



Strategy Maps for Local Government

More than a wish list

An All Government Matters White Paper

February 2021

© 2021, *All Government Matters B.V. The Netherlands*

Table of Contents

1	Overview.....	2
1.1	Topic.....	2
1.2	Abstract.....	2
2	Some definitions.....	4
2.1	Introduction	4
2.2	Critical success factors.....	4
2.3	Strategies, objectives and Cause-and-Effect.....	4
2.4	Methods and models.....	4
2.5	Metrics and targets	4
3	The Strategy map	6
3.1	Introduction	6
3.2	Performance reference model	6
3.3	Strategy mapping – Typical mistakes	7
3.4	What is on a Strategy Map	8
3.5	Key steps to creating a Strategy Map	10
4	Selecting Key measures.....	13
4.1	Introduction	13
4.2	Manage Collection Case example	14
5	Conclusion.....	17
5.1	Findings.....	17
5.2	Recommendations.....	17

1 Overview

1.1 TOPIC

This white paper discusses the challenges we see in many municipalities (cities) that start to create and use Strategy Maps and Strategic Objectives, often for innovations or to help and change their organizational structure to address many challenges e.g. deliver the appropriate services to their citizens.

In general, a municipality sets policy goals for that municipality, consistent with the municipality's vision and mission, although often a vision and mission have not been clearly defined as such. Goals should be used to create work plans to drive the budget. Please find below, as an example, five generic municipality goals that should fit most of them:

- Encourage a stable and prosperous municipal economy;
- develop and maintain the municipal infrastructure to increase community appearance and encourage continued development;
- boost resident health, safety, and education;
- promote efficient and effective municipal leadership to improve levels of service;
- improve community participation and confidence.

However, what we see in developing countries is that instead of the goals driving the budget, the *expected* budget drives the goals. Expected budget comes from Central Government in the form of paying public sector staff's salaries and some of the additional costs. But it often stops there. Everything else must be financed by the municipalities themselves. And that is where the challenges begin.

In this White Paper we will focus on creating a Strategy map for the municipal department that has the core function to levy and collect Taxes and Revenue.

1.2 ABSTRACT

1.2.1 Issue addressed

If a municipality wants to be the master of its own destiny, it must develop a vision and strategy on where it wants to be in 5 years. There is no fast track, no magic wand, only (small) steps with some quick wins left and right, towards more independency (if that is the ultimate goal).

Local taxes normally represent the greatest source of autonomous income for Local Governments. Hence, it is particularly important and most likely that Local Government wants to fully control that. As an example, Property Tax is the greatest source of such income.

There are great improvements to be made in the area of levying and collecting taxes. A Strategy map for the Tax and Revenue Department (TRD) will help to create focus and ultimately help deliver more of the expected revenue.

1.2.2 The Strategy map

One extremely strong tool is the Strategy map that uses *Cause and Effect Relationships* between the goals on that map. In this White Paper we will focus on the elements involved in creating such a Strategy map for the municipal department with the core function to levy and collect Taxes and Revenue.

1.2.3 Selecting key measures

One of the basic pitfalls is trying to track everything that may be of importance. Selecting the vital few key measures from the wide array of metrics turns out to be, time and time again, a difficult task.

1.2.4 Recommendations

When you consider introducing and using Strategy maps in your TRD, it is important that you *organize buy-in from the higher levels of the municipality. Take enough time* to think through Strategic objectives and Strategic themes and how these are related. *Limit the number of metrics* to only those that really matter (Key Performance Indicators only).

2 Some definitions

2.1 INTRODUCTION

In this chapter we will discuss some of the used definitions and terminology and their differences.

2.2 CRITICAL SUCCESS FACTORS

A *Critical Success Factor* is a, for a TRD, decisive element in which it must excel for it to be successful. Critical success factors relate to the core competencies of a TRD and are an integral part of the vision. Critical success factors are the main theme that binds all activities.

2.3 STRATEGIES, OBJECTIVES AND CAUSE-AND-EFFECT

Strategies (in general) are put in place in order to maintain or increase a certain level of performance defined for individual (strategic) *objectives* in those areas (aka *goals*). From here on, we will use the term (strategic) objective instead of goal. Objectives describe individual desired outcomes. Strategies describe how to achieve these objectives. Objectives do not stand alone. They can influence one another. By determining *Cause-and-Effect relationships* between objectives one gets a coherent story that will tell the overall strategy of a municipality or a TRD.

2.4 METHODS AND MODELS

TRD Management wants to know whether a specific strategy is successful or not and will have performance measured. There are different methods and models used for 'Performance Measurement' or 'Performance Management'. In a performance model, like The Balanced Scorecard¹, four areas or perspectives are defined. These perspectives are 'linked' and influence each other by the explicit relationships between specific objectives in these perspectives.

