

“Redeveloping” Denver’s Development Services Function with Purpose and Value

An Application of the Triple Bottom Line Balanced Scorecard

During the course of a complete “redevelopment” of the City and County of Denver’s Development Services function, the project coupled the effectiveness of the Balanced Scorecard Approach with Denver’s strategic organizational objectives through a unique incorporation of the Triple Bottom Line concept into the scorecard methodology. By considering social, environmental, and economic issues along with business and financial issues in the scorecard, the Denver/revision team was able to clearly define the role of the new Development Services organization in guiding the future state of Denver’s built environment. reVision’s Triple Bottom Line Balanced Scorecard approach provides a foundation not only for control and management of important business objectives including: throughput speed, efficiency, transparency, and customer satisfaction – but also provides clear alignment with the City’s larger goals for environmental health, community development, and regional economic vitality.

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“Redeveloping” Denver’s Development Services Function with Purpose and Value- An Application of the Triple Bottom Line Balanced Scorecard

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“When you look at a city, it’s like reading the hopes, aspirations, and pride of everyone who built it.”
- Hugh Newell Jacobsen

Introduction

Two objectives increasingly drive improvement initiatives within government organizations, particularly cities. One is the quest for sustainability, which seems to increase in importance daily. At the same time, these organizations are often being forced to reduce costs and expenditures, and must find ways to do more with less money. On the surface, these two objectives might seem at odds. It is possible, however, for organizations to achieve *both* objectives concurrently.

Sustainability is not a new concept, especially for government organizations like cities. The provision of a good, “sustainable” lifestyle – safe, secure neighborhoods, clean air and water, affordable housing and food, effective transportation, etc. – is at the core of any city’s mission and strategy. Unfortunately, many municipalities don’t take a systems-based view of the whole. Instead, they focus their energy and effort on individual shortcomings of an unsustainable system. Symptoms such as sprawl, spiraling house prices, poor water quality and quantity, poor air quality, crime, and other stresses routinely capture the attention of city councils, employees, and the public. Missing, however, is an overarching framework to guide the organization’s planning and decision-making – a strategic lens through which economic, social, and environmental challenges are viewed as interdependent parts of the same system.

Pressure to reduce costs can result in indiscriminant cuts in service and staff (as happens most often) *or* it can drive motivated organizations to seek thoughtful improvements in efficiency and effectiveness. But how is effectiveness defined for governmental organizations like Federal agencies, cities, counties, and states? For these organizations, the “R” in Return on Investment (ROI) is *not* measured in dollars and cents, but rather by improvements in various aspects of **quality of life**.

The ultimate goal of any government organization is to improve the quality of life for its citizens. Quality of life, in turn, can be translated into some set of economic, environmental, and/or social (or equity) benefits - often referred to as **“the triple bottom line,”** or “three legged stool” of sustainability. Thus, it stands to reason the purpose of nearly all government agencies is indeed sustainability (or subset of sustainability objectives). This statement rings true regardless of whether an organization considers itself particularly “green.”

Once these quality of life strategic objectives are identified for a particular organization, interconnections and interdependencies implicit in the organization’s strategic objectives can be made explicit by utilizing a systems-based framework like the Balanced Scorecard. Key performance measures tracking the organization’s sustainability objectives can then be implemented to change the way budgets and resources are allocated. Once resources are properly allocated, performance measures are developed at a more granular level and used to drive incentive structures and catalyze performance improvement.

Such an approach seamlessly integrates both the sustainability and cost reduction objectives many government organizations face; it promotes a more efficient and effective delivery of services (reduced costs, improved ROI, *and* increased service levels of service) while concurrently improving quality of life. While these concepts are applicable across all levels of government, they are perhaps most relevant to cities, where sustainability is immediate and tangible for citizens and employees. The City and County of Denver (the City) has been particularly successful in implementing the Triple Bottom Line Balanced Scorecard methodology – laying the groundwork for significant improvement of the Development Services function. This paper first discusses the underlying tenets of the approach and methodology, and then delves into the City's successful application of the method.

The Challenge of Strategy Implementation

For nearly 20 years, accumulating amounts of empirical and anecdotal evidence suggest the overwhelming majority of strategies fail not because they're flawed, but because of poor implementation (Mintzberg et.al. 2005, pg.32). In both public and private sectors, this typically occurs at multiple points along the strategic planning path:

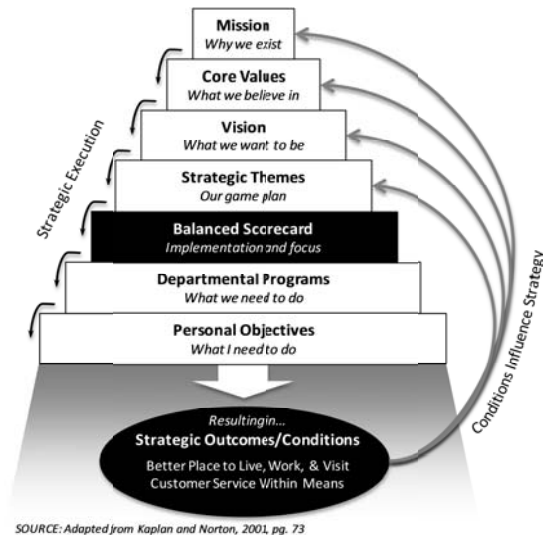
- **High-level goal setting.** Organizations are generally good at performing an (almost ritualistic) annual objective setting exercise. For municipalities, this is typically an annual city council/mayoral retreat, often producing the same 10 goals that every other city in the country identified. Even when the objectives are well-focused and unique, however, the organization's finance department and budgeting function often don't have a concrete method to integrate the high level objectives into resource allocation decisions (a.k.a. operating budgets and capital investments).
- **Departmental linkages.** Even with effective goal-setting, organizations often fail to connect higher level goals and objectives such as Comprehensive Plans, annual budgets, etc. (*goals on paper*) with individual *department* programs and activities (*actions on the ground*). The departments are where the work actually gets *done*. So, if citywide objectives aren't translated into department objectives, they won't happen. This is particularly important when one goal is significantly influenced by *another* department's activities. For example, crime rates are generally the focus of the police department. However, conventional "policing" has very limited success in reducing crime. In fact, it has been shown to be highly influenced by factors such as the presence of graffiti or, conversely, the success of graffiti removal. But graffiti removal is generally the responsibility of an entirely different department in the organization - such as the public works department..
- **Front-line staff engagement.** Beyond the department level, organizations often lack an effective process to engage and encourage *front-line staff* – the very people that would have to do work differently in order to achieve the objectives.

