

Report to / Rapport au:

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

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SUBJECT: Performance Measurement Key Performance Indicators 2020-2023

OBJET: Mesure du rendement - Principaux indicateurs de rendement 2020-2023

REPORT RECOMMENDATION

That the Ottawa Public Library Board approve the use of eight Key Performance Indicators (KPIs) aligned with the Board's 2020-2023 Strategic Directions, as further described in this report.

RECOMMANDATION DU RAPPORT

Que le Conseil d'administration (C.A.) de la Bibliothèque publique d'Ottawa approuve l'utilisation des huit principaux indicateurs de rendement aligné sur les orientations stratégiques du C.A. pour 2020-2023, tels qu'ils sont décrits ci-dessous dans le présent rapport.

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 Performance Measurement Framework (PMF). The PMF reports OPL performance on a semi-annual basis in a strategic analysis format. The most recent semi-annual report was presented to the Board on October 8, 2019 reporting on performance results from January to June 2019.

Revisions to Key Performance Indicators (KPI) are initiated when a new Strategic Plan is approved by the Board, to ensure a structured set of relevant quantitative indicators that align with OPL's strategy and address core business initiatives. The PMF uses a Balanced Scorecard (BSC) approach focusing on organizational indicators that include customer and employee satisfaction, operational effectiveness, and financial stewardship. The PMF monitors performance through the measurement of inputs and outputs using data collected through a variety of sources such as OPL's Integrated Library System (ILS), the City of Ottawa's (City) enterprise management system, and data generated through manual collection such as employee-customer interactions. The data gathered from these sources provides information to inform strategic decision making.

On June 11, 2019, the Board approved the 2020-2023 Strategic Plan. The Strategic Statement is a new feature of OPL's Strategic Plan that states a clearly defined and measurable objective: to increase the number of 12-Month Active Cardholders by 25 percent over four years, thereby improving OPL's relevance to the communities of Ottawa. To achieve the objective stated in the Strategic Statement, OPL's new directions are to a) redesign the library experience for customers, b) build organizational capacity, and c) promote the value of OPL.

This report provides the Board with details regarding the review and validation of OPL's recommended customer- and employee-focused Key Performance Indicators in alignment with the 2020-2023 Strategic Plan.

DISCUSSION

The newly adopted 2020-2023 Strategic Plan has an approach focused on customer experiences, value of service, and organizational capacity to increase active cardholders. The approach to measuring the new plan is thematic and strategically measures customer and employee satisfaction by proxy. The goal of the new plan is more explicit than previous iterations, specifically the new plan contains a focused Strategic Statement.

The 2020 – 2023 Strategic Plan places more emphasis on the importance of customers and employees, and states a specific goal to increase active cardholders by 25 percent over the next four-year period. OPL's highest priority is to provide services that are customer-focused and responsive to community needs. The new Strategic Plan reinforces the fundamental role that customers, employees, and the community play in achieving OPL's strategic statement. In doing so, it is important to understand the different stages of the customer and employee experience; the key parts of the journey's taken by the people that most impact the strategic goal of OPL.

Customer and employee journey mapping are not new sciences. Private industry, predominantly service and retail organizations, use journey mapping to understand the benefits and challenges faced in delivering and using the services that an organization offers. The components of some models for customer journey mapping include Acquisition, Activation, Retention, Referral, and Value Creation as they pertain to the linear progression of a customer's experience in purchasing goods and services. Notable within the public library industry, Columbus Public Library considers their customer journey mapping when undertaking facility design, customer service, and training programs.

In a departure from previous approaches to performance measurement, OPL staff focused on identifying and prioritizing measures that are thematic, and directly relate to the acquisition, retention, and referral of customers and employees. These three activities occur in the customer and employee journey and reporting on these three levers will be strategically indicative of how OPL is achieving the strategic statement.

Under this direction, staff conducted an environmental scan of library-related industry surveys and library performance measures published by International Standards Organization (ISO), Standard #11620, International Library Standards. The scan concluded with an internal data source analysis and consultations with OPL staff.

Environmental Scan and Internal Review

Libraries strive to offer customers a welcoming experience of connection, knowledge exchange, and learning. Ottawa Public Library serves one million residents and provides a diverse portfolio of services. While the usage of print materials remains important to customers, emerging trends have revealed a desire to experience new and

innovative technology, programming, and online resources, without losing the human interaction and connection both with employees and other customers.