2.5 METRICS AND TARGETS

Other (types of) performance models operate in a, more or less, similar way. What implemented performance models have in common, amongst others, is that they rely on metrics and targets for objectives. For an objective one can set different target types, e.g. total amount of revenue for Revenue type X and the total number of automatically processed tax forms for Revenue type X. In this case we have two indicators and for which, once the targets have been set, we can measure performance against. Specific indicators can be key, and therefore their measurements can be key.

*Tax and Revenue
Departments operate in a
changing and complex
environment where the critical
success factors are determined
by accountability to the
constituent and municipality.*

¹ The Balanced Scorecard is a performance planning and measurement framework, with similar principles as *Management by Objectives*, which was publicized by Robert S. Kaplan and David P. Norton in the early 1990s.

According to Dennis R. Mortensen², the difference between a KPI and a Metric is that a Key Performance Indicator (KPI) is a metric, but a metric is not necessarily a KPI!

How does one decide if a metric or an indicator qualifies as a Key Performance Indicator? Without real KPIs an organization will not perform to its maximum. And it is noteworthy to remind us all that it is rarely about financial metrics - They represent the results of driving a good KPI, essentially concluding that KPIs are a communication and steering vehicle for management. Mortensen defines the next 7 characteristics:

- It echoes organizational goals.
- It is decided by management.
- It provides context.
- It creates meaning on all organizational levels.
- It is based on legitimate data.
- It is easy to understand.
- It leads to action!

² Dennis R. Mortensen, *'The difference between a KPI and a Metric'*, on the *visual revenue blog*, Tuesday, February 5, 2008.

3 The Strategy map

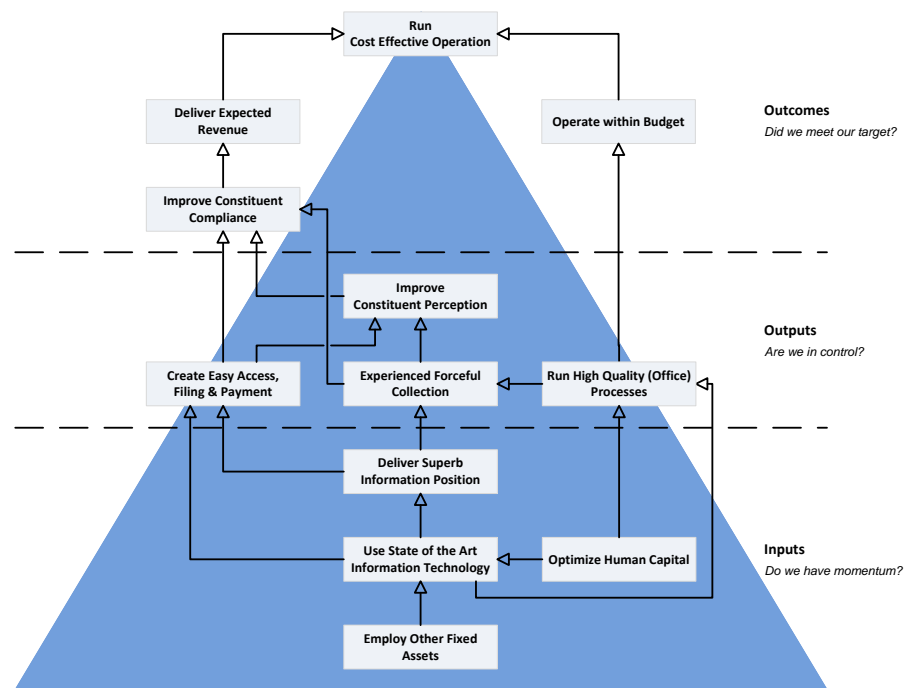
3.1 INTRODUCTION

We shortly discuss a high-level view of our own Performance Reference Model that we use for our generic strategy map. This model finds its origin in the blueprint of the Performance Reference Model built by the FEA³ Program. Then we zoom in on a specific part of the map and discuss why it is important to recognize cause-and-effect relationships and how one objective influences the other.

3.2 PERFORMANCE REFERENCE MODEL

3.2.1 Standardized framework

We use a 'reference model' or standardized framework to measure the performance. Important is to realize that there is a Cause-and-Effect relationship between the outcomes on strategic level and inputs like the allocated staff with the right skill levels, but also the availability and quality of the IT-systems used. Our Performance Reference Model for Tax and Revenue Departments (PRM/TR) articulates that.



