

Report to / Rapport au:

**Ottawa Public Library Board
Conseil d'administration de la bibliothèque publique d'Ottawa**

April 12, 2016 / 12 avril 2016

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File Number: OPLB-2016-0143

SUBJECT: Key Performance Indicators Review - Performance Measurement Framework

OBJET: Examen des indicateurs de rendement clés – Cadre de mesure du rendement

REPORT RECOMMENDATIONS

That the Ottawa Public Library Board approve:

- 1. The use of 10 revised Key Performance Indicators (KPIs) and their respective implementation timelines based on the Board's Strategic Directions and a balanced scorecard approach; and,**
- 2. That the review of Key Performance Indicators be aligned with any change to the Board's Strategic Directions.**

RECOMMANDATIONS DU RAPPORT

Que le Conseil d'administration de la Bibliothèque publique d'Ottawa approuve :

1. **L'utilisation de dix indicateurs de rendement clés révisés et la mise en œuvre respective du calendrier, fondés sur les directives stratégiques du C.A. et sur une approche du tableau de bord équilibré;**
2. **Que l'examen des indicateurs de rendement clés soit mis en ligne à tout changement apporté aux Directives Stratégiques du C.A.**

BACKGROUND

As per Board policy 001-OPLB Roles and Responsibilities of the Board and Trustees, the Board is responsible for reviewing and approving objectives for, and monitoring, the performance of the library. In 2013 the Ottawa Public Library (OPL) Board adopted a new Performance Measurement Framework (PMF) and four semi-annual reports have since been delivered to the Board. The intent of the PMF is to provide an inward-focused set of quantitative indicators of the organization's performance in comparison to past measurement periods. The PMF monitors performance through the measurement of inputs and results. It provides quantitative information about the operating environment of the corporation to enhance strategic thought processes and inform decision making.

In addition to the PMF, the OPL responds to four industry surveys: The Ontario Benchmarking Initiative (OMBI), Canadian Urban Libraries Council (CULC), Public Library Data Service (PLDS), and The Ontario Ministry of Tourism, Culture, and Sport – Annual Public Library Statistics (The Ministry) for comparison to other library systems across Canada.

The OPL's PMF utilizes a Balanced Scorecard (BSC) approach with 10 KPIs in four categories.

Customer Satisfaction

- Three-year Active Card Holder Penetration
- Total Circulation
- Electronic Visits

Employee Development and Engagement

- Training Hours per Full-Time Equivalent
- Employee Turnover Rate

Finance

- Operating Cost per Capita
- Operating Cost per Library Use

Operational Effectiveness

- Materials Turnover Rate
- Materials Average Supply Time
- Program Fill Rate

Data is collected through a variety of sources, including OPL's Integrated Library System (ILS), the City's human resources/financial management system (SAP), and manual data gathering.

In order for the framework to remain current, a standard review cycle of every two years is used as the organization and the services it provides evolve.

The KPIs included in the current PMF were scheduled to be reviewed in October 2015. In the summer of 2015, the City of Ottawa announced that it was undertaking a review of performance measurement as part of its evolving Corporate Performance Measurement initiative. To ensure alignment with the City's approach, the OPL deferred its KPI review until April of 2016.

Preliminary recommendations were made to the Finance and Economic Development Committee (FEDCO) in February 2016. To date there are no direct impacts from the City process on OPL's proposed recommendations to the Board.

DISCUSSION

OPL staff conducted an environmental scan regarding the current KPIs, with the intention to refresh the KPIs, ensuring that the measures are:

- directly related to the Board's strategic directions;
- easily obtainable and accessible; and,
- better understood by internal and external stakeholders;

Staff performed an environmental scan of eleven urban library systems in Canada (excluding Montreal). This scan confirmed whether libraries had performance measurement frameworks or KPIs in annual reports, strategic plans, or board reports. Key statistics or other "for your information" reports were excluded.

Nearly all library systems had some form of performance measurement in place. Some were referred to as “key measures” relating to their strategic or business plan; however, the application and choice of the measures varied greatly. There was no set standard of indicators though many libraries utilized Canadian Urban Libraries Council (CULC) indicators to measure performance. True to historical industry norms, circulation and program attendance were the most commonly used measures. Most Canadian urban public libraries use a custom framework that balances strategic and business plan initiatives, programs, target populations of interest, or other regional realities with “comparable” indicators across other library systems.

