



## Durham's Got It! A New Strategic Plan, A New System for Managing It



Its first-ever strategic plan, along with its emphasis on data-driven decision-making, has advanced the city of Durham, North Carolina, toward its goal of transparent, civic-minded government. Durham's fervent attention to performance measurement and monitoring has helped the city align its spending and activities with strategic priorities—and partner in unprecedented ways with the county.

Over its long and colorful history, Durham, North Carolina (pop. 233,000), has blossomed into a model city. The longtime capital of the tobacco industry, Durham today boasts a thriving and diversified economy. It is home to Duke University, North Carolina Central University, Duke University Medical Center, and Research Triangle Park, the world's largest university-related research campus.

The city appears on numerous "best of" lists, from "cities with the best wage increases" and "great place to retire" to "tastiest city in the south" and "top recycling city."

But in recent years, Durham, like many ambitious cities, experienced growing pains. Then came the downturn. "Going through the recession was actually good for us," says Budget Director Bertha Johnson, "because we were growing at an unsustainable pace." City leaders realized they could no longer treat every service as a priority.

For years, Durham had operated without a strategic plan. With budgets squeezed, Durham's city manager, Thomas Bonfield, convinced elected officials that the time was right to introduce one. Having already laid the important groundwork of formulating vision and mission statements, leaders reinforced these statements with five critical strategic goals:

- >> **A strong and diverse economy**
- >> **A safe and secure community**
- >> **Thriving and livable neighborhoods**
- >> **A well-managed city**
- >> **Stewardship of the city's physical assets**

In 2009, Durham launched its strategic planning process. Multiple teams worked together to gather input from employees and constituents (through visioning sessions, surveys, and focus groups), and to define the city's core products, services, and key customers. The plan, dubbed "Durham's Got It!," was adopted by the city council in April 2011.



ClearPoint helps communities translate strategy into action by managing strategy review meetings, automating performance management dashboards, and tracking key projects. By coordinating all the little tasks you need to keep track of, ClearPoint makes it easy to manage strategy.

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#### **FROM PLAN TO ACTION**

Once the citywide plan was in place, leaders needed a way to manage it—and ensure accountability. They established a set of execution, support, and governance teams for the five strategic goals. They appointed a goal champion and a vice chair to own each goal, all of them supported by a technology team, a communications and marketing team, and a performance monitoring team. The core leadership team would provide ongoing support with action plans and milestones, as well as implementation oversight. Implementation teams (goal champions, vice chairs, and Strategic Plan Project Manager Jay Reinstein) would meet every two weeks to check plan milestones and progress on initiatives. Twice a year, Reinstein would report progress to the city manager and the executive team.

In addition, strategy execution required the participation of every city department. Eight departments were selected to pilot departmental strategic plans, identifying objectives, measures, and initiatives that aligned to one or more of the city’s five strategic goals. The city also worked with David Ammons, a professor at the University of North Carolina School of Government in Chapel Hill, to improve Durham’s performance development process and measures. (Ammons is an expert on productivity improvement, performance measurement, and benchmarking in local government.) Specifically, they sought to ensure that the city’s measures focused on efficiency and effectiveness in strategy execution, and not on counting widgets.

#### **PUTTING A PREMIUM ON PERFORMANCE MEASUREMENT**

But Durham also needed a system for managing performance data—not only to track progress but also to communicate internally and to maintain alignment. Above all, if the mission was to make Durham “a great place to live, work, and play,” the city’s leaders needed a way to communicate to its residents with transparency. ClearPoint was implemented to help Durham address these needs.

As of June 2013, all goal teams and six of the 24 departments have been trained in tracking performance using the ClearPoint system. According to Mary Beth Hollmann, a senior executive assistant (and one of three people who trains and supports the staff who use ClearPoint), departments first create a scorecard structure that mirrors their written strategic plan. After aligning to at least one of the city-wide goals, each department then enters into the system its associated measures, objectives, and initiatives. Next, departments load their measure data, a process Hollmann and her colleagues standardized and that Hollmann oversees. (Hollmann also developed a matrix to help data gatherers organize the data in a consistent way that streamlines entry and helps ensure accuracy.) Data entry takes place according to its scheduled publication dates (semi-annually for the city-wide plan, quarterly for departmental plans). The performance monitoring team, led by Germaine Brewington, is responsible for vetting all performance data and distributing it throughout the organization.