To overcome the challenges of strategy implementation, the organization needs a solid framework to achieve the goal of making its high level objectives into "everyone's everyday job."

What is a Balanced Scorecard (BSC)?

The first component of the required framework is a model linking the City's mission with specific strategic outcomes. Figure 1 provides an illustration of the steps along this strategic pathway.

Figure 1
Where the Balanced Scorecard "Fits" into a City's Organizational Strategy



In order to effectively implement strategy, organizations must have a system to measure both short- and long-term performance and progress. Additionally, the framework must transcend the purely financial realms of accounting and budgeting processes, systems, and measures.ⁱ One of the most compelling and successful approaches is the Balanced Scorecard (BSC), originally developed by Kaplan and Norton. The BSC approach is widely accepted in the private sector, and is increasingly being used in the public sector. Prominent examples of the latter include the State of Washington; the City of Charlotte, North Carolina; the City of Calgary, Alberta; Fairfax County, Virginia, the Minnesota Department of Transportation, and many others (Niven, 2003).

The primary benefit of the BSC approach is derived from the use of "strategy maps" linking performance, in a leading and

lagging manner, across each of four performance areas:

- **Learning and Growth:** Employee competency, motivation, and goal-oriented nature required to achieve objectives across the three other perspectives.
- **Internal Business Process:** Ways of doing business that meet customer and constituent needs and expectations.
- **Customer:** Satisfaction, acceptance, and accessibility by customers and constituents of the organization's products or services.
- **Financial:** Performance with regard to standard economic or financial performance measures. (In the private sector, this is the "ultimate" BSC performance area, otherwise known as profit).

Underlying theory states that improvements in learning and growth (competency development) drive improvements in internal business processes, which enhance the customer's experience with a product or service, resulting in strong financial results. This flow is illustrated in Figure 2.

Perhaps the BSC's greatest value is that it allows one to map the long-term vision and strategic intent of an organization down to the day-to-day activities of the "regular employee." In this way, strategy is made meaningful to everyone in an organization. Figure 1 illustrates how the BSC can function as the "glue" that links firm level strategy to local and individual choices and objectives. A key part of making the approach work is the development of performance measures that consider the importance of all four BSC performance areas.

In the conventional BSC the last performance area in the cycle is financial performance. Organizations in the public sector, however, are not about "making" money, but rather are about using money more effectively to create value for citizens through delivery of services and improving quality of life. The scorecard can be thought of as the "map" that connects the dots between day to day work activities that leverage unique internal resources and capabilities to create unique value propositions for customers and/or constituents. An example of a generic municipal scorecard is provided as Figure 3. Slight modifications to the BSC model, as discussed in the next section, align it directly for use in the public sector, and subsequently expand the concept to address sustainability.

Figure 2
Leading and Lagging Linkage Across the Balanced Scorecard Performance Areas

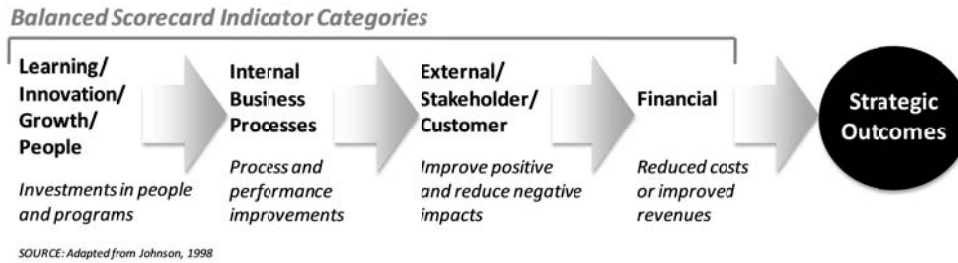


Figure 3
Generic Public Sector Scorecard with Sample Themes, Objectives, and Measures

	Strategic Themes	Strategic Objectives	Strategic Measures
Customer Perspective <i>To achieve our vision, how must we look to our customers and constituents?</i>	Neighborhood Vitality	<ul style="list-style-type: none"> ■ Enhance personal safety ■ Improve transportation ■ Improve environmental quality ■ Provide new, exciting employment options ■ Enhance equality and opportunity 	<ul style="list-style-type: none"> ■ Crime rate ■ Alternative transportation usage ■ Improve perception of quality of life ■ Employment in targeted industry segments ■ % residents rating services good/very good
Financial Perspective <i>If we succeed, how will we look to our stakeholders?</i>	Economic Efficiency and Fiscal Integrity	<ul style="list-style-type: none"> ■ Secure funding/service partners ■ Grow tax base ■ Maintain bond rating 	<ul style="list-style-type: none"> ■ Number and nature of new funding partners ■ Tax base/revenue ■ Bond rating ■ Expenditure per capita
Internal Business Perspective <i>To satisfy our customers and constituents, at which processes must we excel?</i>	Superior Capacity and Service	<ul style="list-style-type: none"> ■ Streamline customer interactions ■ Promote community-based problem-solving ■ Improve productivity 	<ul style="list-style-type: none"> ■ Cycle-time on customer interactions ■ Number/nature of community-based solutions ■ Regional GNP per capita
Learning & Growth Perspective <i>To achieve our vision, how must we learn and improve?</i>	Motivated and Prepared Workforce	<ul style="list-style-type: none"> ■ Positive employee climate ■ Close skills gap ■ Enhance information management 	<ul style="list-style-type: none"> ■ Employee satisfaction ■ Skills acquisition

SOURCE: Abbot, Johnson, and Dieckhoner, 2002

What is the Triple Bottom Line?

The Triple Bottom Line is a concept which brings the broader, somewhat nebulous notion of sustainability down to a manageable set of real world priorities. The term "Triple Bottom Line" was coined in 1994 by John Elkington (Elkington, 1994), and later expanded and popularized in his 1998 book "Cannibals with Forks: the Triple Bottom Line of 21st Century Business." His thesis stated companies should take a broader view of profitability than just dollars and cents.