Outcomes – These are mission and business-critical results and measured from a taxpayer and local government stakeholder perspective.

³ The Office of Management and Budget's (OMB) Office of E-Government (E-Gov) and Information Technology (IT), with the support of the General Services Administration (GSA) and the Federal Chief Information Officers (CIO) Council, established the Federal Enterprise Architecture (FEA) Program which builds a comprehensive business-driven blueprint of the entire Federal government of the USA. The FEA Program Management Office (PMO), located within OMB's Office of E-Gov and IT, equips OMB and federal agencies with a common language and framework to describe and analyze IT investments, enhance collaboration, and ultimately transform the Federal government. (Consolidated Reference Model version 2.3)

Outputs – These are the direct effects of day-to-day activities and broader processes measured as driven by desired outcomes.

Inputs – These are the Key enablers measured through their contribution to outputs and, by their extension, outcomes.

The PRM/TR attempts to leverage the best of existing approaches to performance measurement in the public and private sectors, including the Balanced Scorecard, Baldrige Criteria⁴, Value Measurement Methodology⁵, program logic models, the Value Chain⁶, and the theory of constraints.

The reference model is structured around Measurement Areas, Measurement Categories, Measurement Groupings, and Measurement Indicators. More details around our reference model can be found in a different white paper.

3.2.2 Cause and Effect relationships

Desired outcomes do not emerge by themselves but are driven from the input level, through the output level to the outcome level of the model. E.g. The combination of motivated and skilled staff, with a supporting IT-system in place that supports the business process, will have a positive impact on e.g. collection case cycle times. If cycle times are short and the collection case is successful (efficient and effective process), revenue will increase at possibly a lower cost. By putting the right metrics in place (and communicating them) staff will be focused on the right objectives and it will drive performance.

Selecting the right metrics related to your objectives and communicating them to your staff will assure you that they stay focused.

3.2.3 Lead and lag indicators

Cause-and-effect also implies there is a relationship among measures. Interesting is to see that often the question of timing arises – when will a measure react to what should be of interest? We can distinguish ‘lead’ and ‘lag’ performance indicators, the performance drivers and outcome measures, i.e. between measures which provide an early warning and those which register the effect after the fact. In the section above staff skill levels is a lead indicator. If staff skill levels (lead indicator) are insufficient the process will probably be executed ineffectively and will not have the desired outcome (e.g. targeted case successful closure (lag indicator) will not be met).

Lag indicators will have you look back, whilst Lead indicators drive future performance.

3.3 STRATEGY MAPPING – TYPICAL MISTAKES

Let us first look at what you need to avoid and are typical mistakes that we have seen with Strategy maps. We will not give you a complete list, but merely discuss some of the common ones and the ones that stand out.

⁴ The main uses of the *Baldrige Criteria for Performance Excellence* are education and organizational self-assessment and self-improvement. These criteria are developed by the Baldrige National Quality Program Office within NIST (the National Institute for Standards and Technology).

⁵ *Value Measuring Methodology* (or VMM) is a tool that helps planners balance both tangible and intangible values when making investment decisions and monitor benefits.

⁶ The *Value Chain*, also known as value chain analysis, is a concept from business management that was first described and popularized by Michael Porter in his 1985 best-seller, *Competitive Advantage: Creating and Sustaining Superior Performance*.

No clear reason for a Strategic objective

The *reason* (or *rationale*) why a Strategic objective is on the map in the first place, is key! We seldom see an excellent Strategic objective disappear from the Strategy map, but after a year it is sometimes hard to understand why a certain objective exists on the map if the reason is not explicitly described.

Objectives without connections to other objectives

A good strategy map shows the *Cause-and-Effect* logic. It tells the story of how the ultimate objective is reached. If there is an objective without a connection to other objectives, then you need to ask yourself the question why that objective is on the Strategy map.

Operational goals

A Strategy map only shows *Strategic objectives*. Yes, there may also be a number of *Operational goals* (we call them goals as they represent things you want to achieve in the short-term, e.g. creating a website for constituents to access their payment history), but these do not belong on a Strategy map. They may be part of a Strategic objective as one of a set of actions to reach that objective.

Too many objectives

On our detailed Strategy map and if you properly cascade the strategy, the rule-of-thumb is to limit the number of objectives to 6-8 per Measurement Area, depending which method you use (Balanced Scorecard can handle 8-10).

It is like managing a department of 100 people. That is not the ideal span-of-control. You will probably use a total of 6 or 7 managers to do that job.

Objective does not equal metric

“Increase taxpayer compliance 25% within a year” is a KPI (it is a mix of an objective, a metric, and a time frame). KPI’s need to be set and one needs to measure if the KPI is met in a certain period of time, but that is a different thing.

