

## Mecklenburg County, North Carolina

### The Situation

Mecklenburg County is the largest county in North Carolina and the most urban. The county, which includes the city of Charlotte, has approximately 969,000 residents and the population continues to grow at about 3 percent a year.

In the late 1990's and early 2000's, Mecklenburg County was in flux, with the political majority of the board of county commissioners changing after every two-year election cycle. The community and County staff suffered from rapidly changing priorities after every election. One political majority believed the county government could be all things to all people and should provide many services, no matter the cost; the other believed that there is never a good reason to raise taxes no matter how many services must be cut. Changes in the elected majority were accompanied by swings in political priorities, resulting in drastic changes in the County's budget priorities and decisions.

In previous budget cycles, the elected officials and senior managers had sometimes chosen to make across-the-board cuts to all programs when the County needed to reduce its budget. While this is a relatively quick solution, the unintended consequence is that higher priority and better performing services are cut, sometimes more deeply, than lower priority and lower performing services. Mecklenburg County had also tried other standard budget cutting techniques such as the elimination of vacant positions, with the intention of protecting the jobs of current workers. However, this approach can have the unintended consequence of cutting vital jobs simply because of the timing of the vacancy. For example, one-year Mecklenburg County happened to have several vacant jobs in the customer service section of Tax Collector's Office (OTC), so these jobs were eliminated to balance the budget. However, during a property tax revaluation, the OTC was overwhelmed by the workload and was unable to process tax payments – the very tax payments that

*The Institute Way* provided Mecklenburg County as well as the public with an approach that is more transparent, responsible, sustainable, and accountable to considering choices and consequences. As a result, it has focused all parties on results.

were a much-needed source of funding for the cash-strapped County. In retrospect, it was clear that cutting these vital positions simply because they were vacant was a poor strategy.

In late spring 2001, the Board of County Commissioners for Mecklenburg County, North Carolina, had adopted a long-term vision for the community. The 500-word description painted a vivid picture of the future and was summed up with the tagline: "In 2015, Mecklenburg County will be a community of pride and choice for people to LIVE, WORK and RECREATE."

County Manager, Harry Jones, who had been appointed to his role eight months earlier, was charged with guiding the County to this vision. But Jones recognized that County lacked a stable and sustainable approach to achieving the vision and it had no consistent model for making funding decisions based on priorities and assessing the bigger impact of those decisions.

As one of his first acts as County Manager, Jones decided the County needed to develop a model and structure for decision making that could be sustained regardless of economic conditions or political ideology. At the time, he had no way of predicting the long-term impact of this decision but the system he implemented led to break-through performance toward achieving the County's vision and the framework is, to this day, in use at Mecklenburg County. It is an integral part of how the County is managed and has become a model for other municipal governments around the country.

<https://www.youtube.com/watch?v=loRlwklfIIE>

## The Decision

Having an elected board reach consensus on the vision for the community was challenging. Translating that vision into action using a sustainable framework and system would require even more negotiation and agreement. This stark reality led Jones to first outline a sustainable cycle of strategic activities based on a set of defined principles. The key criteria for the cycle was that it be a sustainable, comprehensive approach to planning, budgeting, performing, measuring and evaluating for results (i.e., managing for results). The agreed-upon cycle had five components, depicted in Figure 1.

Because this approach represented a new way of doing business, Mecklenburg County decided that there needed to be clear differences between this new approach and previous management methods. To do this, Jones established six Transformation Principles that would define and distinguish the Managing for Results approach, particularly in the context of funding decisions.

These six Transformation Principles were:

- Understandable – Being transparent and clear in decision making and reporting results
- Responsible – Being responsive to the needs of the community and proactive in preventing community problems
- Sustainable – Maintaining momentum in addressing long-term needs
- Affordable – Operating within the financial means of the community
- Choices & Consequences – Identifying all viable options and making informed decisions based on objective evaluation of projected outcomes
- Accountable – Focusing on results and being accountable for decisions

While considering how to institutionalize this sustainable framework and system, several Board Members who were familiar with the Balanced Scorecard asked Jones to explore the methodology. John McGillicuddy, General Manager for Mecklenburg County Government, gathered more information about the Balanced Scorecard by attending a conference at which Howard Rohm was speaking about the Institute Way. McGillicuddy felt that this framework would meet the County's needs and in his subsequent report to the County Manager and the Board, he recommended the Balanced Scorecard but also emphasized that this would be a significant change initiative for the organization.

The County Manager and Board committed to the concept of the new framework, which was named Managing for Results (M4R). This framework would be centered on making data-driven decisions based on objective measurement of results achieved, using the Balanced Scorecard as the primary performance management tool. Shortly thereafter, the Balanced Scorecard Institute was selected to facilitate the process.