While Elkington's position is quite debatable as to its applicability in the private sector, it is supremely appropriate for the public sector. Government entities exist to improve quality of life – not to make money. Therefore *measurement of a government entity's success cannot be based purely in dollars*, nor can it leverage only traditional accounting systems. Instead, success is based upon improvement in specific aspects of quality of life (a.k.a., triple bottom line benefits) dictated by the organization's mission and strategic objectives. Each department, agency, and ultimately the City itself should publish a periodic report card including organizational performance and state of the City measures – and clearly identify and discuss the linkages between them and the activities they pursue daily as an organization. Proof of success should be based only on actual, measurable improvements in triple bottom line **conditions in the community**.

Modifying the Balanced Scorecard to Address Sustainability

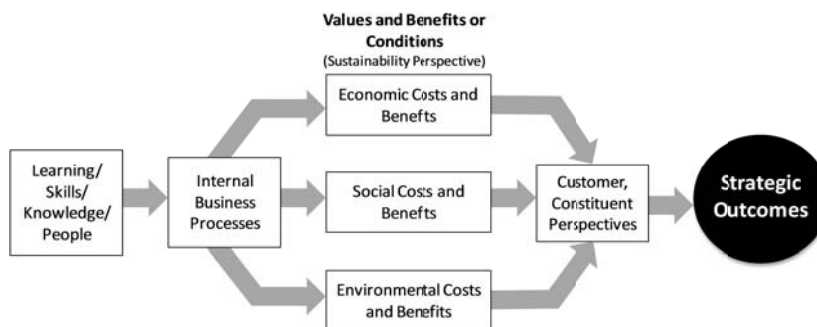
As noted, the BSC is an effective tool for linking near-term, measureable, non-monetary drivers to longer term measures of ultimate success. In order to fully address sustainability, however, certain adaptations must be made to Kaplan and Norton's basic approach. One, if not the first, BSC adaptation to incorporate the triple bottom line was developed in 2000 for the City of Seattle (Abbott, Johnson, and Dieckoner, 2002) and is an expansion on concepts developed by Dr. Johnson in 1997 (Johnson, 1998). Since then, such variations were popularized in Europe, and more recently throughout the US.

To make the BSC effective as a management framework for sustainability, especially in the public sector, it is modified in three ways:

1. Change the order and importance of the financial measure to recognize the primary purpose of government is not to "make money", but to improve "quality of life."
2. Broaden the financial measure to incorporate non-financial attributes such as environmental and social performance- measured in terms of *conditions* in the target community.ⁱⁱ
3. Expand the customer component to include other key stakeholders –measured in terms of *perceptions*.ⁱⁱⁱ

Figure 4 illustrates this described modification and the new leading and lagging flow between performance areas.

Figure 4
Modified Balanced Scorecard (Triple Bottom Line Balanced Scorecard)



Once the BSC is modified, the next step is to develop a strategy map, which populates the new conceptual model with specific performance objectives for each perspective, across all key strategic themes. With the strategy map in hand, specific measures can then be developed and implemented to ensure ongoing and effective linkage between strategy and reality.

The pages following provide a case example of successful TBL development and implementation within Denver's Development Services Function.

STRATEGY MAP

The strategy map is a logical and comprehensive architecture for describing an organization's strategy – something that creates a common and understandable point of reference for all employees. The measurement of cause-and-effect relationships in strategy maps show how intangible assets are transformed into tangible outcomes. Put another way, they show how short-term efforts and investments in people and processes can be translated into long-term value (Kaplan and Norton, 2004, pgs 9-14).

Denver's Need to Redevelop – the Development Services Function

For a period well over 15 years, the development function in Denver (relate to conducting development reviews, issuing permits, performing inspections, etc. by the City) was seen as “broken.” Multiple studies were developed on the topic; many initiatives were undertaken to correct the problems. In general, each of the investigations came to a similar range of conclusions regarding the problems.

Despite much agreement on the problems, identification and implementation of solutions proved elusive. While each of the prior efforts resulted in marginal improvements to the development services processes and organization, none of them made a big enough impact for *the customer* to see a difference in the old way of doing business. One key factor for this was the lack of a framework and measurement system focused on driving business success (happy customers, faster throughput, lower costs, etc.) while simultaneously engaging the staff responsible for implementing changes (staff very committed to maintaining the safety of buildings, positive aesthetics, provision of parks and open spaces, and the like.)

In 2007, the City embarked on the current project, seeking to address the prior efforts' shortcomings by altering the approach and “*driving change from within.*” Major tenets of the project were as follows:

- Focus was on people, process, and measures first– not technology.
- People in the organization were trained in organizational improvement tool and methods, and then they identified the better ways of doing business (of course with some help).
- Small teams were leveraged to identify the problems with current processes and systems.
- Organizational changes were not made until after the process issues were well understood and a clear pathway to fixing them was established – *form follows function.*
- The new ways of business were documented so employees know exactly what to do.

And, most importantly to the relevance of this paper...

- A Triple Bottom Line Balanced Scorecard framework was leveraged to drive the *right kind of change.*

Not yet fully completed at the time of this writing, the current effort is producing strong positive impact. Initial comments from developers indicate they “can already that things are different this time, the City staff is excited.” The difference is the broader approach, and *driving change from within.*

Role of the TBL Scorecard in the Organizational Rebuilding Process

Why is the Triple Bottom Line Balanced Scorecard so critical to the City's change effort success?

As with private sector organizations, government organizations should be designed to deliver efficient and effective services, but they also must deliver on broader quality of life - Triple Bottom Line - objectives. In the case of the newly created Development Services Agency for the City and County of Denver, the need was to meet the “business objectives” of: dramatically improved customer service, faster response/throughput times, and clear

transparency and predictability for the entire end-to-end development process – while simultaneously ensuring a “built” environment that manifests the environmental, social, and economic goals of the City.

The Triple Bottom Line provides the critical context, rules, and boundary “conditions” for the process improvement effort. Without a clear understanding of the City’s larger objectives and boundaries for development, the fix would be easy: “Give us the money, and we will give you a permit to build – that’s it, we’re done! But what kind of Denver would we be building? Likely, it would not be safe, or aesthetically pleasing, or easy to get around in, or contain any public spaces.

