Benchmarking Project Aids City Management

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The term benchmark has had important, practical applications from its earliest use. The first stone laid at the ground level for a medieval castle was the benchmark upon which all other stones were oriented. In the nineteenth century cloggers would notch a mark in their workbench to identify a customer's shoe size. From the middle ages to the twenty-first century the use of the word benchmark has suggested an important standard or point of comparison.1

Benchmarking in some fashion has caught on everywhere in the public sector, from the largest federal agencies to the smallest rural towns. Even if cities are just asking, “how do we compare to our neighboring town?” or “have we improved service delivery efficiency from last year?” Local and state governments are using benchmarking both internally and externally to find best practices.

Today Utah’s cities and towns are relying on the concept of benchmarking to better manage their individual communities. Municipal governments are always looking for ways to operate more efficiently and this has become especially important during the economic decline since 2008. Sometimes in this search for efficient management, communities can learn from other communities. Benchmarking provides this comparison and helps cities identify individual strengths and weaknesses.

Why Local Governments Use Benchmarking?
The goal of benchmarking in the private sector is to manage and produce more efficiently to improve profits. Efficiency is still a fundamental goal for benchmarking in the public sector, but there are many other reasons for public entities to participate in benchmarking studies or analysis. A recent survey asked public sector executives to rank their benchmarking goals. The results summarize four key benefits to benchmarking:

- Improve productivity or efficiency (79%)
- Increase customer or user satisfaction (70%)
- Improve accountability and transparency (59%)
- Increase employee satisfaction, loyalty, and motivation (52%)2

Improving efficiency, transparency, and user or resident satisfaction are the three key driving factors for the Utah Municipal Benchmarking Project. These objectives and goals are the target each year as Utah’s cities and towns volunteer data, gather information, and share ideas to improve city management.

Background
Since it’s inception in 2007, the Utah Municipal Benchmarking Project has largely followed traditional benchmarking steps. This process is basically the same as the process pioneered by the Xerox Company in the early 1980s. These benchmarking steps include:

- Charter and train a team to conduct a benchmarking study.
- Define the process for benchmarking.
- Research potential partners.
- Collect and analyze data.
- Identify the causes of performance differences.
- Adapt the high-performing practice(s) to the benchmarking organization.
- Implement the practice(s) and monitor changes.

Charter a team
In 2007, the Utah Municipal Benchmarking Project was launched in a collaborative effort of the Utah City Management Association (UCMA), Utah League of Cities and Towns (ULCT), Utah State...
University, the University of Utah Center for Public Policy and Administration, and Brigham Young University’s Romney Institute of Public Management. The project started with 25 cities and now has expanded to over 40 cities and towns in Utah. The academic and local government entities previously mentioned are still the key members of the Benchmarking Project steering committee.

**Define the process**
The benchmarking process for Utah’s cities is largely mapped out by the steering committee. This committee determines the scope of the project and the expected timeline of data collection and deliverables. The timeline largely coincides with the Utah City Managers Association (UCMA) annual conference in the spring of each year.

The Benchmarking Project collects data from the Utah State Auditor’s UT-2 form, a University of Utah survey and publically available information such as building permits and property tax. The UT-2 form includes all municipal revenues and expenditures; ULCT accumulates and stores the UT-2 data. Additionally, the University of Utah distributes a survey to participating cities which includes specific information on municipal services.

**Research Potential Partners**
The Utah Municipal Benchmarking Project does not limit the analysis to specific partners; rather every city and town in Utah is invited to participate. The project utilizes a “clustering” of cities based on similar demographic and economic characteristics. In 2007, the UCLT conducted a cluster analysis and grouped all 245 Utah municipalities into 12 distinct clusters (i.e. resort communities, high growth, high income). The initial benchmarking partner for each city is determined by cities in their cluster grouping.

**Collect and Analyze the Data**
The ULCT collects the UT-2 finance data and the University of Utah collects the survey data as well as additional data. Benchmarking member cities have the option to review the data of all neighboring cities, regardless of "comparable" characteristics. The cumulative material is placed on a closed-access website managed by the University of Utah and in an annual report created by the university partners (University of Utah, Brigham Young University, Utah State University). Recently benchmarking project launched an exciting new website: [www.utahcitydata.org](http://www.utahcitydata.org). On this website, member cities can review their own data for the past five years and run their own queries comparing their cities to other cities around the state. All the comparison options, whether in the clusters or independent queries on the website, provide opportunities for enhanced organizational effectiveness through the identification, communication, and implementation of appropriate best practices.

**Identify the causes of performance differences**
This is an important step in the benchmarking process. It is not the goal of the benchmarking effort to simply identify differences or gaps in performance. Nevertheless, the important step is to understand why there is a difference. The data here only tells part of the story. The data is important to identify performance gaps, but there needs to be a more qualitative analysis conducted or a discussion of ideas. What practices produce better results? What is different between the processes for city A versus city B? How is performance measured?

**Adapt the high-performing practice(s) to the benchmarking organization**
Once the benchmarking team has identified a practice or practices that can improve the performance of its process, its organization prepares to implement the best practices.

**Implement the practice(s) and monitor changes**
A newly imported best practice requires close attention and review. Otherwise it runs the risk of fading away or reverting to the previous process due to lack of support or follow-through. Newly implemented practices also need to be reviewed to ensure they are producing improvement and anticipated results.

In practice, the benchmarking project has already helped city leaders better identify community needs and address them. Additionally, the benchmarking process is helping cities with the budget process. West Point City includes the benchmarking data in their budget document for the city
council and the public to review. West Point City Manager, Gary Hill, appreciates the benchmarking project data, which allows his city to compare itself on sales tax revenue, sales tax per capita, property tax revenue, and other "high-level financial indicators" to other cities.

Mark Christensen, Saratoga Springs City Manager, says that "benchmarking and performance measurement are fundamentally about answering the service needs of our communities. As administrators, we need to 'look outside the box' to find the measures that best indicate city performance and the quality of service for our residents. The question we must ask is, 'are we focusing on the correct details within the city and really making life better?'"

**Conclusion**

The Utah Benchmarking Project is another tool for city administrators to use to focus on the correct details within the city. "Looking outside the box" is not new; at the 1918 International City Management Association (ICMA) Conference, Richard Childs said, "Someday we shall have managers who have achieved national reputation, not by saving taxes or running their cities for a freakishly low expense per capita, but managers who have successfully led their commissions into great new enterprises of service... The great city managers of tomorrow will be those who pushed beyond the old horizons and discovered new worlds of service." ³

Fast-forward to 2011, and Utah city leaders face difficult economic circumstances and continued expectations for quality services from residents. Like benchmarks in the castles of old, the Utah Benchmarking Project helps Utah city leaders seek the best practices to balance financial difficulties with service demands.

