PERFORMANCE MEASUREMENT TOOLKIT
FOR LOCAL ECONOMIC DEVELOPMENT IN B.C.

TOOLKIT USER GUIDE

Version 2.0

BRITISH COLUMBIA

ACKNOWLEDGEMENTS

Welcome to the Performance Measurement Toolkit for Local Economic Development published by the Province of British Columbia. We would like to acknowledge all of those who shared their experiences and provided input onto this toolkit. Capturing the B.C.-specific context was the primary goal of this resource.

We would like to acknowledge the Ontario Ministry of Agriculture, Food and Rural Affairs and their *Measuring Up!* guide as it inspired the approach used in this toolkit.

We also drew inspiration and examples from the 2011 Economic Developers Association of Canada guide P*erformance Measurement in Economic Development*, as well as *Making it Count: Metrics for High Performing EDOs* published by the International Economic Development Council in 2014. A complete reference list is available at the end of this guide.

Finally, we would like to thank Randy Sunderman of Peak Solutions Consulting Inc. and Steve Nicol of Lions Gate Consulting Inc., whose expertise helped bring this toolkit to life.

USER GUIDE CONTENT

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GETTING STARTED

PERFORMANCE MEASUREMENT

Performance measurement is a systematic approach used to assess the efficiency and effectiveness of your programs or projects, to monitor whether you are 'on track' in achieving your desired goals, and to clearly demonstrate the value of your economic development efforts.

BENEFITS OF PERFORMANCE MEASUREMENT

- Scalable to the size of any organization, program or project, as well as available resources and capacity

- Ensures that you spend time on high-value activities

- Allows you to build momentum and buy-in from your stakeholders

- Allows you to assess the effectiveness of your program or project

- Supports informed and evidence-based decision-making

- Allows you to pinpoint what you can track in order to demonstrate your success and progress

- Keeps you on target and accountable to your stakeholders

COMMON BARRIERS

- **No time or resources**: planning, tracking and reporting can seem daunting

- **Can't measure**: level of attribution, shifting roles and relationships can make measuring outcomes challenging

- **Reluctant to measure**: elected officials, boards or EDOs themselves may be reluctant to measure progress for a variety of reasons

- **No culture or incentives**: no previous experience and no pressing need

INTRODUCING THE TOOLKIT

This toolkit is a step-by-step guide to help you develop your performance measurement plan.

The toolkit features the following components:

- This **Toolkit User Guide**

- **Excel Workbook**, the backbone of the toolkit, consisting of a series of exercises. Use the workbook along with the PDF guide

- Templates including **dashboard templates** and an **annual report template**

- **Image library** containing infographic style images available for download

- **Fictional community case studies**

WHO IS THE TOOLKIT FOR?

This toolkit is intended to support local economic development in B.C. communities. It is aimed at local government staff, economic development practitioners and anyone involved in economic development. It is meant to offer guidance to any program or project, regardless of capacity, resources or size.

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GETTING STARTED

PROCESS

The toolkit is structured in a linear process and consists of five steps essential for planning your performance measurement. Each step corresponds to a tab in the **Excel Workbook.**

You can go through the steps sequentially or access only those that make sense for your needs. The time required to complete a performance measurement plan will vary depending on your community, program or project.

1. **About You - Inventory**

   - Take an inventory of your existing goals, available resources, current activities and measures to begin the process

2. **Visualizing Your Path**

   - Visualize the entirety of your program or project from where you are now to where you want to go

3. **Choosing Indicators**

   - Choose performance indicators for tracking the progress of your program or project

4. **Implementation Plan**

   - Establish a plan to track your performance that is practical, achievable and directly relates to your activities

5. **Communicating Results**

   - Communicate the progress and success of your program or project to your stakeholders

TIPS

- You don't need a formal economic development strategy or function to do performance measurement

- Performance measurement is a continuous process requiring flexibility and adaptability

- Encourage key stakeholders participation to ensure that everyone is on the same page

- Recruit and engage senior leaders

- Make performance measurement part of your organizational culture

LET'S BEGIN

Now it's time to move to the first step of performance measurement: **About You -Inventory**.