Figure 1: Mecklenburg County M4R Cycle

## Program Launch: Sponsorship and Engaged Leadership

In addition to the leadership of Jones, the immense buy-in from the elected board was a critical success factor in the development and adoption of M4R. The board established the vision, the board adopted the Community and Corporate Scorecard, the board was very involved in a strategic review of all county-funded programs, the board conducted priority setting, and ultimately, the board began making funding decisions based on all these factors. While M4R hasn't removed political decision making completely, it has provided a more transparent process, and one that allows more stability and sustainability in planning, budgeting and managing services in alignment with the County's vision.

## Program Launch: Communication and Change Management

In 2001, to introduce the M4R philosophy and the concept of balanced scorecard to the organization, Mecklenburg County's Public Service & Information Department developed an internal communications campaign that began to build the brand of M4R as "good government." This began with erecting signs and posters with the message of: M4R = G2. This mysterious equation simply appeared in all Mecklenburg county office buildings without any additional explanation for more than two weeks. This generated significant word-of-mouth "buzz" and speculation among employees as to the meaning. Subsequently, clarification was provided to employees at a time when they were most interested in listening and learning what this was all about. The impact of this approach was greater awareness of the new concept called Managing for Results and an early understanding of the purpose of M4R.



In 2002, the messaging was expanded with the creation of an M4R logo that has remained constant. This logo design coincided with the decision to use the traffic light as the icon for M4R and the use of green, yellow and red lights to signify the level of performance results (a green light means the 2015 goals has been attained; a yellow light indicates performance is mixed; a red light means performance is below the acceptable threshold). Later, a gray light was added to indicate when a

performance measure was under development and/or when data were not available to report performance (usually coinciding with a baseline year).

While creating a brand including a logo may seem relatively trivial to articulating a vision or creating a scorecard and establishing priorities, it remains an important element to success for Mecklenburg. Developing awareness of M4R and the balanced scorecard, particularly internally, is crucial to being transparent and having a sustainable approach to performance management. This branding and marketing of the brand enables all stakeholders (the Board, county staff, customers, taxpayers) to have a consistent understanding for the basis for decision making and the objectives being sought. This consistency is the foundation of an effective M4R cycle.

## Program Launch: Plan the Project

Institute facilitators assessed the organizational dynamics at Mecklenburg County government prior to the formal process kickoff. This assessment helped the team to identify the best tools and techniques to ensure equal participation from all members of the County's Senior Management Team (SMT).

The core team consisted of John McGillicuddy as the Project Champion, Harry Jones as the Executive Champion, and a Senior Management Team (SMT) comprised of Department Heads from across the County's government.

In order to institutionalize the *Nine Steps to Success*<sup>™</sup>, Institute facilitators trained the SMT on each step of the process and facilitated working sessions to build out the appropriate scorecard components and reinforce the training

## Step 1: Assessment

During the first workshop, the SMT developed a SWOT Analysis (shown in Table 1). The purpose of the analysis was to identify the strengths and opportunities the County could leverage to achieve its vision. The discussion around perceived weaknesses and threats was just as important in that the agreed upon assessment of internal and external challenges helped the team to set realistic and sustainable strategic objectives later in the process. In fact, the results of the SWOT analysis were referred to several times over the course of the scorecard development process and were used to frame many discussions.

Next, the SMT identified the County’s customers and stakeholders. Mecklenburg County defined primary customers as recipients of actual services as well as those who are eligible to receive services. Stakeholders included taxpayers and other residents in the community.

The Board of County Commissioners had created the new vision prior to the Balanced Scorecard being chosen as the framework to translate the vision into action. The vision, which included both a timeframe and a desired picture of the future, was revalidated and its tagline: “In 2015, Mecklenburg County will be a community of pride and choice for people to LIVE, WORK and RECREATE” was adopted.

A mission statement which defined the county government’s purpose was created: “To serve Mecklenburg County residents by helping improve their lives and community.”

The SMT also developed Core Values and further clarified actions associated with each value by articulating as set of Guiding Principles (See Table 2).

## Step 2: Strategy

The SMT began by analyzing the major elements of the Board’s 2015 vision. They concluded there were 14 key elements contained within the vision. Through a process facilitated by the Institute, these leaders grouped the 14 elements into four broad categories, which they called focus areas (e.g., strategic themes). The four focus areas and the respective key elements are shown in Table 3.

The County leaders developed recommended strategies as the “theory of action” to achieve results in each Focus Area. It was through this participative process that Mecklenburg County’s key leaders began to decompose the Board’s vision of the desired future into an actionable strategy.