Only lagging metrics

A lagging metric will help validate the achievement of the objective. Leading metrics quantify the (critical) success factors and will tell the story on how exactly to achieve the objective. Compare it with driving your car from place A to place B, 800 miles in an unknown country. You will probably be more successful if you know that if it is through a desert, that you have a 4-wheel drive, enough water and food, petrol, and a navigation system that is working 24/7, amongst others.

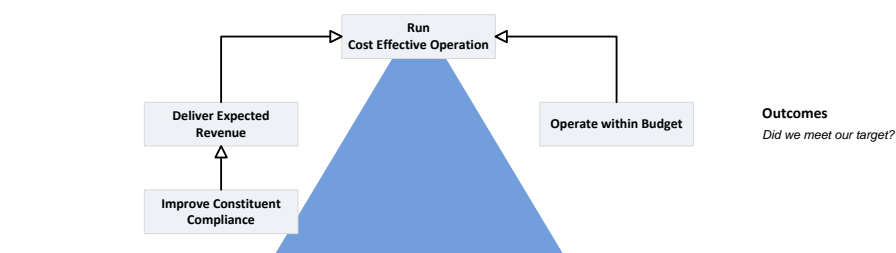
3.4 WHAT IS ON A STRATEGY MAP

The Strategy map tells the story of how the (ultimate) outcomes are reached. And, based on our PRM/TR, for a TRD of local government that ultimate outcome is running a *Cost-Effective operation*.

In the sections below, we will take you through that story and then take a closer look at a specific part of the map and discuss Cause-and-Effect relationships, KPIs, and lead and lag indicators.

3.4.1 Outcomes

Outcomes are the mission, vision and business-critical results and measured from a constituent and local government stakeholder perspective.

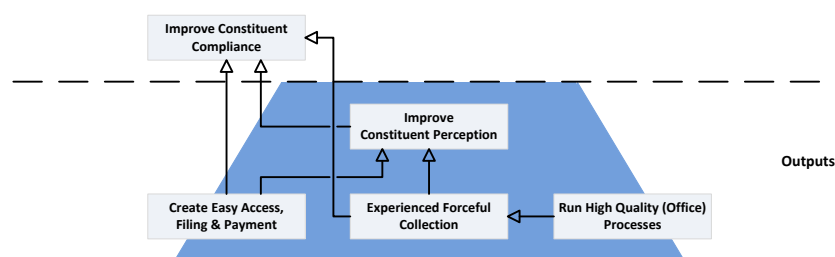


In local government it is not about increasing shareholder value or making a profit, it is about running a *Cost-Effective Operation*. A cost-effective operation is achieved by delivering the *Expected Revenue* (from taxation of the constituents) and at the same time to *Operate within (agreed) Budget*. *Expected Revenue* is delivered by *Compliant Constituents*.

If Constituents are compliant (enough) it will deliver the expected revenue. Hence, there is a cause-and-effect relationship between the *Expected Revenue* objective and the *Compliant Constituents* objective. Non-compliance can lead to not delivering the expected revenue. Which will in its turn not contribute to running a cost-effective operation. The *Constituent Compliance* objective is a result of activities in the “operations of the business”.

3.4.2 Outputs

Outputs are the direct effects of day-to-day activities and broader processes measured as driven by desired outcomes.



There are 3 objectives that have a direct influence on improvement of *Constituent Compliance*: *Constituent perception*, *Easy Access, Filing and Payment* and *Forceful Collection*. The Strategic objectives *Easy Access, Filing and Payment* and *Forceful Collection* also influence *Constituent perception*. The above is a depiction of the assumption that by:

1. improving access to services and information; and
2. reducing the cost and effort of voluntary compliance; and
3. making it easier and less stressful to interact with the TRD; and
4. being able to adapt quickly to the changing demands of the constituents and the legislation;

while non-compliance will be dealt with intensified collection measures by:

5. interest and (high) penalties; and

- 6. seizure of property and other assets; and
- 7. lawsuits;

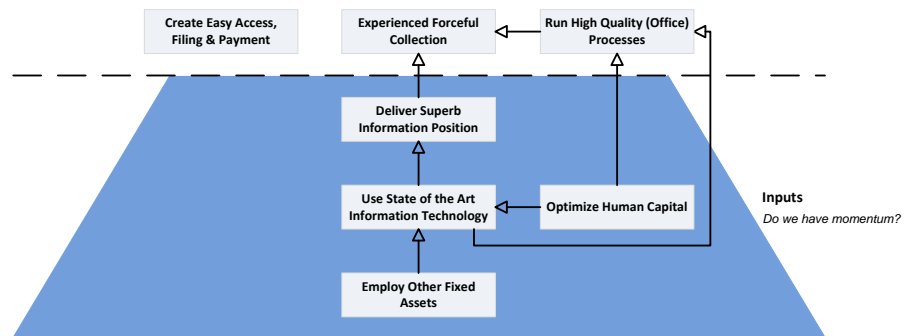
it:

- a. improves the image and standing of the TRD in the eyes of the constituents; and
- b. leads to improved compliance and better collections.