Several systems (Quebec City, Victoria, Regina and Calgary) noted they were in the process of refreshing their own approach at the same time they review their strategic and business plans. This finding, along with the need to align KPIs with strategic directions, supports the recommendation to change KPI review frequency

After gathering internal and external data, all corporate and operational metrics were reviewed to assess their validity as a KPI. Using the following principles to evaluate KPIs, it was deemed that KPIs:

- Must align with one of the Board’s strategic directions:
 - **Services** that are customer centric;
 - **Spaces** for community, collections, and creation; or,
 - **Success** through learning, literacy, and innovation.
- Should fit into one of three categories of the balanced scorecard:
 - Customer and Employee Satisfaction;
 - Operational Effectiveness; and,
 - Financial Stewardship.
- Must be indicative of current library trends:
 - Customer centric services;
 - Leveraging of technology;
 - Utilization of physical and virtual spaces.
- Must be easily understood and communicated to both internal and external stakeholders; and,
- Should be an inward focused metric intended to evaluate corporate performance.

As a result of the assessment, staff are recommending the adoption of the following KPIs to be implemented in the next semi-annual report, October 2016.

- % Physical Materials Checked Out (currently an Operational Metric (OM))
- Total Cardholders Active - Last 12 months (Currently an OM)
- Total Program Attendance – Per Square Foot (New KPI)
- Total Circulation (current KPI)
- Electronic Visits (current KPI)
- Cost Per Library Use (current KPI)

In addition, staff recommend four additional KPIs for development in 2016 and reporting effective April 2017.

- Customer Satisfaction Score (2017)
- % Available Meeting Room Hours Booked (2017)
- Hold Time to Availability (2017)
- Communications (2017)

In support of the recommendations, staff developed a logic model in which to fit all KPIs by strategy and balanced scorecard categories. The logic model is shown in Appendix A. In Appendix B, a definition and rationale for each recommended KPI is listed.

The distribution of KPIs in the logic model is balanced across the strategic directions. There are three corresponding metrics for each category as well as one financial measure across all three directions. From a balanced scorecard perspective, customer and employee satisfaction represents 60% of the recommended KPIs. This weighting toward customer satisfaction is intended, as the OPL has worked diligently to make our customers' experiences the focal point of its services. Further, the consolidation of employee engagement with customer satisfaction into one balanced scorecard category is based on service excellence principles whereby engaged employees focused on customer experience will result in positive customer satisfaction feedback.

In order to ensure availability of comparator data with other public library systems, staff will continue to respond to external industry surveys. Staff will advise the Board, when appropriate, of the public availability of such surveys on an annual basis.

CONSULTATION

An internal survey on current KPIs garnered both qualitative and quantitative responses. An environmental scan was completed in order to gather external data. Analysis of the internal and external data informed staff to make recommendations for KPIs that relevant and reliable metrics.

LEGAL IMPLICATIONS

There are no legal implications associated with this report.

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications associated with this report

FINANCIAL IMPLICATIONS

There are no financial impacts for adopting the recommendations in this report. If approved, there may be minimal financial considerations in the development of the four new KPIs for 2017, none of which would be outside of existing operating budgets.

ACCESSIBILITY IMPACTS

There are no accessibility implications associated with this report.

TECHNOLOGY IMPLICATIONS

There are no technology implications associated with this report.

BOARD PRIORITIES

This report is in response to Report #5, Board Governance Review, November 19, 2012, which states "Develop, with Board input as appropriate, improved indicators of organizational performance, including objectives and metrics that focus on output, outcomes, and results, and incorporate these into a monitoring process, for Board review and approval as well as the Boards subsequent approval of the Ottawa Public Library PMF in May, 2013."

SUPPORTING DOCUMENTATION

There are no supporting documents for this report.

DISPOSITION

The next semi-annual performance measurement report will be brought to the Board in October 2016. If approved, the October semi-annual report will reflect measures adopted in this report.

Further development of KPIs to be introduced in 2017 will continue in Q1 and Q2 of this year, with measurement of these metrics planned to start in the beginning of Q3 2016. The first anticipated semi-annual report that will include these metrics is April 2017 after one full measurement cycle is completed.