Table 1: Mecklenburg County Government SWOT Analysis

Enablers	Challenges
<b>Strengths</b> <ul style="list-style-type: none"> <li>Strong reputation</li> <li>Competent people, stable workforce, institutional knowledge</li> <li>People want to be the best subject matter experts in their areas</li> </ul>	<b>Weaknesses</b> <ul style="list-style-type: none"> <li>Operating silos</li> <li>Competing agendas (funding needs)</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>Be more strategic in decision making</li> <li>Elected board owned strategic plan</li> <li>Consistent approach to evaluating performance and decision making (everyone on the same page; cohesive, comprehensive, global set of goals)</li> </ul>	<ul style="list-style-type: none"> <li>No option to fail</li> <li>History of “flavor of the month” planning</li> <li>Risk-volatility of elected body (significant shift in political views every 2 years; likelihood of derailing program)</li> </ul>

Table 2: Mecklenburg County Government Core Values

Core Values	Guiding Principles
Ethics	We work with integrity
Customers	We serve our customers with courtesy and respect
Employees	We recognize employees as our most important resource
Excellence	We invest in learning and improving
Teams	We work as a team, respecting each other
Accountability	We focus on results



The Board’s Vision 2015 is a vision for the community rather than merely a vision for the government organization. It reflects the dual accountability of the elected Board of County Commissioners. The first accountability is to establish and strive for goals as leaders of the community. The second accountability is to set the policy (goals and standards) for the operation of Mecklenburg as a government agency unit serving the community. For this reason, Mecklenburg’s scorecard is called the Community & Corporate Scorecard. And this duality was considered when establishing the scorecard’s perspective names and sequencing.

**Table 3: Mecklenburg County Government Focus Areas**

Focus Area	Key Objective Elements
Community Health and Safety	<ul style="list-style-type: none"> <li>• Community health</li> <li>• Community safety</li> <li>• Senior citizens</li> </ul>
Social, Education and Economic Opportunity	<ul style="list-style-type: none"> <li>• Celebrate diversity</li> <li>• Education and literacy</li> <li>• Arts and cultural activity</li> <li>• Affordable Housing</li> </ul>
Growth Management and Environment	<ul style="list-style-type: none"> <li>• Preserve history and landmarks</li> <li>• Protect natural resources</li> <li>• Economic development</li> <li>• Transportation and transit</li> <li>• Parks and open space</li> </ul>
Effective and Efficient Government	<ul style="list-style-type: none"> <li>• Responsible, accountable and inclusive stewardship</li> <li>• Community partnerships</li> </ul>

Mecklenburg County changed only one perspective name. They changed Learning & Growth to “Employee and Organizational Capacity” to signify “the role employees play as a primary source of innovation and creativity that drives performance improvements.”

Trying to determine the order of the perspectives proved to be a challenge. The County felt the relationship of the perspectives was circular instead of linear. As the process progressed with first identifying the objectives and then linking the objectives together in a strategy map, the order of perspectives came into focus. The Customer & Stakeholder Perspective was put on top, followed by Internal Business Processes, Financial, and Employee & Organizational Capacity. Table 4 shows Mecklenburg’s perspective names and definitions.

**Table 4: Mecklenburg County Government Perspectives**

Perspective	Commentary
Customer & Stakeholders	<i>How do we look through the eyes of our customers and stakeholders?</i>
Internal Business Processes	<i>In what processes do we need to excel?</i>
Financial	<i>How do we control costs, maximize available revenue, and manage public assets?</i>
Employee & Organizational Capacity	<i>How do we learn, innovate, and improve?</i>

### Step 3: Strategic Objectives

One of the reasons Mecklenburg County selected the Institute’s *Nine Steps to Success™* was the flexibility of the process. Mecklenburg chose to use the term “Focus Areas” to refer to their Strategic Themes and they used the term “Desired Results” instead of the term “Strategic Objectives.” For example, under the “Effective and Efficient Government” Focus Area, “Increase Citizen Awareness of County Responsibilities, Services, & Results” is a Desired Result.

The duality of the vision and resultant Community and Corporate Scorecard manifested itself in the distinction between Desired Results for which the government unit is the primary service provider, and Desired Results for the Community for which others are the primary provider of service. Even though some Desired Results are not under the immediate control of the County as the key service provider, the Desired Results are still integral to achieving the

vision. For example, the Desired Result “Increase Literacy & Workforce Development” is important to the “Social, Education & Economic Opportunity” Focus Area.