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## STRATEGIC PLAN

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Durham has long reported its departmental budget measures to the public through its budget document, which is posted on the city's website. With the advent of its strategic plan and ClearPoint system, Durham has taken transparency to a new level: publishing comprehensive strategic performance measures for all of its goals online, in dashboard form. Verification is crucial. Not only is accuracy important for its own sake,

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but city leaders also see it as being central to the transparency they seek—and as essential to responsive governance as, for example, having a Citizen Oversight Committee. So, as a built-in check, the auditing services department, directed by Brewington, conducts a random audit of several city departments every year.

## ALIGNING STRATEGY AND BUDGET

To ensure that the budget aligns with the city's strategic priorities, every department must break down the dollar cost of every program and service and the cost of full-time employees (FTE) that support them. With a \$372.2 million budget (FY 2012–13) and 2,384 FTEs, budget clarity is no small feat. Any service, existing or new, that does not align with the strategic plan or meet performance expectations can be cut or curtailed.

Before the strategic plan was in place, city leaders had no way to quantitatively analyze the costs and benefits of personnel expenditures. Consider Public Safety, which accounts for 50 percent of the city's budget. Four employees were responsible for conducting background checks on new police hires. During the recession, although the city did not add new positions, the allocation remained in place. Now, with program cost breakdowns, leaders have been able to reduce the expenditure without any impact on officers on the street or the community. Similarly, the Emergency Communications staff allocation plan called for adding four or five new communication officers each year. By focusing on the metrics, leaders saw that the city had already reached a 95% emergency response level. The department was unable to quantify any further effect on performance, so the positions were not funded. The new emphasis on data-driven decision making has also prompted Durham to eliminate its internal employee health services program (scarcely an inconvenience, as employees have the top-ranked Duke University Medical Center nearby).

Durham faced a similar situation with initiative funding. In the past, many departments requested funding for as many as 20 to 30 new initiatives. Now that departments must demonstrate how the additional funding would affect performance measures, such requests have decreased significantly. In addition, proposed measures and benchmarking data must be submitted with requests to implement any new program or service. The goal is not

merely to cut spending, but rather to eliminate duplication and spending that does not advance the city's strategic priorities. The fire department, for example, was granted its request for new fire-inspection software when it showed the strategic benefits the software could deliver—reducing personnel costs by eliminating a position, providing more reliable data, and increasing revenues through efficiencies. As Budget Director Johnson notes, “People think strategically about their funding requests” in a way that they never have before.

### **ENABLING CITY/COUNTY PARTNERSHIP**

Durham's strategic plan and management system have yielded unforeseen benefits as well. Municipal and county governments typically struggle to communicate and collaborate. In Durham's case, the city and county strategic plans (the county's was adopted in 2012) have fostered newfound cooperation. This partnership enables the two governments to pool resources, reduce or eliminate duplication of effort, and deliver a higher level of service to Durham residents. Since implementing the strategic plan, “there's been more of a collaborative effort,” Reinstein observes. “We've seen better communication between departments, a stronger partnership with the county, and more opportunities to engage with our residents.” Among the six joint initiatives the city and county share is the CPR defibrillator training program, which trains local government employees and public high school students. More than 1,700 Durham Public Schools students have received “hands only” compression training. The program recently won the Alliance for Innovation's 2013 Award for Excellence in Local Government.

Already, Durham's accomplishments have attracted attention and recognition from government circles. In 2012, the city won the International City/County Management Association's (ICMA) Center for Performance Measurement Certificate of Distinction Award. It was also one of 20 cities named a “Citizen Engaged Community” (for 2011–2013) for its use of technology to engage residents. Fiscal discipline and sound financial management have helped Durham maintain its triple-A bond rating, even as many other cities continue to struggle economically.

With data now driving decision making, “it's all about results,” Reinstein says. Thanks to leaders and a staff who are “focused and passionate about making Durham a great place to live, work, and play,” the city's strategic plan continues to keep the organization moving in the right direction.



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