OPL participates in three annual data collection initiatives led by the Canadian Urban Libraries Council (CULC), Public Library Data Service (PLDS), and the Ontario Ministry of Tourism, Culture and Sport (MTCS). Specifically, the MTCS survey is required to receive funding through the Ontario Public Libraries Operating, Pay Equity, and First Nations Salary Supplement Grant (PLOG). Industry surveys provide valuable insight on trends related to facility growth, finances, programmed services, inventory usage – operational metrics related to outputs. A significant percentage of national and provincial survey measures focus on library materials (collections) and branch facilities. These traditionally reported data account for 79 percent of 52 measurements listed in ISO #11620. OPL's current KPI's noted below are more reflective of this traditional operational approach to library services measurement.

Table 1 – Key Performance Indicator Summary 2016-2019

2016-2019 Strategic Plan	
Key Performance Indicator	Strategic Direction
Customer Satisfaction Score	Services that are Customer Centric
Total Circulation	
Hold Time to Availability	
% of Available Meeting Room Space	Spaces for Community, Collections, and Creation
Electronic Visits	
Total Program Attendance	
Total 12-Month Active Cardholders	Success through Learning, Literacy, and Innovation
Communications	
% of Physical Materials Checked Out	
Cost Per Library Use	All

Table 1 contains a summary list of Key Performance Indicators from 2016-2019

In the private sector, finding performance measurement indicators is more challenging. Most companies in the private, for-profit sector use traditional measures that focus on revenues, expenses, and monetary values as indicators of success or failure.

Conversely, not-for-profit organizations extol their value to society by reporting on Social Outcomes and Impacts with respect to their specific goals. Public Libraries in urban settings are very much in the middle of these two approaches. Libraries seek to demonstrate usership, budgetary value, and increasingly, in terms of measurement, social outcomes.

The recommended KPIs expand upon industry operational metrics by providing innovative customer and employee performance indicators of the progress made toward the strategic plan of the organization. For reasons stated above, OPL will continue to collect and analyze traditional measures to support operational performance and decision making.

The following section provides a summary of the recommended KPIs and alignment to the 2020-2023 Strategic Directions. The accompanying KPI definitions are further summarized in Document 1 - KPI Alignment Diagram and Document 2 - KPI Definitions.

Strategic Alignment and KPI Definitions:

The eight recommended KPIs, of which seven are new, focus on customer and employee actions, are categorized within the three Strategic Directions, and satisfy a Balanced Scorecard approach.

1. Redesign the Library Experience

Staff recommend the adoption of two performance metrics to provide an indication of the progress in redesigning the library experience: Cardholder Growth Rate, and Total 12-Month Active Cardholders

- *Cardholder Growth Rate (New KPI 2020-2023):*

Cardholder Growth Rate is defined as the percent change of the average number of cardholders created in a measurement period. As library services are redesigned, created, or improved, an increase in average daily new customers created provides an indication of services that are engaging varied audiences. The creation of new memberships also increases and contributes to the 12-Month Active Cardholders total. Cardholder Growth Rate will provide an indication of OPL's operations in support of the 2020-2023 Strategic objectives.

- *Total 12 Month Active Cardholders (Current KPI):*

Total 12 Month Active Cardholders measures how many customers used the library card in the last 12 months. Cards are required to access the majority of OPL's services from borrowing an item to participating in a program, or using OPL's various technologies. This measure includes consistently active cardholders plus new card holders acquired in the time period, less cardholders who have become inactive to represent a net value. While the creation of new memberships is critical, the retention of existing customers and the renewal of library memberships is equally important. An increase in this measurement provides an indication of customer engagement and satisfaction across OPL services.

2. Promote the Value of OPL:

In order to promote OPL's value to the community and individual cardholders, staff recommend the adoption of two new performance metrics: New Cardholder Referral Rate and the Economic Benefit per Active Cardholder. Both measurements will provide indicators of OPL's value as a result of broader promotion, a new implemented brand strategy, and increased efforts to build and sustain stakeholder relationships and advocacy.

- *New Cardholder Referral Ratio (New 2020-2023):*

The New Cardholder Referral Ratio is the proportion of new cardholders referred to OPL by current customers. Referrals will be collected manually during the creation of new memberships with full rights to physical and on-line services. As brand awareness increases, the Library aims to improve the number of new cardholders that are referred to library services. Understanding how new cardholders hear about OPL informs operational initiatives, such as communications. Being aware of an increase in the number of new cardholders through OPL's referral initiatives provides an indication that OPL is continually supporting the Strategic Statement.

- *Economic Benefit per Cardholder (New 2020-2023):*

In 2016, OPL conducted an economic benefit study to measure the economic impact OPL is making for the citizens of Ottawa. The study concluded that for every dollar invested in OPL in 2015, the community benefitted from a \$5.17 return on

investment. The economic benefit is derived from customers making use of OPL's services, and the results of OPL expenditures on both physical and digital materials locally, provincially, and nationally. A refreshed baseline value based on 2019 analysis will be calculated in April 2020 and continued reporting on this measure will occur once per year in the performance measurement framework report brought to the Board each April.