In our work we use a Compliance Strategy Model developed and advised by the OECD⁷ to have a more matured view on influences on taxpayer behavior. In another white paper we discuss how the OECD’s Compliance Strategy Model helps us to improve the TRD’s position in combating fraud.

3.4.3 Inputs

Inputs – These are the Key enablers measured through their contribution to outputs and, by their extension, outcomes.



In our example we focus on Experienced Forceful Collection. There are 3 Strategic objectives that directly influence *Experienced Forceful Collection*.

When you have a *Superb Information Position*, because your base and transactional data is up-to-date, and the use of *State-of-the-art Information Technology* by skilled and motivated staff (*Optimize Human Capital*), and you are able to run your business processes efficiently and effectively (*Run High Quality (Office) Processes*), it means that you can execute your collection processes effectively. The premise then is that constituents will experience the collection as being forceful.


The strategic objective that “delivers” skilled and motivated staff directly influences running your processes and in this case execution of the collection process.

3.5 KEY STEPS TO CREATING A STRATEGY MAP

The process of creating a professional Strategy map takes time and effort and needs many falsification sessions, where you try and invalidate the map. As soon as “the story” the Strategy map tells you holds, you are good to go. You need to take the following steps:

⁷ The Organisation for Economic Co-operation and Development is an intergovernmental economic organization with 37 member countries, founded in 1961 to stimulate economic progress and world trade.

1. Be clear and write down as a TRD answers on questions like: what you are and is expected of you? Where do you need to be in 5 years from now as a department? This needs also to be in line with the main objectives of the municipality. What are my values? E.g.:
 Is it obvious for you as a TRD that employees are helpful and service oriented and they assume constituents / taxpayers are of good faith?
 It is also obvious that you, as a TRD, put stakes in the ground and will act in a correcting manner as needed. Conscientious taxpayers, who observe the law, must be able to trust that those who are not, are being dealt with, truly and effectively. Therefore, your TRD in general has 3 base values:
 - *Credibility*: a TRD takes its task seriously and sticks to its agreements made;
 - *Responsibility*: a TRD acts responsibly with the powers conferred and is also prepared to give account;
 - *Conscientiousness*: a TRD treats each and every one with respect and considers everyone's expectations, rights, and interests.
2. Understand what type of Strategic objectives go at each level of the map: Inputs, Outputs and Outcomes
3. What are the Strategic priorities? In all honesty, a TRD has 2 main goals that will lead to their ultimate objective (*Cost effective operation*) and those are: *Improve constituent compliance* and *Improve business operations*. More on this in the next chapter.
4. Create the story, in how to reach the ultimate objective, and define the Strategic objectives that you need to accomplish in order to do so. The importance here is that there must be cause-and-effect connections between the goals. Be aware that, although the arrows go from bottom to top, the logic goes from top to bottom as the objectives from lower parts on the map explain how you plan to achieve the objectives in the upper part.
5. Clearly describe a set of reasons (Rationale) why this very objective has been picked. It will later help you still understand why the objective is there and why it was important in the first place.

Strategic Objective	Deliver Expected Revenue 
Description	<p>This Strategic objective logically relates to realizing the targeted revenue that the Tax and Revenue Department agreed to deliver to the Municipal Chief Financial Officer</p> <p><i>Indicators</i></p> <ul style="list-style-type: none"> Gross Revenue (period) <p>This metric represents the amount of revenue in this period. It will not be measured at the end of the year alone, but will be measured monthly and will indicate (give a prognosis) of realization of the objective. It will be combined with the <i>Gross Accumulative Revenue Indicator</i>.</p> <ul style="list-style-type: none"> Gross Accumulative Revenue <p>This metric represents the total amount of revenue in this financial year including the latest closed period.</p> <p><i>Initiative or action plan</i></p> <p>Because financial objectives are the final result of internally taken actions, no direct initiatives will be related.</p> <p><i>Prerequisites</i></p> <p>The prerequisites for realizing financial objectives have been translated into objectives regarding Process, Technology, People and other Assets.</p>
	Close