The Desired Results, over which the County has only partial influence or control (all in the Customer & Stakeholder Perspective), are denoted by a dotted line although there is no difference in the level of importance or emphasis on these two types of goals in terms of accountability. The Board is accountable for all the Desired Results on its Community & Corporate Scorecard.

## Step 4: Strategy Mapping

Strategic Theme Teams of 8-9 Senior Managers first developed the list of Desired Results for each Focus Area and then created strategy maps to show the linkages between the Desired Results. Drawing connection points between them helped the teams understand the cause-and-effect linkages.

Synthesizing these four maps into one Community and Corporate Scorecard (shown in Figure 2) involved a lot of discussion, but the SMT always went back to the mission and vision to drive their decisions. The final Community and Corporate Scorecard included 25 Desired Results (the current scorecard has 21); however, the County was not and is not the primary service provider for six of these Desired Results. Mecklenburg County included notations – through the use of dotted versus solid lines in the graphic representation– where the county government organization is not the primary service provider. This subtle indicator is not intended to deflect or defer accountability. Instead it is an example of seeking to be transparent about the role of Mecklenburg County government and its strategy of developing partnerships to achieve community goals. Having a map showing the linkages is a powerful tool for the County to share with its partners who do serve as the primary service providers for those six objectives.

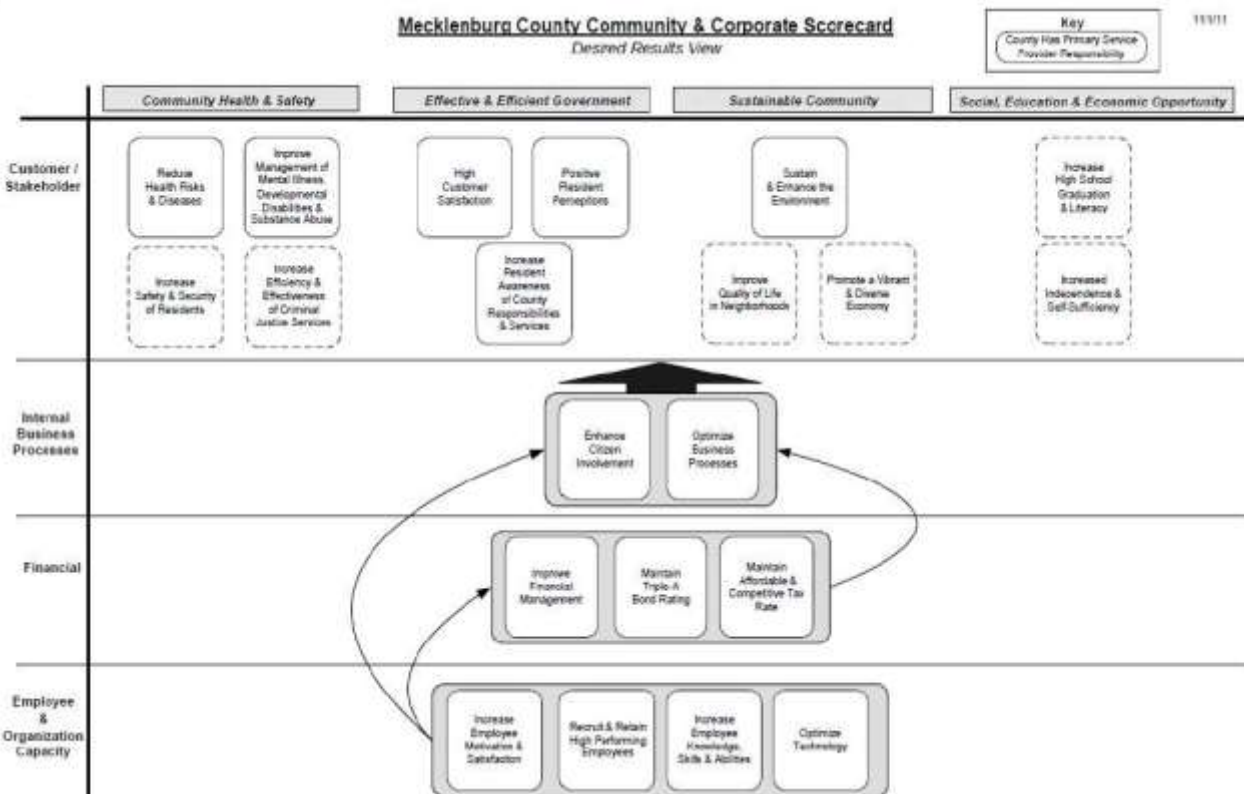


Figure 2: Mecklenburg County Strategy Map

## Step 5: Performance Measures

Many of Mecklenburg County’s “lessons learned” that they share with other balanced scorecard users is that having pertinent data is important in making quality decisions and therefore, the initial performance measures will change over time. Sometimes the issue is data availability. Sometimes the team will realize that the measure does not actually correlate with the outcome desired. Measurement is an iterative process. One team member said, “Few measures are perfect indicators of performance.”