Furthermore, the various City departments are staffed almost entirely with people whose primary responsibility was to create or protect some “quality” aspect of the envisaged Denver. Their entire reason for being is to ensure that: buildings are fire safe, they have electrical and mechanical systems that actually work, architectural and historical landmarks are protected, Americans with Disabilities Act requirements are met, parkways actually *look* like parkways, water drains off when it rains, and so on, and so on....

When the processes, procedures, and systems are not in place to clearly identify the rules, each staff member is forced to provide their *own interpretation*. Each did so a bit differently. Conflicts between individually-interpreted department objectives became project bottlenecks. For many City staff, they perceived the only way to protect the greater goals (as they interpreted them) was to slow the whole process down to a crawl.

The result was not an improved built environment for the City, but instead poor development, done slowly, with a confused and unhappy development community.

Without objectives that are actually measured we cannot manage or incentivize either the business objectives (*ARE our processes efficient? ARE we providing good response times? ARE customers happy with our communication? etc.*) or the Triple Bottom Line benefits to the City (e.g., *ARE we really preventing fire deaths? DO the parkways really look like parkways? DOES the water really drain? etc.*) Thus, the Triple Bottom Line (TBL) Balanced Scorecard (BSC) provides the critical framework to measure, control, manage, and incentivize *all* of what the organization exists to do.

Building and Implementing a Triple Bottom Line Balanced Scorecard for Denver’s Development Services Agency: the Process

The TBL BSC development project was a component part of a much larger Business Process Improvement (BPI) effort for the Development Services function. This involved process documentation and improvement, policy analysis and updating, as well as organizational change. The TBL BSC provides the critical *context* for improvement efforts. It allows us to answer the question - *what are we actually trying to achieve?* - repeatedly, as we seek to improve processes to improve throughput, transparency, customer service, and the overall conditions in the City. As the scorecard was needed immediately to provide context for the larger BPI effort, it was necessary to get something on paper to provide early guidance and direction. The first step, therefore, was to draft up a “straw man” scorecard to “get the ball rolling” on process improvement. Such early guidance and direction proved invaluable.

Building a Foundation

Before a straw man scorecard could be formulated, however, a shared foundation of understanding around the new organization’s broader purpose needed to be established. Thus, Mission, Vision, and Values were drafted for the new (to-be) Development Services organization.

To do so, a team of middle and senior managers was formed, representing various functions likely to be included in the new organization. In parallel, the reVision consultant reviewed various pertinent City and development related documentation and created draft mission and vision documents. The new team vetted and edited the draft documents and brainstormed values in a small series of short, highly productive workshops. Final working documents were achieved within a couple of weeks. Figure 5 provides the results.

Figure 5
Denver Development Services Mission, Vision, and Values

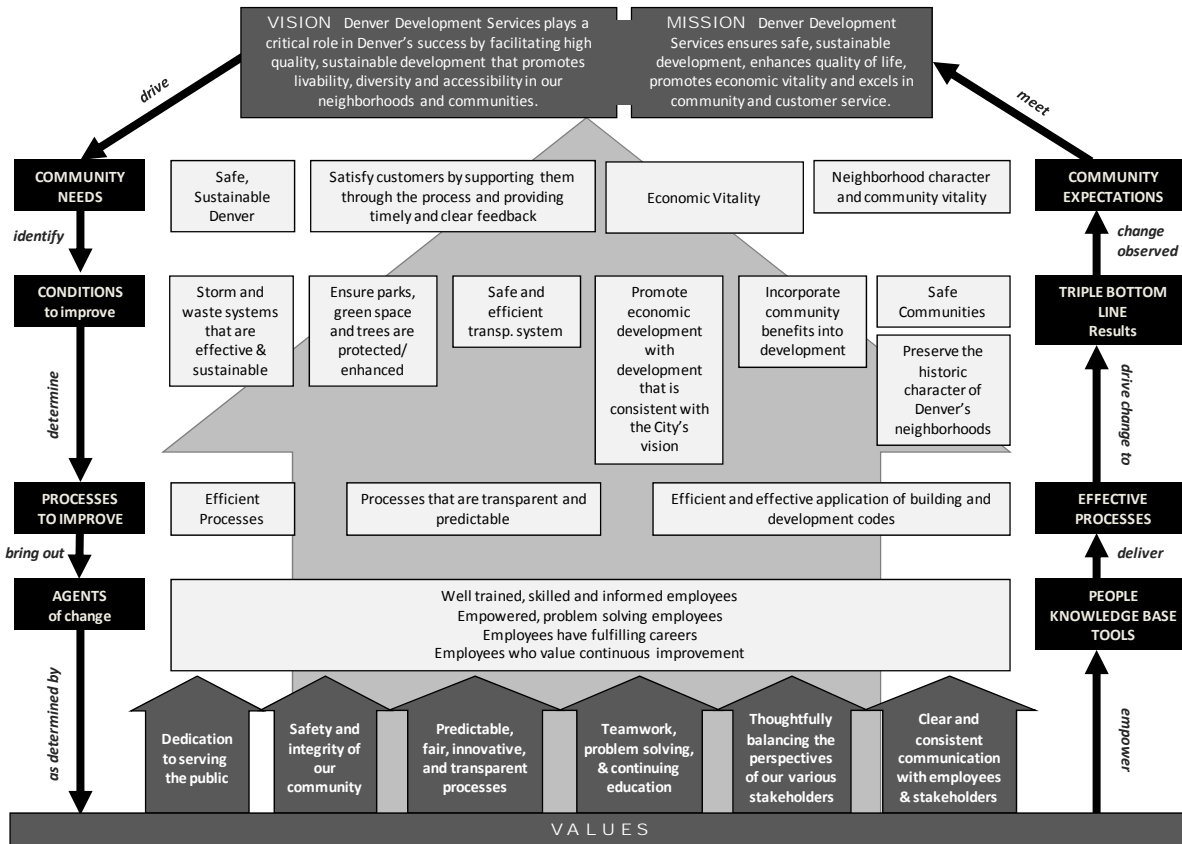
Vision	Denver Development Services plays a critical role in Denver's success by facilitating high quality, sustainable development that promotes livability, diversity, and accessibility in our neighborhoods and communities.
Mission	Denver Development Services ensures safe, sustainable development, enhances quality of life, promotes economic vitality, and excels in community and customer service.
Values	<ul style="list-style-type: none">▪ Dedication to serving the public▪ Safety and integrity of our community▪ Predictable, fair innovative, and transparent processes▪ Teamwork, problem solving, and continuing education▪ Thoughtfully balancing the perspectives of our various stakeholders▪ Clear and consistent communication with employees and stakeholders

Development of a High Level "Straw Man" Strategy Map of Scorecard Objectives

Once the Mission, Vision, and Values were defined, straw man scorecard objectives were ready to be developed. The team reconvened in additional short workshops to develop the initial straw man scorecard, which would guide preliminary process improvement efforts.

