



# Peer Comparison and Benchmarking

Managing Operating Costs Workshop

# Module Outcomes

By the end of this segment, you should be able to:

- o Understand how to use peer comparison and benchmarking.
- o Connect goals and objectives with mission and vision statements.
- o Understand the steps involved in developing performance measures.
- o Be able to update and create your own performance measures.

# Background Information

## Definitions and Terminology



# Peer Comparison

An activity where an organization compares its performance to that of similar (peer) organizations.



# Benchmarking

The process of systematically seeking out best practices to emulate.



# Using Peer Comparison and Benchmarking

- o Evaluate performance.
- o Identify opportunities for improvement.
- o Establish performance goals.
- o Help guide expenditures and investments.





# Benchmarking and Peer Comparison

Steps and Considerations

# Steps in Benchmarking Process

1. Determine the question and baseline performance.
2. Identify peer transit agencies.
3. Identify high-achiever agencies.
4. Survey/visit agencies to determine best practices.
5. Implement involvement strategies.
6. Quantify/report impact of improvements.
7. Repeat.



# Identifying Peers and High Achievers

- o Choosing which of your peers are most appropriate for comparison is one of the most difficult tasks in the benchmarking process.
- o Selecting an appropriate peer group is also driven by the problem identified and the factors being compared for problem analysis.
- o *TCRP Report 141* suggests selecting 8 to 10 transit agencies

# Determining Peer Agency Performance

- o Collect data through standardized data sources or requests for information.
- o Consider data sources: NTD, PTN-128, and even Google Transit.
- o Data may be requested directly through the agency.



Image credit: Bellevuewa.gov

# Surveying and Visiting High-Performing Peers

Interviews with peer agency staff can be beneficial in:

- o Determining how performance was achieved.
- o Identifying lessons learned and factors that might inhibit implementation or improvement.
- o Providing a peer network to gain feedback and suggestions for future improvements.



# Implementing Improvements

- o Identifying what changes are needed and why.
- o Setting realistic performance improvement goals and a timeline to reach them.
- o Funding to support change implementation.
- o Communicating clearly the benefits of proposed changes, as well as incremental improvements as they occur along your timeline to encourage continued support.

# Considerations for Peer Comparison and Benchmarking

- o Are your costs for similar services out of line with peers?
- o Have peer agencies figured a way to more efficiently manage resources than you?
- o What lessons learned by peers can your agency benefit from knowing?

# Benefits of Peer Comparison and Benchmarking

- o Determine if agency expenditures are reasonable (in line with peers)
- o Evaluate efficiency level of the agency; determine if changes need to be made
- o Can help lower labor costs.
- o Improve service quality.