The Economic Benefit per Cardholder emphasizes the value generated by cardholder activity, including circulation, program attendance, and database usage within a one-year period.

3. Build Organizational Capacity:

Employees are central to service delivery and represent the largest share of annual operating expenditures. For the Library to build organizational capacity, a key priority will be redesigning the employee experience to enhance organizational performance and retain talented professionals. Staff recommend the adoption of the following four new employee-centric performance metrics: *Average Applicants per Job Posting*, *Employee Turnover Rate*, *New Employee Referral Ratio*, and *Active Cardholder to Full-Time Equivalent Ratio*. Together, these measurements focus on employee stakeholders and will provide an indication of changes occurring at OPL.

- *Average Applicants per Job Posting (New 2020-2023):*

Average Applicants per Job Posting is the ratio of the total number of applicants to total number of job postings for competitions closed during the reporting period. The tracking of this measure will indicate OPL's attractiveness as an employer to job-seeking individuals.

- *Employee Turnover Rate (New 2020-2023):*

Employee Turnover Rate is the percentage of permanent employees that resigned for reasons not related to retirement or illness. Employee turnover is a common Human Resources measurement and provides valuable information regarding the retention of employees. High levels of turnover can suggest underlying organizational concerns.

- *New Employee Referral Ratio (New 2020-2023):*

New Employee Referral Ratio is the percentage of newly-hired employees referred to by OPL employees. Employee referrals provide important insight in understanding how successful candidates are acquired while also providing an indirect indicator of employee job satisfaction. Success in this measure is indicated by increases in referral rates.

- *Active Cardholder to Full-Time Equivalent Ratio (New 2020-2023):*

Active Cardholder to Full-Time Equivalent (FTE) Ratio is the number of active cardholders compared to the total number of full-time equivalents employed by OPL. An increasing ratio indicates improved organizational capacity as one FTE will support a greater number of active cardholders and the library services they use.

Summary

The recommended KPIs align strongly with OPL's Strategic Plan and a balanced scorecard approach, and focus on OPL's priorities: customers, employees, and community. The recommended KPIs effectively measure important customer and employee activity central to OPL's Vision, Mission, and Strategy. The KPIs comply with existing policies and are further supported by operational information collected for internal purposes and library industry surveys.

To support informed decision making, OPL will continue to provide employees access to performance measurement KPIs, Service Area information including detailed demographics and community composition, and the opportunity to provide feedback on results. Continued feedback will ensure improved accountability across the organization and enhance services that are customer-centric.

CONSULTATION

Staff consulted with several internal stakeholders to define and assess the feasibility of new customer and employee quantitative measurements. The internal review resulted in a preliminary roadmap of the proposed measures. The roadmap identified a new measurement approach ensuring that OPL remains customer-focused and responsive to community needs in support of the Strategic Plan.

As a final step, staff undertook an internal review of existing data sources and relevant policies, procedures, and legislation. These consultations considered the importance of the City's present Cloud Computing Policy and OPL Privacy statement during data collection and retention.

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 implications associated with this report.

ACCESSIBILITY IMPACTS

Implementing the recommendations of this report and the collection of customer and employee journey information may identify barriers to services offered by OPL, and allow for the development of mitigation plans

TECHNOLOGY IMPLICATIONS

There are minor technology impacts associated with this report. The collection of data used to calculate the Cardholder Referral Ratio will require a minor modification of the Integrated Library System. The collection of New Employee Referral Rate will necessitate the modification of HR data collection tools or the creation of a new internal data source using existing tools. In both cases, given the system's current capabilities and other ongoing projects, these changes are not projected to require additional funds.

BOARD PRIORITIES

At its meeting on June 11, 2019, the Board approved a new Strategic Plan for 2020 – 2023. The recommended KPI's will improve role clarity and accountability across the organization and identify the right outcome measures for the new strategic plan. The recommended KPIs will support the Strategic Priority to improve data-based decision-making organization.

SUPPORTING DOCUMENTATION

Document 1 - KPI Alignment Diagram

This document contains supplemental information of KPI alignment for reference purposes.

Document 2 - Customer and Employee KPI Definitions and Rationale

This document contains supplemental information on KPI definitions and rationale for reference purposes.

DISPOSITION

The next semi-annual performance measurement report will be brought to the Board in April 2020 and will reflect OPL's 2015-2018 Strategic Priorities and KPI framework, effectively closing out the current KPI framework with a full year of data for 2019.

Pending Board approval, the November 2020 semi-annual performance measurement report will include data obtained from the Period January 1, 2020 to June 30, 2020 and will reflect the new OPL Strategic Plan and the eight KPI's as described in this report.