Educational workshops facilitated by the consultant provided the team with a primer on the Balanced Scorecard and the Triple Bottom Line variation. Armed with the new information and a common vernacular, the team then brainstormed initial objectives and measures for the organization. In just a couple very productive 1.5-hour workshops, the team developed a solid set of potential Triple Bottom Line scorecard objectives. The objectives were refined into a high level scorecard used to guide the BPI Project through the first stage of improvement efforts, as seen in Figure 6. Without this "straw man" scorecard as a guide, discussions would have been much more challenging to keep on point when attempting to: a) identify and prioritize a few major process areas for Phase I improvement efforts, and b) guide the teams in identifying exactly what the improved processes were intending to achieve. With the scorecard in hand, those debates were well-framed.

Figure 6
 Initial Straw Man Denver Development Service Scorecard/Strategy Map



Identification of Citywide Strategic Themes

As noted, the BSC method is an effective way to align a business unit or department’s objectives with those of the larger organization. Such alignment is done through identifying strategic themes for the larger organization, then - then through forging alignment between the department objectives and overarching strategic themes.

To identify the City-wide strategic themes, an evaluation was made of existing citywide strategy documentation. In this case the current strategic vision for the City was captured in the most recent “Mayor’s Retreat” documentation. The documentation identified several goals and strategic outcomes, which were easily consolidated into two overarching strategic themes. The original objectives and strategic outcomes from the retreat- as well as the two “consolidated” strategic themes - are identified in Figure 7.

Figure 7
City of Denver Strategic Themes

Consolidated Themes	Objectives	Goals
Make Denver a Better Place to Work, Live, and Visit	Better Place to Live and Create Jobs	<ul style="list-style-type: none"> ▪ Vibrant and dynamic economy grounded in industries of the future ▪ People lead healthy and successful lives ▪ Safer communities ▪ Quality cultural and recreational opportunities for all ▪ Efficient, diverse, and accessible transportation system ▪ Environmental stewardship
	Better Place to Work	<ul style="list-style-type: none"> ▪ Motivated, diverse, and prepared workforce
Provide Excellent Customer Service While Living Within our Means	Customer Service	<ul style="list-style-type: none"> ▪ Highest quality customer service ▪ Internal processes that enables the City to achieve its goals efficiently and effectively
	Live Within Our Means	<ul style="list-style-type: none"> ▪ Prudent fiscal stewardship

Change-oriented “Thematic” Goal

While the long term strategic themes identified in Figure 7 represent the standard operating objectives, sometimes it is easier to motivate teams with a shorter term, change-oriented goal. Lencioni (2006, pg. 165) observed that while it is easier to align staff and motivate people when there is a crisis, one can identify one’s own “single, temporary, and qualitative rallying cry shared by all members of the leadership team” (Lencioni, 2006, pg. 179). He calls this a “thematic goal.” The City’s thematic goal or “rallying cry” was to ***stand up a great development services organization.***

Ultimately, all the projects, programs, and initiatives undertaken to stand up a great development services organization are for the purpose of achieving (one or both of) the two operating strategic themes. Therefore, the thematic goal was subsumed into the strategy maps for the two themes (especially the “provide excellent customer service while living within our means” theme), rather than independently mapped.

Scorecard Team Identified and Stood Up -

A dedicated Balanced Scorecard team, with membership slightly different than the mission/vision/values development team, was formed to utilize the identified strategic themes and short-term thematic goal in refining the high level straw man strategy map and identifying specific measures for the final scorecard. This new, dedicated BSC team was composed of the most broad-minded thinkers from the larger process improvement team and represented a wide cross section of functional skill sets. Representation included: planning, inspections, fire safety, project coordination, transportation, water infrastructure, and others. Representatives were generally “front-line” managers or contributors. The team met biweekly for 1-hour coordination meetings over a period of several months; most work sessions and research was conducted outside of the meetings. The team supervised and contributed the majority of content for all following steps in the BSC initiative.

Review of all Existing Strategy or Planning Documents

The City had generated many documents over recent years, containing goals, objectives, and even targets for improving conditions in, or performance by, the City. In their current form they generally represented little more than a “wish list” of how the future of the City could look. Without the power of performance measurement and management, there is no “engine” for improvement. As the team was now in the process of building that engine, it was important to consider all of these preexisting documented objectives in the development of the Department’s

final strategy map/scorecard. To facilitate consideration, the team identified a list of documents expected to contain implicit or explicit goals, objectives, and/or targets for performance or conditions within the City. The resulting list of documents is provided in Figure 8.

Figure 8
City of Denver Documents Containing Objectives, Targets, or Measures

Identified Documents	▪ 2009 Budget Book	▪ Parks and Recreation Plan
	▪ Bicycle Master Plan	▪ Pedestrian Master Plan
	▪ Blueprint Denver	▪ Sanitary Master Plan
	▪ Denver 2000 Comprehensive Plan	▪ Strategic Transportation Plan
	▪ Greenprint Denver	▪ Water Quality Master Plan
	▪ Mayor's Retreat Strategic Framework Document	

Consolidation and Winnowing of Objectives

Sub-teams were assigned the larger list of documents for review. They then compiled a comprehensive list of goals, objectives, or targets contained within. Since the full list contained many duplicate or closely related goals, an affinity mapping process was used to identify opportunities for consolidation. The goals were also “grouped” into categories, based primarily on the higher-level goals identified in the Mayor’s retreat.