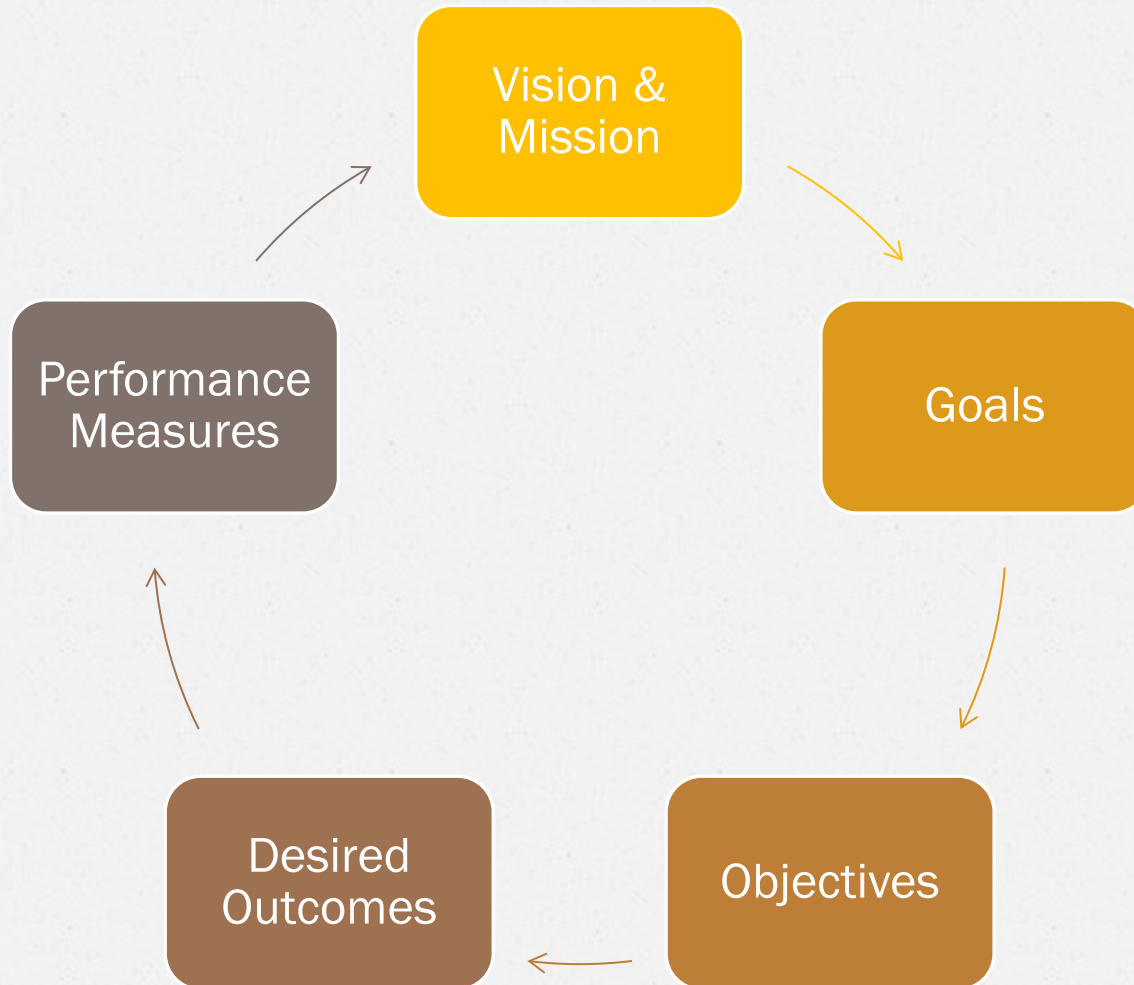
# SUMMARY

- o Peer comparison—looking at agency performance compared to that of similar organizations.
- o The process of systematically seeking out best practices to emulate.
- o Evaluate performance.
- o Identify opportunities for improvement.
- o Establish performance goals.
- o Use peer comparison and benchmarking to learn:
  - Service cost alignments
  - Ways to efficiently manage resources
  - Lessons learned

# Performance Measurement: Framework for Success

Begin from the beginning

# Framework for Success





# Vision, Mission, and Goals

- Provides a framework for guiding transit agency planning.
- Each step in the process (work plan, or day-to-day activities) should reflect back to the vision, mission, and goals of the effort.
- Provides direction for developing appropriate performance measures.



# VISION STATEMENTS

- o Articulate the future of the organization within the community
- o Provides a link between the present and the future.

## **Benefits of Developing the Vision:**

- o Gives direction and focus
- o Direct correlation to the local community and stakeholders
- o Employee recruitment, retention, motivation

# MISSION STATEMENTS

- o Defines the fundamental purpose of an organization.
- o Describes what the organization does to achieve the Vision.

## **Benefits of Developing the Mission:**

- o Clarify the organization's purpose.
- o Aids in “selling” the organization's product or services.
- o Justifies the organization's reason for existing.



# VISION AND MISSION STATEMENT DOS & DON'TS



# DO:

- o Write a statement that links your organization or project with your community.
- o Keep it focused!
- o Provide a link between the present and future.
- o Clarify your purpose and reason for being.

# DON'T

- o Make it longer than two sentences.
- o Stay away from jargon.
- o Try to cram in as many key words as possible.
- o Be vague.



# Example Statements

## APTA Vision:

APTA is the leading force in advancing public transportation.

## WMATA Vision:

The vision for WMATA's future is a fully integrated regional system, maintained in a state of good repair, that brings high-quality, reliable service to customers who benefit from transit access across the region.

# Example Statements

## CDTA Mission:

CDTA plans, finances, implements, and delivers transit services that take people where they want to go in the Capital Region safely, efficiently, and at a reasonable cost.

## WSDOT Mission:

The mission of the Washington State Department of Transportation is to keep people and business moving by operating and improving the state's transportation systems vital to our taxpayers and communities.