6. You can only determine if you are well underway reaching a target, set for a Strategic objective, by first setting *Target values* and then measuring them. There are 2 types of measures you need to consider: Leading metrics and Lagging Metrics, or (*Lead Indicators* and *Lag Indicators*). In the next chapter we will give you an example of a Strategic objective, the process that is put in place and the measurements defined in order to track accomplishment of the ultimate goal.
7. If you think, this is all the work, then you are wrong! A Strategy needs to be executed and that means coming to Action. Therefore, *Initiatives* need to be defined. Initiatives are the high-level action plans that explain how the strategy will be executed.
8. Cascading the Strategy map is of ultimate importance. In our example, we have defined a cascaded Strategy map. On municipal level there must be a top level one with a top-level strategy of the municipal organization. Also, the other departments also need to focus on different parts of that strategy, creating local versions of the strategy with more specific objectives and indicators.

4 Selecting Key measures

4.1 INTRODUCTION

Management on Strategic level do different things and need different information than management on a Tactical or Operational level. The frequency and level of detail also differs. Putting the right mixture of measures in place drives the right staff focus for the right staff levels. That means that things that staff do, will impact successful realization of strategic objectives.

Specific indicators (algorithms of measurements, ratios, or calculated indexes) might apply in order to support a specific *Strategic theme*⁸ or project started, because of an action to improve performance in a certain area.

In the PRM/TR model you will find 2 types of strategies:

- Strategies that focus on e.g. compliance, service, and operations priorities. These strategies are mainly found in the ‘Outputs’ section of the model.
- Strategies that focus on enhancing capabilities to support and enable these priorities. These strategies are found in the ‘Inputs’ section of the model.

Strategies highly influence operational decisions. Success can be measured on all levels but counts in the ‘Outcomes’ section of the model.

From a Local Government stakeholder financial perspective, bottom line, we will find 2 major objectives:

- *Maximize Tax Revenue*: the target for a TRD is that it must levy the full 100% of taxes that can be levied and collect the full 100% of these taxes levied. In practice these targets will be set lower.
- *Minimize Operational Costs*: the costs of implementing *Laws* and *Policies* and levying and collecting taxes must be kept within the budgets or better.

This stakeholder expects optimal quality against as little as possible costs. This is achieved through *Operational Excellence*. The operational strategy is *Increase Productivity*.

In a TRD, Operational Excellence results in continuous improvement throughout the department, reaching a pinnacle in the execution of business processes, by focusing on the needs of the stakeholders, empowering staff, and optimizing existing activities in the process, through leadership, teamwork, flexibility, and cutting-edge technology.

All organizations collect some type of data, Tax and Revenue Departments too. How can Tax and Revenue Departments make sure that they are measuring the right variables that will ensure success both now and in the future? Important is that a mixture of measures should be used that focus on the past, present and the

There is a challenge to balance maximization of revenue and minimization of costs. Operational Excellence is a strategy mostly found in an environment where cost effectiveness is key.

⁸ To support a Vision, *Critical Success Factors* are defined, and *Strategies (Strategic Themes)* are developed to map out what needs to be done in order to make that desired future a reality. Examples of strategic themes are e.g. ‘Maintain Taxpayer Compliance Levels’, ‘Increase Taxpayer Service Experience’, and ‘Improve Operations’.

future. These measures need to consider the needs of the constituent / taxpayer, the shareholders (government) and staff.