Two team members built a table of the consolidated, combined, and/or reworded objectives. These formed the basis of the strategy mapping process (described below). Given the content, two levels of objectives (i.e., macro objectives and objectives) were developed. The majority of macro objectives were taken verbatim from the “goals” of the Mayor’s retreat. Objectives were then generally sorted as a subset of the macro objectives.

Build Strategy Maps for Both Strategic Themes and Identify Potential Measures for the Key Objectives in the Maps

Once the list of potential macro objectives and objectives was complete, it was time to look for the linkages which would indicate the most critical objectives to be included in the new strategy map. As noted above, two strategic themes were identified for the City. Strategy maps were built for each strategic theme, linking the strategic objectives:

- Ongoing operating or “business” objectives are represented in the in the *Provide Excellent Customer Satisfaction While Living within our Means* strategic theme.
- Broader “condition” goals and boundary conditions for the Department’s efforts are identified in the *Make Denver a Better Place to Live, Work, and Visit* strategic theme.

Strategy maps for each theme are presented below in Figures 9 and 10.

Figure 9
 Strategy Maps for the Two Denver Strategic Themes: Theme 1 - Provide Excellent Customer Service While Living Within our Means

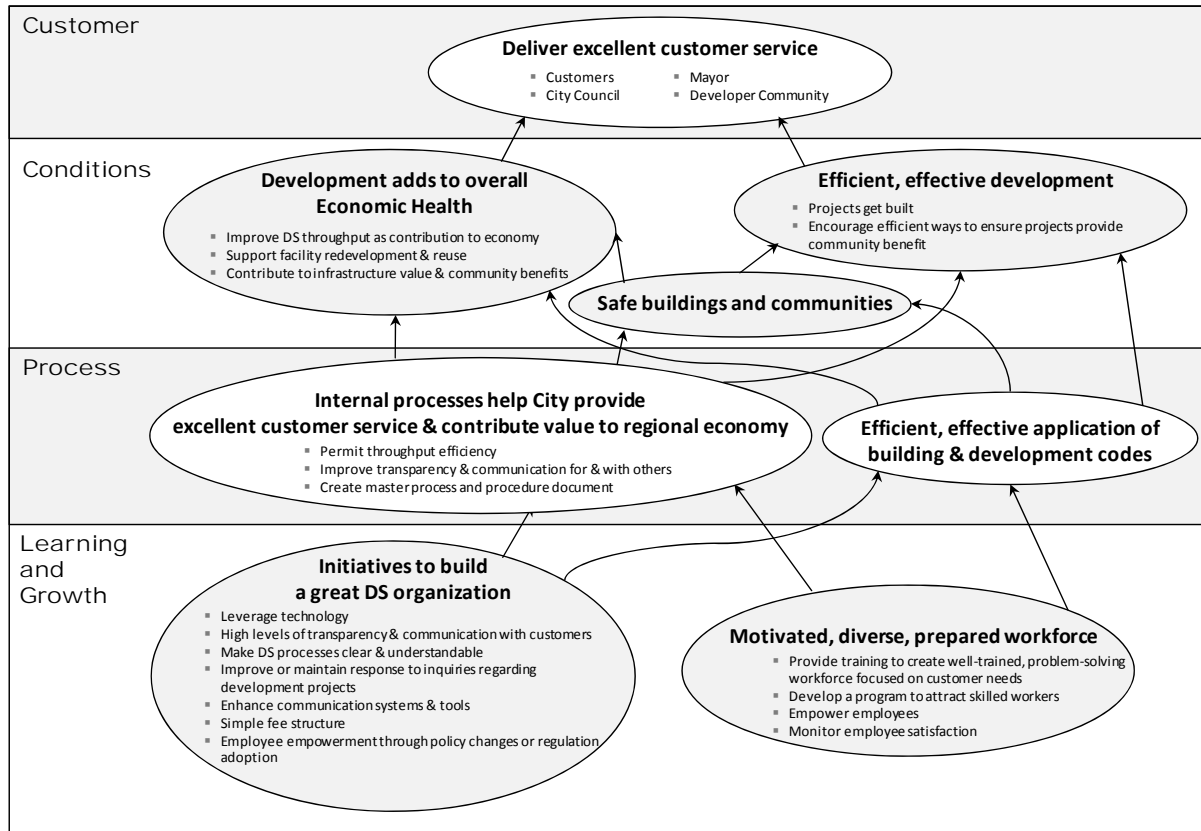


Figure 10

Strategy Maps for the Two Denver Strategic Themes: Theme 2 - Make Denver a Better Place to Live, Work, and Visit