# Example Statements

Florida:

The Safe Mobility for Life Coalition's mission is to improve the safety, access, and mobility of Florida's aging road users by developing a comprehensive strategic plan to reduce injuries and crashes among this vulnerable population.



# Example Statements

“To help make every brand more inspiring, and the world more intelligent.”

—Avery Dennison

- o That's a pretty lofty ambition for a company whose product is stick-on labels.
- o A good mission statement should have some relationship to reality.

— 9 Worst Mission Statements of All Time

# EXERCISE

## Looking Ahead



# EXERCISE: Looking Ahead

- o What is your vision/mission?
- o What are your priorities?
- o What kinds of services do you offer?
- o Who are your customers?
- o What are your available funds?
- o What are your constraints?
- o Where do you want to be 5 years from now?



# Other Considerations

- o Perception versus reality.
- o Look for key words.
- o Play Mad Libs.
- o Use a SWOT/SCOT analysis.

# SUMMARY

- o Visioning provides a framework for guiding day to day agency activities
- o Understanding and following agency vision/mission statements prevents agency scope creep, ensuring that projects are focused on achieving the bigger picture
- o Ensure that statements provide a link between the present and future

# Goals and Objectives



# Purpose of Goals

- o Describe what your agency/project will accomplish.
- o Describe the overall value you contribute to transportation.
- o Provide overall context for what the effort is trying to accomplish.
- o Variations are a product of program typology and agency resources.

# What are Objectives?

- o Concrete statements.
- o Describe what the program is seeking to achieve.
- o Written in a way to evaluate whether or not the objective was achieved.

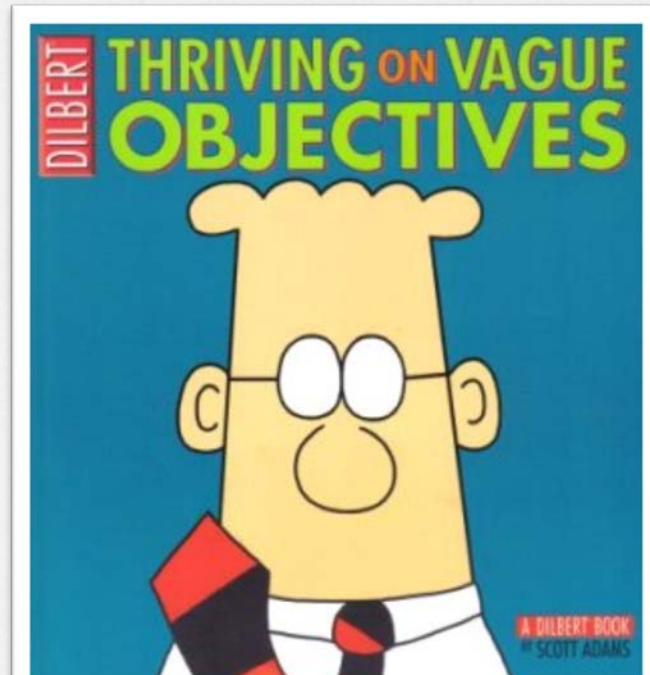
**S**pecific

**M**easurable

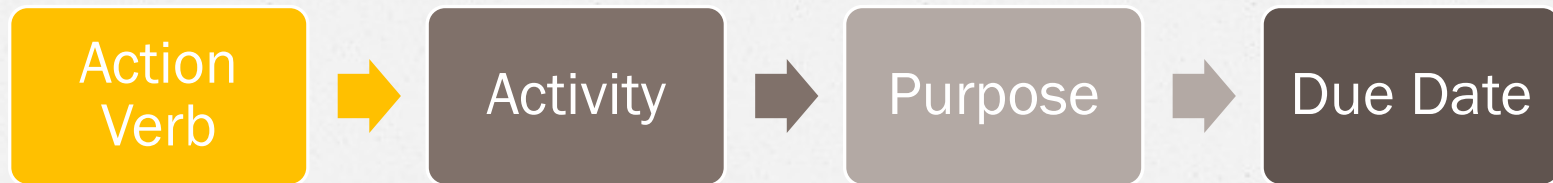
**A**ttainable

**R**ealistic

**T**ime-oriented



# How to Think about Developing Objectives



Complete

Driver Training

per recommendation  
by supervisor

by Aug '14

*This objective could help fulfill the goal of hiring and retaining a best-in-class staff.*



# Dos & Don'ts

## Goals & Objectives



# Do

- o Develop G&Os with an outcome in mind.
- o Ensure that goals echo your vision and mission statements.
- o Keep the objectives focused and specific.
- o Make sure that projects and strategies can reflect back to agency goals and objectives.