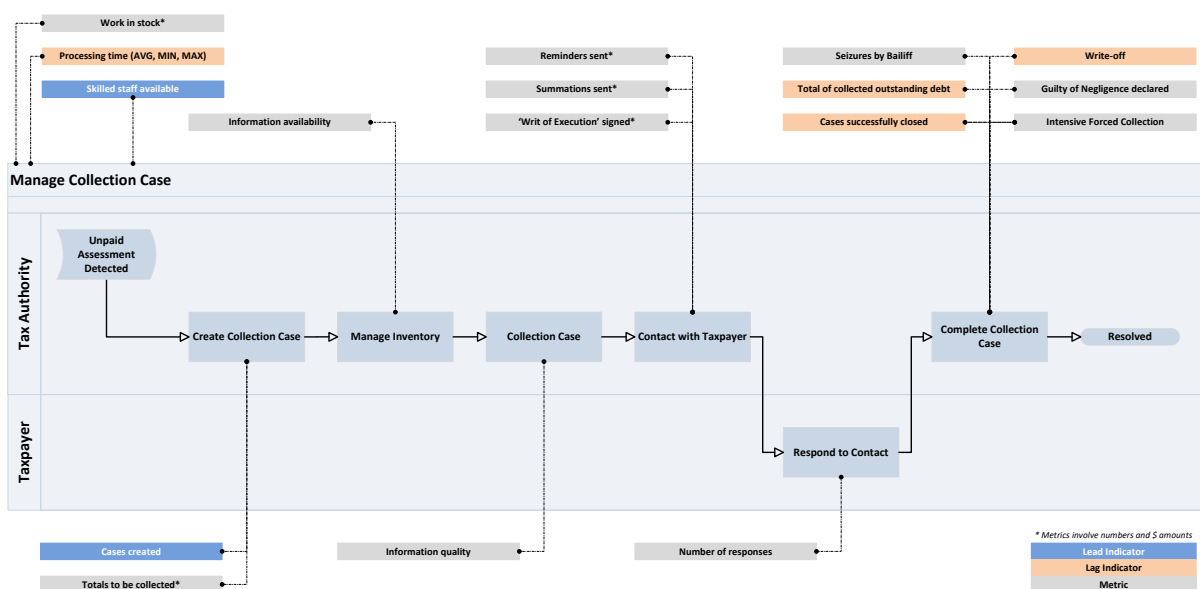
One of the basic pitfalls is trying to track everything that may be of importance. Selecting the vital few key measures from the wide array of metrics turns out to be, time and time again, a difficult task.

4.2 MANAGE COLLECTION CASE EXAMPLE

We discuss how metrics in the Collection process are used to determine if two Strategic objectives can be reached: *Run high quality office processes* and *Experienced forceful collection*. This is Cause-and-Effect relationships in action.

The Taxpayer Accounting process identifies Accounts Receivables and generates the required bills, based on the legal requirement for the taxpayer to receive proper notification of a liability and is allowed to respond or pay in full. If payment is not received prior to a 'Final Notice' or 'Demand', the accounts receivable progresses to a delinquent status and the 'Collection process' begins. Delinquent cases are selected for collection. Enforced collection begins when the taxpayer fails to resolve the delinquency and collection enforcement tools are required (levy, lien, or seizure of assets).

With proper authority, the *Collection Case Worker* may initiate several specific actions within the process. The next figure details in steps how the *Collection Case* is managed. The flow is modeled at the first level. A process step like "Contact with Taxpayer" this is a repetitive step (modeled at a lower level) until the taxpayer reacts and pays or reacts and refuses to pay or does not react at all within a certain time frame.



Possible (Key) Performance Indicators⁹ and Measures are linked to individual process steps.

⁹ Key Performance Indicators (KPIs) are financial and non-financial metrics used to help an organization define and measure progress toward organizational goals.

4.2.1 Measures

The strategy formulates a response to taxpayer behavior (Increase compliant behavior). It must combine proactive measures to support and enable self-management and activities to enforce compliance and deter non-compliance.

In the example flow above, 6 high-level process steps have been identified each with a set of specific metrics. In the picture, we distinct Metrics, Lead Indicators and Lag Indicators.

Not all measures / metrics are Key Performance Indicators that will end up as a metric for a Strategic objective, but discussion about these measures on lower levels of the department, drives staff behavior, and tells a story about efficiency and effectiveness. For 3 levels of Management different measures are relevant.

A good mixture of metrics on Operational level is a combination of quantity and quality metrics e.g.:

- Number of collection cases started (cases are tagged on a level of difficulty).
- Number of collection cases successfully closed (e.g. 78% of the individual debt collected).
- Total of collected outstanding debt.
- Total amount written off (also needed for strategic level).

On a tactical level metrics are e.g.:

- Productivity levels: Average throughput time (total of the cycle times divided by the number of requests) per employee.
- Rework time (influences taxpayer service experience and also productivity levels).
- Total of collected outstanding debt.
- Total amount of write-off.
- Average time spent on a case.
- Number of staff / staff availability.
- Total cost of the process.
- Number of audit case workers followed training on knowledge increase (Lead indicator).
- Number of audit case workers followed training on increasing service levels (Lead indicator).
- Staff skill levels (Lead indicator).

On a strategic level management is interested in:

- Total amount collected.
- Total amount of write-off.