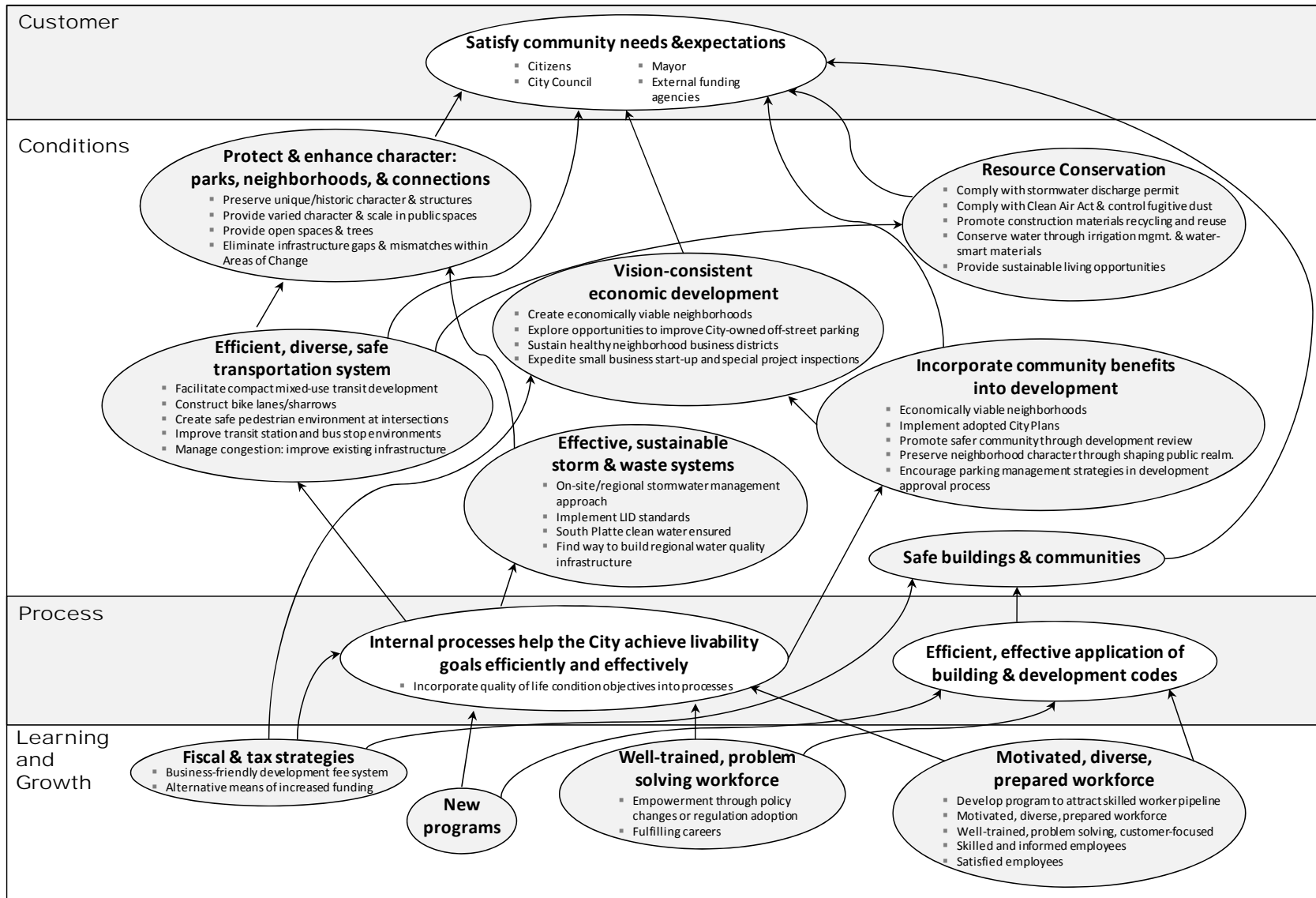


Figure 11 describes how causal chain conceptualization is used to create strategy maps. While the logic in the figure flows forward, when building a strategy map one “starts with the end in mind.” Specifically, the team starts with conditions and perceptions targeted for impact and then determines which processes - and in turn what learning and growth - is required to drive those process improvements.

Figure 11
Causal Chain Linkage Example

<p><i>If Denver’s objective is to create an efficient, diverse, and safe transportation system...</i></p> <ol style="list-style-type: none">1. Employees informed by a study identifying the gaps in the current multimodal transportation network (e.g., gaps between bike trails, lack of linkage between bike and bus routes, etc.) <i>Learning and Growth</i> <p><i>Should lead to...</i></p> <ol style="list-style-type: none">2. Implementing development review processes and procedures which encourage development projects to close those gaps. <i>Process</i> <p><i>Which should, in turn...</i></p> <ol style="list-style-type: none">3. Reduce the number of gaps and increase non-motorized means of travel. <i>Conditions</i> <p><i>Thereby...</i></p> <ol style="list-style-type: none">4. Resulting in citizens happy with transportation options in the city. <i>Customers</i>
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Identify the Actual Performance Measures to “Track” the Objectives

For each of the objectives, one or more actual measures were identified that could be monitored over time. The example illustrated in Figure 11 includes actual measures in order to show how these “give life” to the objectives.

Identification of actual measures (or metrics) is harder than it might sound. While it is one thing to say that “we want to increase open space,” it is quite another to identify a cost-effective and usable measure representative of the specific domain. This was an iterative process, completed for all objectives in both strategy maps. Initial measures brainstormed by the team were researched by individuals to determine their practicality for ongoing measurement and use. Often there was an existing measure which was different – but close – to the one identified. In almost all cases, the existing measure served as the default. It’s also a challenge to find the “perfect” number of measures; often no single measure can represent the complete domain described in the objective, but too many measures can sink the scorecard effort. In order to avoid the “too many measures” challenge, one (or perhaps two) proxy measures were identified. The City’s resulting set of measures for the scorecard’s first generation is documented in Figure 12.

The final Build a Detailed Table of the Performance Measures to be Tracked

The final step after the specific measures were verified was to develop a table identifying specific attributes regarding each measure. Data to be captured includes which measures will be tracked in year one, who will collect the data, where the data is located, accuracy required, period of collection, etc. An abbreviated version of the table with a selection of scorecard measures selected for the Denver Development Services Agency is included in Figure 12.