With some Desired Results, such as customer satisfaction, it was relatively easy to determine the appropriate measure (i.e., customer satisfaction with services), and to decide on a data collection method (satisfaction survey). Other results require more thought in terms of determining either the right measure or how data could be gathered cost-effectively.

As Mecklenburg County went through the process of determining performance measures and data collection methods, some measures involved trial and error. In one example, Mecklenburg County’s Desired Result is to have a workforce representative of the community it serves. However, when trying to determine the best measure, county staff confronted significant problems. The County had difficulty matching US Labor Department data on the availability of workers in various job categories to Mecklenburg County’s established job categories. Unable to find data for the perfect measure, Mecklenburg County went forward with an alternate performance measure and data gathering methodology for this desired result. When the annual performance report revealed the results, the Board, the county manager and department directors all objected, saying the measure and data were misleading and therefore not useful. Although this sent County staff back to the drawing board, the real outcome was that the experience stimulated new attention and discussion of the Desired Result. According to team members, “The Mecklenburg experience is that sometimes the best way to determine the right measure and most effective data collection method is to fail and try again.”

The key to measure alignment is to stay focused on the intent of the objective which Mecklenburg does via its documentation process (See Figure 3). Step 6: Strategic Initiatives

<b>Focus Area:</b>	<b>COMMUNITY HEALTH &amp; SAFETY</b>
<b>Focus Area Goal:</b>	<i>Make our community healthier and safer</i>
<b>Desired Result:</b>	<b>Increase Safety &amp; Security of Residents</b>
<b>Strategies:</b>	<p>S1: Provide a safe community to all citizens through intervention programs, with a focus on preventing the re-occurrence of abuse and neglect against children and disabled adults</p> <p>S2: Mitigate the effects of abuse</p>
<b>Measures:</b>	<p>M1: Child Abuse Rate *</p> <p>M2: Disabled Adult Abuse &amp; Neglect Rate *</p> <p>M3: Domestic Violence Index</p> <p>M4: Domestic Violence Index</p> <p>M5: Violent Crime Rate</p> <p style="text-align: right;"><i>* tracking purpose only</i></p>

Figure 3: Mecklenburg County Measure Alignment

Mecklenburg County uses a very structured approach to defining and prioritizing initiatives. First, they create a matrix of existing programs on one axis and Desired Results on the other axis. Next, they assess the impact of each program on each of the Desired Results based on three criteria, which were established by the Board:

- Relevance – To what degree should Mecklenburg County be in this business?
- Performance – What results are being achieved
- Efficiency – How efficient is the use of public funds in providing services?

Services and Programs are now also prioritized using this approach.

In 2003, the state reduced funding by \$25 million and the Board decided not to replace these funds with an optional sales tax. Instead, the Board wanted to review every county-funded program. However, the Board did not want to see the programs by department; instead it wanted to see the programs based on how they were linked to the scorecard Desired Results. This required the staff to re-slice and realign every county program and service to one of the scorecard Desired Results. This was the very first time the Board, the public, and the County Manager could transparently see what each program and service was intended to achieve.

To accomplish this, the County staff recalculated and realigned the budget and performance data manually according to the scorecard Desired Results (the County has since implemented a budgeting system that organizes program and service budgets according to Focus Areas and Desired Results). The County’s 267 separate services were grouped into 50 program categories (See Figure 4).

*Example*

<b>Focus Area:</b>	<b>COMMUNITY HEALTH &amp; SAFETY</b>
<b>Focus Area Goal:</b>	<b>Make our community healthier and safer</b>
<b>Desired Result:</b>	<b>Increase Efficiency &amp; Effectiveness of Criminal Justice Services</b>

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<b>Program Category:</b>	<b>Jails &amp; Detention Facilities</b>
<b>Business Strategy:</b>	Operate secure jail and detention facilities using trained and certified personnel, emphasizing direct supervision and providing rehabilitation services
<b>Services:</b>	<ul style="list-style-type: none"> <li>• <b>Aftercare Family &amp; Support (OSA)</b></li> <li>• <b>Detention Services (SHF)</b></li> <li>• <b>Gatling Juvenile Detention Facility (SHF)</b></li> <li>• <b>Jail Diversion (AMH)</b></li> <li>• <b>Rehabilitative Services (SHF)</b></li> </ul>