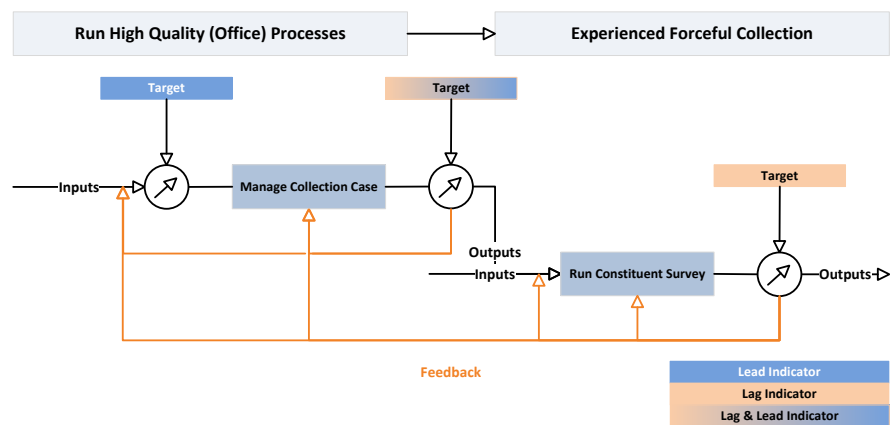
4.2.2 Key Performance Indicators

A lead indicator is having collection case workers follow training which will increase their competencies and 'service mindedness' and the number of cases created.

The lag indicators are the number of collection cases successfully closed, total of the collected outstanding debt and the total of amount that has been written off. An overall lag indicator is the Processing time, that indicates efficiency.

4.2.3 Link of KPIs to Strategic Objectives

Strategic objectives are linked, like the High-Quality Office Processes and Experienced Forceful Collection. There are Lead indicators that give a (better) prediction of the result of that objective, and Lag indicators that detail information about the results. The simplest example for this is, to take a closer look at the Collection process that in our example is linked to the *Run High Quality (Office) Processes* and therefore to the *Experienced Forceful Collection* Strategic objective.



In the straightforward example above, you will notice that a Lag indicator of the Manage Collection Case process is the Lead indicator for a Constituent Survey that also ties and measure if constituents experience Collection activities to be forceful.

- Lead indicator for the Manage Collection Case process – Number of collection cases started (cases are tagged on a level of difficulty).
- Lag indicator for the whole process – Number of collection cases successfully closed (e.g. 78% of the individual debt collected).
- Lead indicator for the Survey – Number of collection cases successfully closed (e.g. 78% of the individual debt collected). The Survey approaches constituents that have experience with the collection process, and others that have heard about experiences with the collection process.
- Lag indicator for the Survey – Number of constituents that agree that the Collection process is forceful. (There can be a combination of multiple metrics that indicate this outcome, but this is just a simple example).

The feedback loop that is provided enables staff to undertake actions in an early stage if outcomes are not according to plan. Deeper analysis of other (operational metrics) can hint improvements (e.g. Information quality is low and must be improved with the intention to close more cases successfully)

5 Conclusion

5.1 FINDINGS

A well-constructed Strategy map can help optimize the efforts of a Tax and Revenue Department to become more efficient and effective (in levying collecting revenue).

Clearly defined Objectives, communicated throughout the organization, help to operate as one team and with one voice. If staff feels connected with and responsible for these (individual) objectives, and they can influence the results, the ultimate objective is reached. There are 2 more prerequisites: Climate for action and a safe and open working environment where feedback is appreciated.

5.2 RECOMMENDATIONS

When you consider introducing and using Strategy maps in your TRD, it is important that you *organize buy-in from the higher levels of the municipality*. Better still, make sure that your Strategy map is in line with a Strategy map created on that level.

Take enough time to think through Strategic objectives and Strategic themes and how these are related; what effect does one objective have on the other? And, on our detailed Strategy map and if you properly cascade the strategy, the rule-of-thumb is to limit the number of Strategic objectives to 6-8 per Measurement Area (18-24 in total).

Limit the number of metrics to only those that really matter (KPI only) and help you underpin in your story why you are successful and where you need to improve. Bad results in the Outcome Measurements area (almost always) originate from a lower level, either something in the business process area (Output), or the Input area (low skilled staff, or not motivated, outdated IT, no funds, etc.)



Strategy maps

February 2021

Authors: J.H. Beck, H. ten Broeke

All Government Matters B.V.
Bloemendaalseweg 75
2803 AW Gouda
The Netherlands

Worldwide Inquiries:
info@allgovmatters.com

Visit:
www.allgovmatters.com

Copyright © 2021, All Government Matters B.V. and/or its affiliates. All rights reserved.

This document is provided for information purposes only, and the contents hereof are subject to change without notice. This document is not warranted to be error-free, nor subject to any other warranties or conditions, whether expressed orally or implied in law, including implied warranties and conditions of merchantability or fitness for a particular purpose. We specifically disclaim any liability with respect to this document, and no contractual obligations are formed either directly or indirectly by this document. This document may not be reproduced or transmitted in any form or by any means, electronic or mechanical, for any purpose, without our prior written permission.

0221