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DESCRIPTION

The first step in performance measurement is to determine what economic development work is currently planned and underway, as well as what direction you are headed. A clear understanding of your current state will better position you to use performance measurement in an effective way.

RATIONALE

- Assesses your current state in a systematic way

- Reviews the approach you are currently using to achieve economic development success in your community

- Generates buy-in and understanding of performance measurement and its value

PROCESS

1. **Download the Excel Workbook** and save a copy to your computer

2. Open the tab: **About You – Inventory** and follow the instructions. Here you will capture:

   - your program's or project's ultimate outcome

   - resources (or inputs) available

   - activities currently being undertaken

   - anything you're currently tracking or have been asked to track

TIPS

- Your ultimate outcome can range from the vision statement of your community's economic development strategy to a specific goal of your program or project.

- Examples of ultimate outcomes:

  - **Project goal - Building a new website**: "Idyllica community members are well-informed and engaged with local economic development efforts."

  - **Program goal - Business Retention and Expansion**: "Idyllica has a robust and responsive environment for business development, investment and job creation."

  - **Vision statement - Economic development program**: "Idyllica has a diverse, resilient and thriving local economy."

NEXT STEP

Now that you have a good understanding of your current state, it's time to move to the next step: **Visualizing Your Path**.

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VISUALIZING YOUR PATH

DESCRIPTION

The second step is to visualize the entirety of your program or project from where you are now to where you want to go. A common way to do this is to represent your program or project as a logic model. Logic models are easy to use and provide a clear roadmap for success.
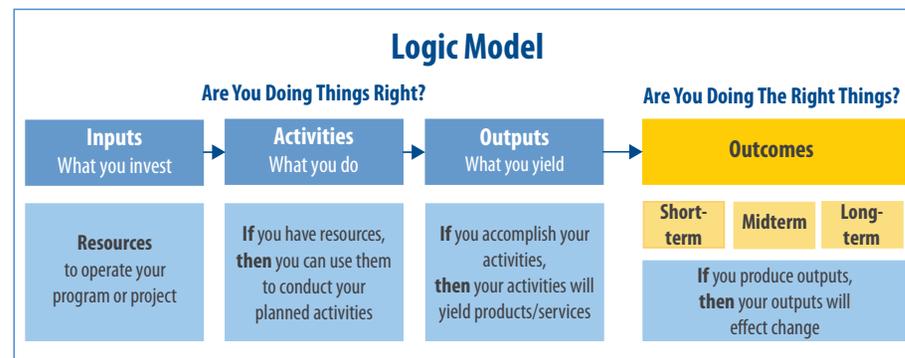
LOGIC MODEL

A logic model visually represents the connections between what you invest, what you do and what you achieve.

The four components of a logic model are:

1. **Inputs**: available resources such as funding, staff time and other assets you have to conduct the activities related to your program or project.

2. **Activities**: actions your program or project take to achieve a particular result.

3. **Outputs**: what your activities will yield, such as number of workshops, number of clients served or number of contacts made. Outputs set the stage for your outcomes.

4. **Outcomes**: changes in knowledge, skills, attitudes, values, behaviour or conditions that show progress toward achieving your project's ultimate outcome or the why you undertake your activities.