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Figure 4: Mecklenburg County Program Category

The Board initially spent 50 hours meeting to read documents and receive presentations. This provided transparency for the Board, the county manager and the public about what services were funded, at what level, for what Desired Result, and to what effect. The culmination of this process was that the Board used this information to establish priorities for funding based on the value provided by the services in each program category. The County now keeps this program assessment information current by reviewing one-half of all services each year. See Figure 5 for an example of a Service Assessment



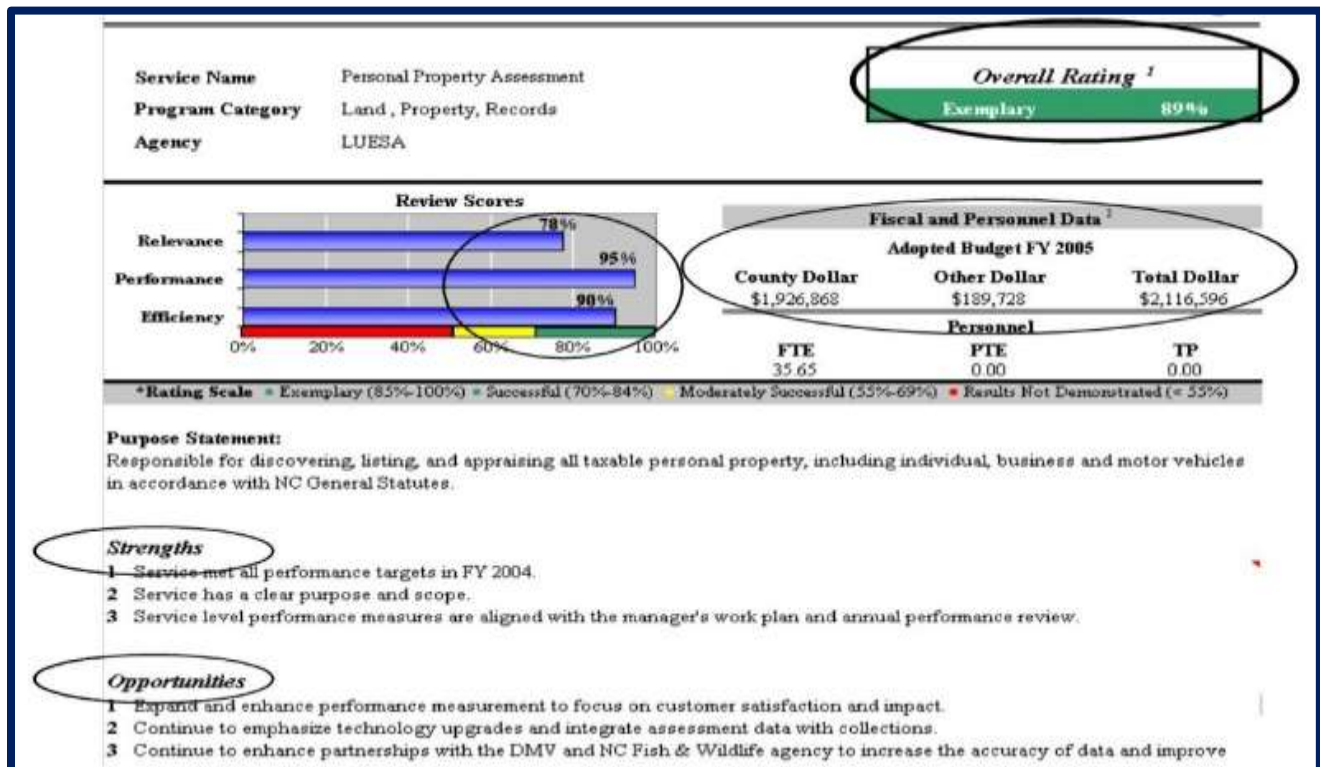


Figure 5: Mecklenburg County Service Assessment

The Board then used the assessment information to set priorities by placing each of the 50 program categories into one of seven priority levels. A program category is a bundle of services aligned with one of the scorecard Desired Results. This bundle could be one service or many services, depending on what was funded in the current fiscal year. **Each of the seven priority levels could have no more than 8 program categories assigned to it, which forced the Board to make choices** (i.e., it was not able to make all program categories the top priority).