# Don't

- o Neglect to follow through with goals and objectives.
- o Write objectives that are unrealistic or unachievable.
- o Fail to update goals and objectives.



# Example Goals and Objectives

- o Promote the safe mobility of aging vulnerable road users (pedestrians, transit riders, bicyclists, and other non-motorized vehicles).
- o Bridge the gap between driving retirement and mobility independence.
- o Provide stakeholders with the best available data to make decisions that improve aging road user safety and mobility.



Image credit: [adaptedlivingspaces.com](http://adaptedlivingspaces.com)

# Example Goals and Objectives

- o Accessibility.
- o Timeliness.
- o Safety.
- o Cost.
- o Customer Satisfaction.
- o Provider Accountability.

# Example Goals and Objectives

- o Preserve and expand transportation services for the public and human service agencies, especially those services that meet the critical needs of the transportation disadvantaged.
- o Maintain and improve the quality and safety of transportation services for the public.
- o Increase public awareness of mobility options and improve access to transportation services for the public.



Image credit: Des Moines Area Transit



# Outcomes

# What are Outcomes?

- o Describe the impacts of program activities.
- o Determine whether program objectives have been achieved through measures.
- o Measuring outcomes is fundamental to performance evaluation.
- o Determine whether or not the project/agency is developing and offering activities that meet the goals.

# Example Outcome

## Outcome

What change are you measuring?

Increased use of transit by seniors in rural areas.





# SUMMARY

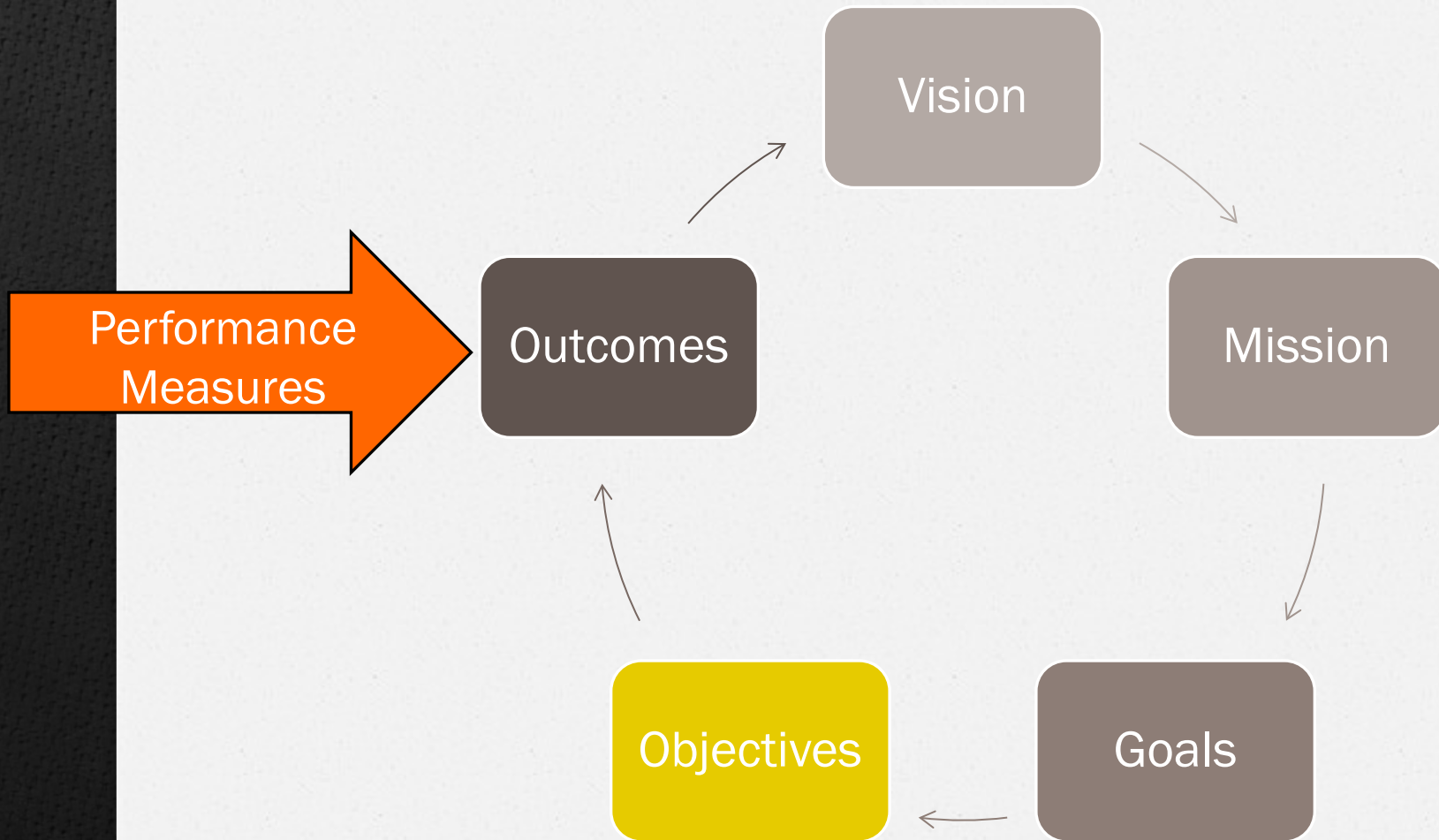
- o Goals and objectives should reflect the agency vision/mission statements.
- o When writing goals, think about the outcomes the agency is looking to achieve.
- o Measuring those outcomes is central to evaluating agency performance.
- o Ensure that projects and activities echo agency goals.