"READING" A LOGIC MODEL

An easy way to "read" a logic model and the connections between its components is with a series of "if and then" statements.
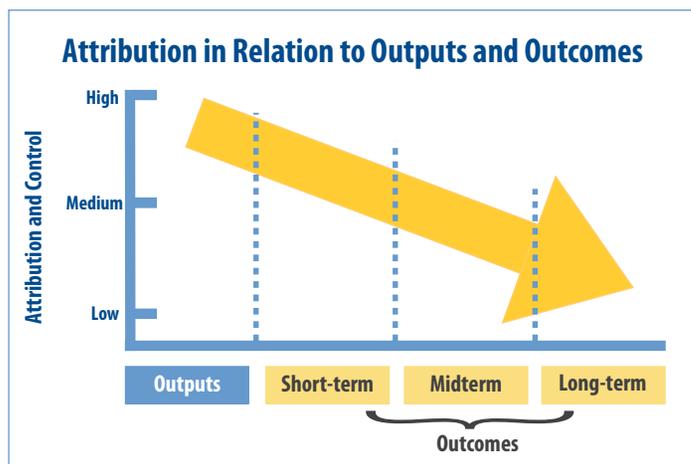
Logic Model

Are You Doing Things Right?			Are You Doing The Right Things?
Inputs What you invest	**Activities** What you do	**Outputs** What you yield	**Outcomes**
			Short-term / Midterm / Long-term
Resources to operate your program or project	**If** you have resources, **then** you can use them to conduct your planned activities	**If** you accomplish your activities, **then** your activities will yield products/services	**If** you produce outputs, **then** your outputs will effect change

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VISUALIZING YOUR PATH

ATTRIBUTION ISSUE

Inputs, activities and outputs are relatively straightforward to determine; however, outcomes - the core of a logic model - require a bit more consideration. While you have already determined your ultimate outcome, it's difficult to measure on its own. This is because outcomes are, by design, both broad and influenced by a variety of factors. This is known as the attribution issue.

Attribution refers to the ability to relate an outcome to an activity. It is more difficult to attribute the longer-term outcomes to an activity because of external forces that may be beyond the control of your community, such as economic cycles, market demand fluctuation, exchange rates, trade policies and global supply chains.

This is why looking at the short-term and midterm outcomes is one of the most important steps in the performance measurement process. These outcomes have a higher attribution to your work, but together lead towards your ultimate outcome.

Attribution in Relation to Outputs and Outcomes

PROCESS

1. Return to your **Excel Workbook**, and open the tab: **Logic Model.**

2. You will notice that inputs, activities and ultimate outcome have already been populated based on your work in the **About You - Inventory** tab.

3. Begin with determining the outputs related to your activities. Remember these outputs are the direct results of an activity, and tend to have a number relating to frequency and/or intensity of the activity. They do not assess if or how the activity has been successful, just what it will yield.

4. Next, determine the short-term outcomes that follow from your outputs or the execution of the activity. Capture the changes that occur in the level of participation, capacity, awareness, skills, knowledge, access or partner support as a result of the output.

5. Finally, determine the midterm outcomes. Capture the changes in perceptions, attitudes, and behaviour among people and groups affected by your program or project.

VISUALIZING YOUR PATH

TIPS

- Always remember to stay SMART in describing your outcomes.

  SMART goal-setting is:

  Specific: identifies what will be accomplished

  Measurable: ensures that change can be tracked

  Achievable: is supported by the available resources

  Relevant: relates to community needs and overall vision

  Time-bound: should be grounded by the plan's timeframe

- Consider an alternate style for your logic model which you can find in the **Alternate Logic Model** tab of your **Excel Workbook.**

- For more complex programs, add a column for long-term outcomes. This step between midterm and ultimate outcomes can consider higher-level changes that may occur such as social, political, economic, technological or environmental.

- Keep the process simple – a fairly simple visualization will help clarify what needs to be measured.

NEXT STEP

Now that you have a draft of your logic model, your outputs and outcomes will inform the next step: **Choosing Indicators**.

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CHOOSING INDICATORS

DESCRIPTION

The third step guides you through choosing your performance indicators for tracking the progress of your program or project.