To facilitate the Board members in making choices – and in discussing and negotiating among themselves – the Board was provided with electronic keypads that allowed somewhat anonymous “voting.” The results were projected on a large screen, allowing the nine Board members to see where there was consensus or a wide variance in ranking. If six or more votes were in agreement, the program was placed in the selected priority level. Five or fewer votes left the program in discussion mode. This approach gave members of the minority political party a greater opportunity to be involved in the decision making, since something akin to a supermajority was required for decision making. When most of the 50 program categories had been placed into one of the seven priority levels, the Board set aside the electronic keypads to refine and complete its priority setting. This step included open discussion and consensus decision making about how to fit in the final few program categories by moving other program categories up or down a level. Before ending the session, each member of the Board was provided one final opportunity to advocate for making one change in priorities. A majority vote was needed to make the change. Each Board member expressed their satisfaction with the final ranking.

It is important to note that the Board was not provided funding information as part of its priority setting. While this information was available in program review, the priority setting exercise was not intended as a method of developing the budget. Instead, it was intended to determine the view of the Board regarding the effectiveness and efficiency of county-funded programs and services. When the Board later adopted its annual budget, funding was allocated according to the seven priority levels.

The Board, County Manager, department directors and others continue to use this process to evaluate performance and the value of the public’s investment as well as to set priorities for future investments.

## Step 7: Performance Analysis

Like most organizations, the County’s performance management data was housed in several databases. Initially, the County used manual processes to track performance. Later, they selected and implemented software to track and analyze strategic performance. Coinciding with the departmental cascading process during FY2005/06, the County moved to performance budgeting. The software was selected as a companion product for budgeting, which allows the County to view budget and financial performance at the same time. Currently, the two applications do not integrate into one display, although the County is evaluating options to move towards a unified dashboard for performance tracking and budgeting.

Annually, the Office of Management and Budget prepares a master report. This report focuses on the Community & Corporate Scorecard and is available to the public in print and electronic format. Departmental performance measures are tracked and reported more often. And a subset of the SMT monitors performance for each Focus Area and identifies continuous improvement opportunities.

Mecklenburg County uses a stop-light color theme: Red denotes performance considerably below long-term target (such as 85% or lower); Yellow indicates performance between 86% and 94% of target; and Green means the target has been reached or performance is 95% or better of target. A Gray color signifies data that was not available. An excerpt of a scorecard is shown in Table 5.

**Table 5: Mecklenburg County Government Scorecard**

Growth Management & Environment Scorecard Results					
2015 Performance Goals	FY05	FY06	FY07	FY08 Results	
Customer Satisfaction w/ Recreational Opportunities	●	●	●	●	<i>Customer Satisfaction = 92%, Trend = Up</i>
Job Growth Rate	●	●	●	●	<i>5% Increase, Trend = Up</i>
Preservation Rate	●	●	●	●	<i>11 new sites preserved</i>
Business Growth Rate	●	●	●	●	<i>2.32% increase</i>
Transit Proximity Index	●	●	●	●	<i>Parks 57%, Greenways 72%, Libraries 95%, Trend = Up</i>
Parks & Open Space Index	●	●	●	●	<i>Greenways = 50.4 miles, Trend = Up</i>
Environmental Quality Index	●	●	●	●	<i>32%</i>

## Step 8: Alignment

The County Manager’s office clarifies priorities at the strategic-level, so they can be deployed at tactical level. The Focus Area Leadership Team is responsible for outcomes at the corporate level. But cascading was needed to instill the scorecard at the departmental level.

Cascading began in 2005 and made the balanced scorecard real for all department directors. Leveraging their Institute training and hands-on involvement with defining the strategic components in earlier stages of the process, several SMT members became balanced scorecard internal consultants during the cascading process. The resultant departmental scorecards are used as a reference for the department directors’ performance evaluation. This change marked the first time that accountability for achieving scorecard goals was tied to performance evaluation, which, in turn, became linked to pay.

This step also began the process of fostering department directors to cascade the department scorecard to lower levels within their department. Specifically, the early adopters took the step of cascading their work plan to the work plans of their direct reports. This had the same effect – suddenly the scorecard became very important and very real to managers, especially Desired Results and performance measures associated with employee motivation and satisfaction. *The departments and department directors that have cascaded the scorecard and aligned work plans to the manager and supervisor level are now the highest performing departments and department directors in Mecklenburg County.*

## Step 9: Evaluation

Evaluation of the components of the Mecklenburg County Community & Corporate Scorecard is on-going through the efforts of The Office of Management and Budget.

System Evaluation and improvement is ongoing as the County continually refines and improves its system. The County is a recognized leader in strategic planning and performance, so their system performance is used as a benchmark by other counties.