# EXERCISE

Developing  
Project/Agency  
Outcomes



# Tying it Together





# Performance Measures

# Measuring Performance: Motivation

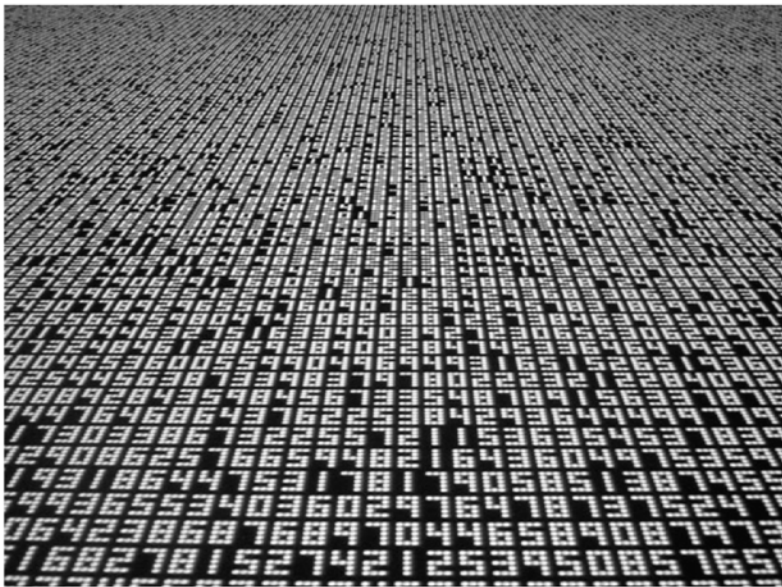
- o Evaluate
- o Budget
- o Control
- o Motivate
- o Promote
- o Celebrate
- o Learn
- o Improve



# Qualitative vs. Quantitative

Quantitative = Hard measures (fact-based)

Qualitative = Soft measures (indirect, intangible)





# Types of Performance Measures

## Input

Used to identify human and capital resources needed to generate outputs and outcomes.

## Process

Used to distinguish the intermediate steps in the production process of the product or service.

## Output

Used to measure the actual product or service completed by the agency/organization.

## Outcome

Assess the expected, preferred, or actual result(s) by which the outputs of the activities of the agency/organization meet the desired results.

## Impact

Evaluate the direct or indirect effects as a result of attaining the goals of the program.