PERFORMANCE INDICATORS

• Can be used to track outputs and outcomes of your activities, and assess what changes have occurred

• Can take the form of numbers, facts or perceptions that help measure progress towards change

• Output indicators measure the direct result of an activity and indicate frequency or intensity

• Outcome indicators measure the effectiveness or impact of your performance measurement strategy

QUANTITATIVE & QUALITATIVE INDICATORS

Use both quantitative and qualitative indicators as they are equally important in describing your performance. There should be "no number without stories, no stories without numbers." *

Quantitative indicators: numerical values such as percent change, dollar amount or other value from a specific source

Examples: % satisfaction; % completed or attended; number of new developments or business licences; number or frequency of contact

Qualitative indicators: more subjective in nature, but still provide 'evidence' that your program or project is on track

Examples: anecdotes and first-person accounts from local businesses; testimonies or endorsement; comments on survey or summarized content of interviews; focus groups or conversations; success stories or case studies

DATA SOURCES

Primary data sources: locally derived data

Examples: number of visits to website or number of times local businesses have been contacted

Secondary data sources: data sets produced by external agencies

Examples: real estate sales numbers for the area, unemployment rate or population change

*Source: Root Cause. Wolk A. et al. (2009), Building a Performance Measurement System, p. 22)

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CHOOSING INDICATORS

COMMON INDICATORS IN CANADIAN ECONOMIC DEVELOPMENT

Indicator	Percent
New Business opened	73%
Population	67%
Jobs created full time	61%
Workforce	61%
Inquiries received	60%
New Business investment attracted	59%
Building permits - Commercial	53%
Building permits - Institutional	51%
Business closures	49%
Unemployment rate	48%

Source: EDAC (2011), Performance Measurement in Economic Development, p.11

PROCESS

1. Return to your **Excel Workbook**, and open the tab: **Indicators – Long List.**

2. Create a Long List of your indicators:

   - First, note the data you are already tracking, or have been asked to track. This will be autofilled from the **About You - Inventory** tab, but feel free to modify as needed.

   - Next, consider the outputs and outcomes in your logic model and brainstorm indicators for each that would provide support or evidence of improvement. If you did not create a logic model, consider the vision and desired outcomes of your program or project.

   - Finally, have a look through the **Indicator Library** to see if there are other relevant data sources to consider as indicators for your program or project.

3. Open the tab: **Indicators – Short List.** The column of indicators will be autofilled from your Long List.

4. Prioritize your indicators:

   - First, identify the data sources for each indicator listed. The sources can be quantitative or qualitative, as well as primary or secondary.

   - Next, score each indicator by considering the following questions. The score for each question will automatically be calculated:

     (A) Importance of the indicator for accountability and decision making, or how necessary it is for you to report on or use this specific indicator for your decision making.

     (B) Accessibility or ease of collecting data about the indicator.

     (C) How much control you have over the indicator, or the degree to which you can attribute this indicator to your activities.

   - Then, consider the total score of each indicator. A higher scoring indicator should be more of a priority to include in your implementation plan. However, look at the list as a whole and let your experience direct your final decision on what indicators to measure.

   - Finally, choose whether you intend to include the indicator in your implementation plan by choosing "yes" or "no" in the last column.

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CHOOSING INDICATORS

TIPS

- Open the tab: **Indicator Library** in the **Excel Workbook** to view a list of indicators including B.C.-specific resources. You can also download a standalone **Excel Indicator Library.**

- Creating a Long List of indicators often requires a re-evaluation of the logic model. Modify and clarify your logic model as you go through your indicators as it may help to develop a clearer picture of how this data will help indicate success of your program or project.

- It is helpful to print a copy of your logic model and write directly beside each element how it could possibly be measured. This can also be done within a group discussion using sticky notes.

- If time and resources allow, consider creating your Short List of indicators in a collaborative group brainstorming session.

- You may choose to track economic or community data that doesn't fit into your logic model or isn't attributable to your economic development activities. Ensure that it is understood that these indicators are used for "communication" purposes to fully tell the story about your community. These may include low-scoring indicators in your Short List. If you plan to track them, set them as "Yes - Communication" to include in your implementation plan where a separate area is provided for them.

