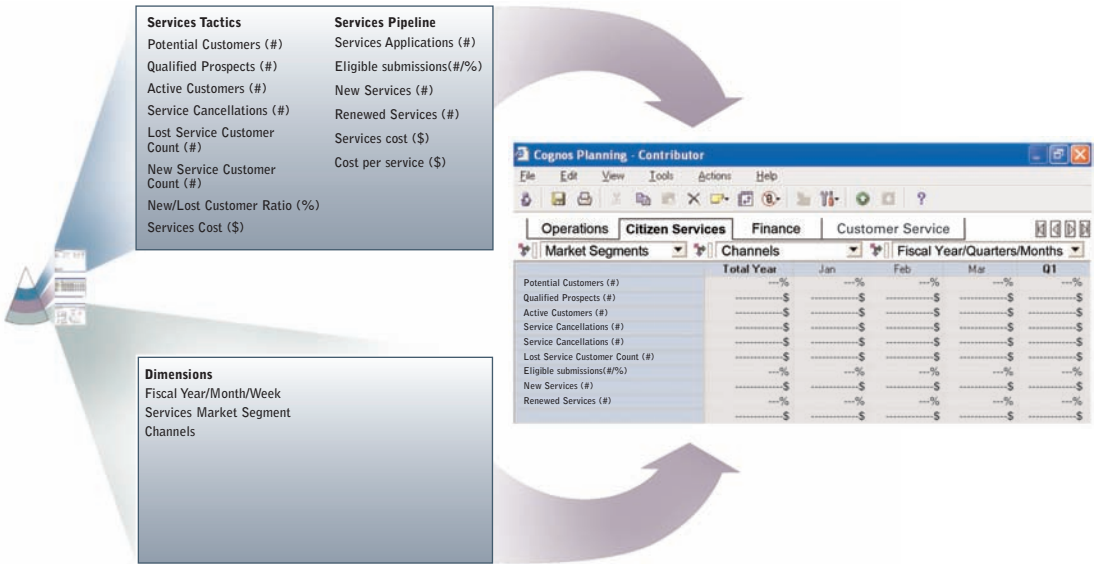
The Services Tactics and Services Pipeline decision areas illustrate how the Citizen Services can monitor its performance, allocate resources and set plans for future financial and operational targets.