Figure 12

Detailed Performance Measures Table

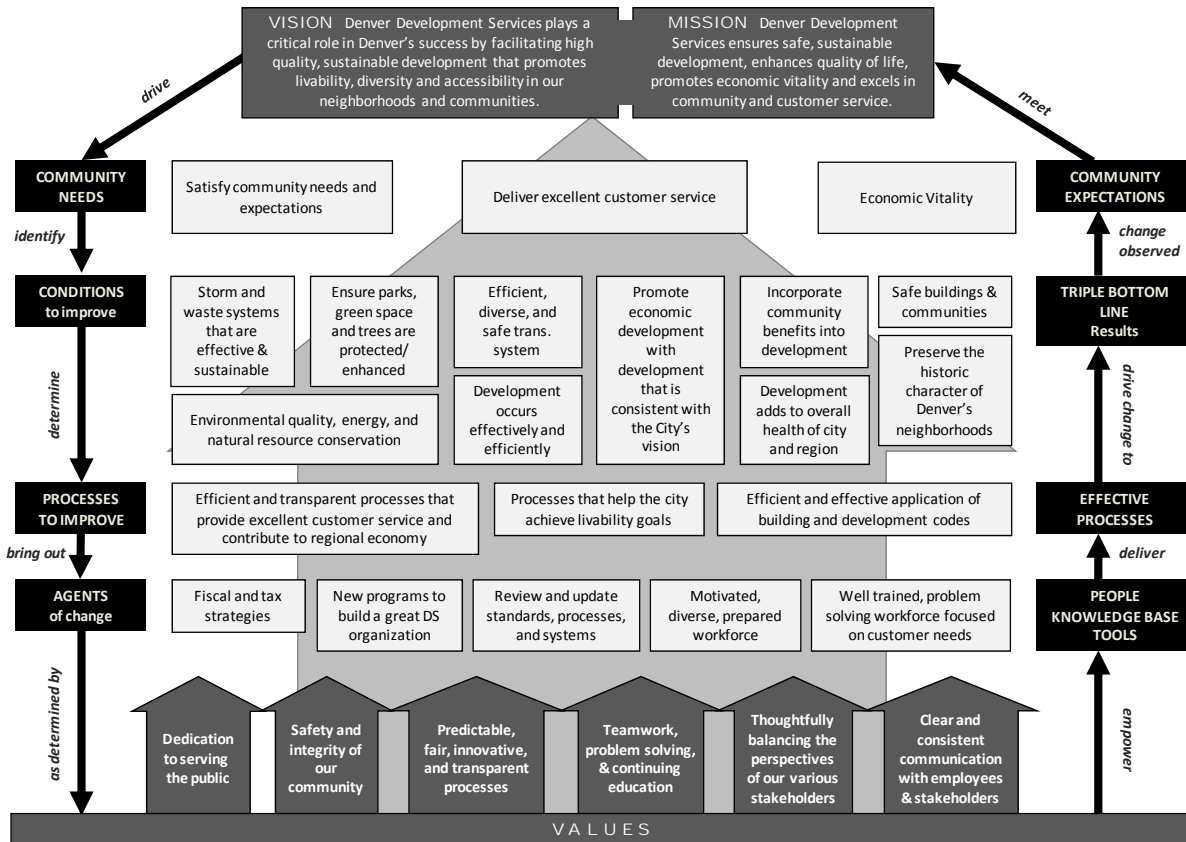
Objective	Performance Measure	Measure Frequency	Data Source	Difficulty to Obtain
Customer, Stakeholder, and Legitimizing Authorities				
Satisfy community needs and expectations	Annual citizen survey	annually	Mayor's office	M
Deliver Excellent Customer Service	Development Services – On line customer satisfaction survey	quarterly	DS- Director's office	M
Conditions				
Development in Denver occurs efficiently and effectively	Percent of project that are started get finished	annually	DS- Project Coordinators	M
Efficient, safe, and diverse transportation system	Number of transportation network "gaps" closed	annually	DS- Project Coordinators	M
Development in Denver adds to overall Economic Health of City and Region	# of prospective projects on which DS provides special support to Office of Economic Develop.	annually	DS- Project Coordinators	M
	\$ value of projects built/yr	annually	DS- Project Coordinators	M
Environmental quality, energy, and natural resource conservation	Number of projects designed to meet LEED criteria	annually	DS- Project Coordinators	M
Safe buildings and communities	Pass rates on fire safety inspections	annually	DS- Project Coordinators	H
Process				
Internal processes that help the City achieve its livability goals efficiently and effectively	Project review turnaround and throughput times by key phases	Monthly or Quarterly	DS- Project Coordinators	M
	Person hours per permit-by category (or dollars of permitted development –by category	Annually	DS- Director's office	M-H
Internal process that help the City achieve its livability goals efficiently and effectively	% of projects that implement innovative ideas/solutions/methods, etc.	annually	DS- Project Coordinators	M-H
Learning and Growth				
Review and update standards and systems	New DS manual complete	75%, 90%, and complete	DS- Director's office	L
Motivated, diverse, and prepared workforce	Employee satisfaction survey	annually	HR dept.	L
	Training courses provided in new methods and attendance	annually	DS- Director's office	H
Well-trained, problem solving workforce	% of DS staff involved in actively writing and improving procedures and policies	annually	DS- Director's office	M

Revise the Straw man into Final High Level Strategy Map

Once the spreadsheet was populated the original high-level straw man scorecard was updated to its current and final version, as seen in Figure 13. This allowed a one page, high-level diagram illustrating the overall strategy map / scorecard concept for the City to be easily disseminated.

Figure 13

Final Summary Denver Development Services Scorecard/Strategy Map



Communicate the Scorecard and Integrate into Operations

The summary scorecard has two key uses.

- **Internal management** (reward systems, allocation of resources, etc.). The business related measures, many collected on a monthly or quarterly basis, are provided to all managers so they can make ongoing adjustments to operations and ensure process improvement initiative effectiveness. All Agency staff will be trained in the scorecard and how it applies to their daily responsibilities.
- **External communication** to citizens and stakeholders as a periodic report card. In addition, Business-related measures and the broader triple bottom line measures will be provided in an annual "State of the Agency" Report, providing external communication on the Agency's performance.

Conclusion and Path Forward

The Triple Bottom Line Balanced Scorecard provided the foundation, and a significant driver, for performance improvement across both the City's quality of life as well as business objectives. Other critical ongoing activities include:

- Completing the new "to-be" processes for the Agency

- Comprehensively documenting processes in the Development Services Manual and website
- Providing training for the website, scorecard, and new programs
- Supporting and fine-tuning the new organizational structure.

To fully implement the scorecard some additional actions are also required going forward. This includes:

- Collection and management of throughput and customer satisfaction measures on a periodic basis.
- Integration into individual staff plans.
- Use by management, at all levels, to further fine tune improve processes and customer service.
- Annual publication of a State of the Development Services Agency Report.

Our hope is that the Triple Bottom Scorecard will be expanded to additional departments and agencies in the City and, ultimately, to all of the City. This model is widely applicable to almost any government entity.

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ⁱ Financial measures, for example, are lagging indicators that report on the consequences of past actions. Exclusive reliance on financial indicators promoted short-term behavior that sacrificed long-term value creation for short-term performance (see banking and mortgage crisis of 2008/2009 for an example from the private sector)

ⁱⁱ Note: Kaplan and Norton (2001, 136) use the term "value and benefit" of service to address what is here called quality of life. The State of Washington in its application of the BSC has adopted the same language. The measures used for this category will be conditions.

ⁱⁱⁱ Such an expansion was recommended in Johnson (1998), and is consistent with stakeholder theory and Kaplan and Norton (2001, 136) who recognize "legitimizing authorities" as a target stakeholder group whose support and satisfaction are required for success in the public sector.