The County also conducts Strategic Evaluations. By 2008, 6 years into its 14-year vision, Mecklenburg County had achieved over 51% of its performance goals. But the County began to struggle to maintain momentum as the Great Recession took hold. Mecklenburg conducted its most recent strategic evaluation cycle in 2010-2011 and determined that the “Great Recession” had resulted in:

- Increased Demand for Services
- Declining Sales Tax Revenue
- Reduced State Funds
- Significant Budget Cuts
  - FY10 Adopted Budget \$75.6 million less than previous year and included the elimination of 86 vacant positions and 84 filled positions
  - Additional mid-year reductions totaling just over \$20 million
  - FY11 Adopted Budget \$70.9 million less than previous year, representing a two-year cumulative of over \$146 million

The County Manager stated, “We must confront the brutal facts.”

So as part of the FY2011 budget adoption process, the County launched on a multi-year strategic path of redefining the County and reassessing the 2015 Community and Corporate Scorecard. From November 2010 to January 2011, the County gathered input from residents and citizens, reviewed scorecard performance results, and listened to discussions among the Board. In January it presented Critical Success Factors which were endorsed by the Board and used to inform an updated strategy. In November 2011, the Board adopted the 2020 Community & Corporate Scorecard.

## Sustaining and Managing with the Balanced Scorecard

The County established an Office of Management and Budget to take responsibility for the strategic management process and be responsible for communicating performance at the community level, corporate level, and departmental level.

County Manager Jones’ management philosophy is to provide broad direction, specific accountabilities, appropriate resources, and get out of the way. Therefore, Mecklenburg County involved every department in the development of scorecard that would be recommended to the Board. This resulted in the involvement of every department director and in many cases the senior or division managers one or two levels below the department director.

This participative leadership created significant buy-in among the organization’s leaders because they had – and continue to have – a large say in decisions where they also have a large stake. Many of those involved in the early stages of developing the Community & Corporate Scorecard went on to become internal consultants on the balanced scorecard within their departments. This further advanced the knowledge and awareness of the scorecard among employees and established a structure – though informal – that has helped Mecklenburg County perpetuate participation, support, refinement and use of the balanced scorecard within each department.

## What Did Mecklenburg County Gain?

Since implementing M4R, the County has won numerous awards for its performance. Some of the notable awards the County has received include:

- Achievement Awards (National Association of Counties, 2003, 2004, 2008)

- Achievement Award for Mecklenburg County's Program Review (National Association of Counties, 2004)
- City & County Performance Management Award (The Performance Institute, 2005)
- Distinguished Budget Presentation Award "Special Performance Measures Recognition" (Government Finance Officers Association, July 2005)
- NACIO Awards of Excellence for Mecklenburg County's 2006 Annual Performance Report (National Association of County Information Officers, 2007)
- Award for Excellence (Balanced Scorecard Institute, 2008)
- Certificate of Distinction (ICMA Performance Management Center, October 2010)
- Award for Excellence (Government Finance Officers Association, 2012)

M4R has been a success for Mecklenburg County. The vision has remained the same, despite numerous changes in Board Members, which has resulted in various changes in political majority of the Board. Despite those changes, the Board continues to use the Community & Corporate Scorecard to review performance and establish priorities. M4R has provided the Board and county management as well as the public with an approach that is more transparent, responsible, sustainable and accountable to considering choices and consequences. As a result, it has focused all parties on results.

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### About Mecklenburg County, NC

Mecklenburg County is the largest county in North Carolina and the most urban. The county, which includes the city of Charlotte, has approximately 969,000 residents and the population continues to grow at about 3 percent a year. The county has won several transformation awards and continues to be a leading example for other counties.

### About the Balanced Scorecard Institute

The Balanced Scorecard Institute provides training, certification and consulting services to commercial, government, and not-for-profit organizations worldwide. The Institute applies best practices gained from hundreds of consulting assignments and 5,000 trainees in balanced scorecard, strategic performance management and measurement, strategic planning, and change management to help executives, managers and analysts transform their organizations into "performance excellence" organizations.

The Institute also provides, through the [balancedscorecard.org](http://balancedscorecard.org) website, extensive resources, including case studies, white papers, articles, and other information based on lessons learned from extensive experience in building strategic management and performance measurement systems using our award-winning *Nine Steps to Success™* balanced scorecard methodology. For more information about the Balanced Scorecard Institute, please visit: [www.balancedscorecard.org](http://www.balancedscorecard.org)

### About The Institute Press

The Institute Press is a small, independent publisher based in Cary, NC dedicated to providing books and resources designed to help organizational leaders and managers transform their organization into "performance excellence" organizations. The Institute Press operates as a unit within the Strategy Management Group, which focuses on Strategic Planning, Strategy Management, Strategy Execution, Balanced Scorecard, Performance Measurement & Management, Change Management, Process Improvement and other topics of interest for management professionals.