- Remember the principle behind the attribution issue from the **Visualizing Your Path** step and emphasize indicators that are most closely related to and controlled by your work. You have a higher degree of control and a greater ability to link activities to outputs and short-term outcomes than to midterm or ultimate outcomes.

NEXT STEP

Now that you have chosen your high priority indicators, it's time to move to the next step: **Implementation Plan**.

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IMPLEMENTATION PLAN

DESCRIPTION

The fourth step moves you from visualization into action by outlining how you will manage your performance measurement efforts. An implementation plan describes the who, the why, the when and the where - essential details to help you keep your stakeholders informed.

IMPLEMENTATION PLAN COMPONENTS

Rationale

- Explain why it is important to measure each indicator

Responsibility

- List who is responsible for ensuring accurate and timely data is collected, tracked and analyzed, and for reporting results (Note: this can involve more than one person)

Methodology

- Explain in narrative form how you will collect the data and how often

Audience

- Identify which stakeholders will be receiving this information

Reporting Frequency

- Indicate how often the indicator will be reported on (e.g. monthly, quarterly, annually or other)

Baseline (optional)

- Indicate a quantifiable starting point from which you can measure change. A common baseline is the value of the indicator today

Target (optional)

- Consider other benchmarks such as a different community or a different point in time when determining your goals

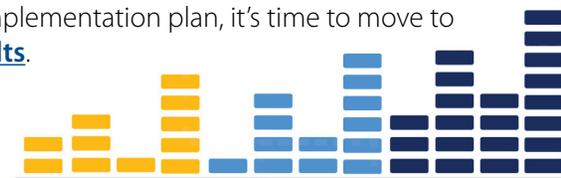- List the goal for the indicator and the timeframe to reach it

PROCESS

1. Return to your **Excel Workbook**, and open the tab: **Implementation Plan.** You can also download a standalone **Implementation Plan template.**

2. Copy the indicators that you want to include from your short list along with their data sources and paste them into the indicator and data source columns.

3. Complete a row for each of your chosen indicators.

4. Consider the separate table "Other Data to Collect and Communicate" for indicators that you need to track as part of your work, but are not directly related to your economic development activities.

TIPS

- Ensure that everyone knows who is responsible for what, and who is taking the lead on keeping the plan current.

- Remember your program or project may change over time. Continue to monitor and adjust your implementation plan as necessary.

NEXT STEP

Now that you have developed your implementation plan, it's time to move to the next step: **Communicating Results**.

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COMMUNICATING RESULTS

DESCRIPTION

The final step outlines how to communicate the progress and success of your program or project. Regular communication maintains support and buy-in from your stakeholders. A recommended approach is to use an indicator dashboard as it provides a clear and easy-to-understand snapshot of your current state.

DASHBOARD

An indicator dashboard is a simple visual presentation of your performance measurement indicators. It can be easily integrated into your other communication materials including annual or quarterly reports, presentations, web updates, newsletter or ad hoc requests.

Consider the following when developing your dashboard:

• Clearly state the purpose relevant to the intended audience

• Choose a few main indicators to focus on and make them central to your choice of report

• Use a well designed, easy-to-read layout

Examples:

Source: Edmonton's Citizen Dashboard https://dashboard.edmonton.ca/

PROCESS

1. Download the **Dashboard Templates.** Here you will find:
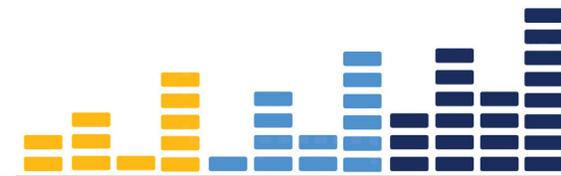
   - Infographic style images to allow for simple, drag-and-drop creation of your custom dashboard

   - Dashboard templates to provide you with different ideas on how to best report your data

2. Access the **Annual Report Template** for guidance on how to structure your annual report, how to integrate your dashboard and what to include

3. Browse additional images from the **Image Library**

TIPS

• Align the design of your report with your existing design elements such as community website, so your messaging looks consistent

• Make your reports available through other communication channels such as websites, social media, presentations or newspapers

• Ensure your reports are consistent over time so your audience can easily track and compare your progress

• Remember to use both quantitative and qualitative indicators

• Use anecdotes, pictures and quotes to ground your results

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Fictional Communities

Follow two fictional communities who went through the process of developing a performance measurement plan. These case studies give good insights into performance measurement used in practice.

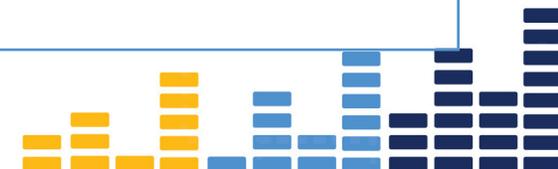| Fictional Community 1: Fraser City, B.C.	
SNAPSHOT	• Population: 40,000 in B.C. Interior • Strong forest industry with relatively diverse economic base (mining, agriculture, tourism, construction, health, recent entrant to technology sector) • Threats include aging population, stagnating household income levels, low employment growth in traditional primary industries, and limited supply of residential and industrial lands • Opportunities include healthy and diverse service and resource-based economy, location

ECONOMIC DEVELOPMENT	• Full time EDO, as well as an Economic Development Working Group (EDWG), made up of two councillors, two staff and six community leaders
	
	• Economic development strategy was out of date, recently drafted a new one with the following prioritized goals:
	
	   – Diversified economic base with emerging, non-traditional industries
	
	   – Improved business climate that will attract new investment
	
	   – Increased number of tourists and visitors to the community

PERFORMANCE MEASUREMENT	• EDO has been asked to align the economic development strategy with a performance measurement plan and integrate current annual reporting. Concerns have been raised about the administrative burden, as well as the focus of the outcomes themselves. • Some community profile information is being maintained on the website as a result of the Foreign Direct Investment (FDI) program. In addition, the local Visitor Centre was tracking attendance and other visitor information. Several other indicators are currently being tracked at the municipal level.
RESULTS	• **Fraser City Excel Workbook** • **Fraser City Annual Report** • **Fraser City Dashboard Example**

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Fictional Communities

Fictional Community 2: Milldale, B.C.	
SNAPSHOT	• Population: 4,000 in Bulkley-Nechako region
	• Highly dependent on forest industry, with considerable contraction in recent decades. A local mine also closed five years ago due to high operating costs, low-grade deposits and stagnant metal prices
	• Threats: declining population, declining primary resource industries
	• Opportunities: some tourism opportunities (though attracts mostly residents); very low housing and land costs; enough infrastructure to accommodate three times current population; two vacant mill properties, one of which was given to Town by the Province
ECONOMIC DEVELOPMENT	• Municipal planner handles economic development file under the direction of the Economic Revitalization Committee (ERC), a committee of Council
	• Advisory Committee has recently been struck, with representation from local businesses, community groups and local First Nations with the objective of creating a community transition plan
	• Committee decided to focus on building community wealth through new business development as an overarching goal, supported by three outcomes: two new export businesses; three expanded businesses in export or supply industries; population growth above the regional average
PERFORMANCE MEASUREMENT	• Limited administrative resources and will be relying on voluntary partners. Mixed success with similar approaches in the past, although it is believed a performance measurement framework can help provide some momentum for implementation and community support.
	• Challenges include absence of baseline data, lack of economic profile and rudimentary website. Currently collected information includes in-house municipal data on services, industrial land and business licenses.
DOWNLOAD RESULTS	• **Milldale Excel Workbook** • **Milldale Quarterly Report** • **Milldale Dashboard Example**

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