## Example of Outcomes and Measures

<b>Outcome</b>	What change are you measuring?	Increased use of transit by seniors in rural areas.
<b>Measure</b>	What specific piece of data shows the change made by your program?	<ul style="list-style-type: none"><li>• Number of seniors completing travel training (to understand how to use transit).</li><li>• Number of transit rides by individuals who completed travel training.</li><li>• Increase in senior and other demographic groups riding transit services.</li></ul>

# Performance Measures in Practice

- o Traditional Public Transportation
- o Rural Public Transportation
- o Mobility Management
- o Regional Transportation Coordination
- o Urban vs. Rural
- o Rural Livability





# Traditional Measures for Public Transportation

- o Operating cost per passenger trip and mile.
- o Operating cost per vehicle hour and mile.
- o Passenger revenue per total operating cost or fare recovery ratio.
- o Passenger trips per vehicle hour and miles.
- o Accidents per 100,000 miles.
- o No-shows per scheduled trips.
- o On-time pick-ups to total pick-ups (on-time performance).
- o Complaints per 1,000 passenger trips.
- o Average trip length.
- o Average vehicle travel time.
- o System speed.
- o Response time.
- o Trip denials per trip requested.

# Example Measures

## Community Social/Economic/Environmental Costs:

- Highway preservation cost/mile (goal=reduce).
- Highway expansion cost/mile (goal=reduce).
- Human service transportation costs (goal=reduce).
- Cost of auto fatalities/injuries (goal=reduce).
- No. of bike related fatalities/serious injuries (goal=reduce).
- Health costs due to air quality problems (goal=reduce).
- \$ value or number of jobs created times multiplier effect.
- Facilitate growth and business/economic development.
- Congestion mitigation.
- No. of trips not driven alone, no. of miles not driven alone.
- No. of gallons of fuel saved.
- Amount of vehicle emissions saved/air quality improvement.
- Percentage of users who are choice riders vs. no choice.
- Elderly/disabled live independently if options available.
- Employed/in school only because options available.
- Health benefits due to walking/biking.

## Facilities

- No.
- Perc
- No.
- No.
- No.
- No.
- Ava
- No.
- No.
- Mile
- No.
- Qua

# Example Measures

## The region is fully leveraging available funding and partnerships for transit (RTCC Goal 3)

Indicator	Data Source	Target
Federal Transit Administration Funding awarded in the Region	TxDOT, Capital Metro, CAMPO	Increase
Number of applications received in the RTCC region for JARC/New Freedom (urban and rural) and FTA 5310 Elderly and Disabled funding	TxDOT, CAMPO	Increase

## The system is cost effective and efficient (RTCC Goal 4)

Indicator	Data Source	Target
Average operating cost / public transit trip	Survey of Providers in Resource Inventory	Decrease / Limit Increase

## The system benefits regional air quality and quality of life (RTCC Goal 6)

Indicator	Data Source	Target
Vehicle Miles Traveled / Capita	TxDOT/CAMPO	Decrease
% of Low Emissions Vehicles in Fleet (Electric, LPG, CNG, LEDiesel, etc)	Capital Metro/CARTS	Increase



# Performance Measures

Other Considerations

# Trends in Rural Coordination and Mobility Management

- o Looking at the “human” impact of services provided.
- o Considering the economic value added.
- o “Connections” that would otherwise not exist.
- o Looking for a balance between standardized measures and those that communicate what is actually happening.



# The “Human” Impact of Service



Image Credit: cuny.edu



Image Credit: Senior Solutions of Colorado



# Connecting Rural Areas

- o Developed vs. Non-developed area.
- o Rapid growth in urbanized areas.
- o Planning for both decreases in rural areas and new urbanized areas.



# Measures for Consideration

- o % of veteran population with access to public transportation services by county.
- o % of seniors overall who are able to “age in place.”
- o Reduction in associated healthcare costs for “high-risk” populations in rural areas.
- o Stories that communicate the “human” side of transit.



Photo credit: VA Brooklyn



# Other Considerations

In collecting and processing information for performance measurement, the following factors need to be taken into consideration:

- o Appropriateness of the measure.
- o Complete, consistent, and useful data.
- o Accuracy and timeliness of data.
- o Understanding of data limitations.
- o Reliability of measurement data.



# EXERCISE

## Performance Measurement



# Think About...

- o What –what are you trying to measure?
- o How –how will it be measured?
- o Who –who will be responsible for providing, collecting, and updating the data?
- o Where –where will the measure be used?  
(program appropriateness)
- o When –how often do you measure?



# Applied Performance Measurement



Photo Credit: Investment Performance Guy



# Basic Protocols

- o Connect goals, objectives, services, and outcomes.
- o Collect data related to goals, services, and outcomes.
- o Report results.
- o Refine goals, services, and anticipated outcomes.
- o Repeat.

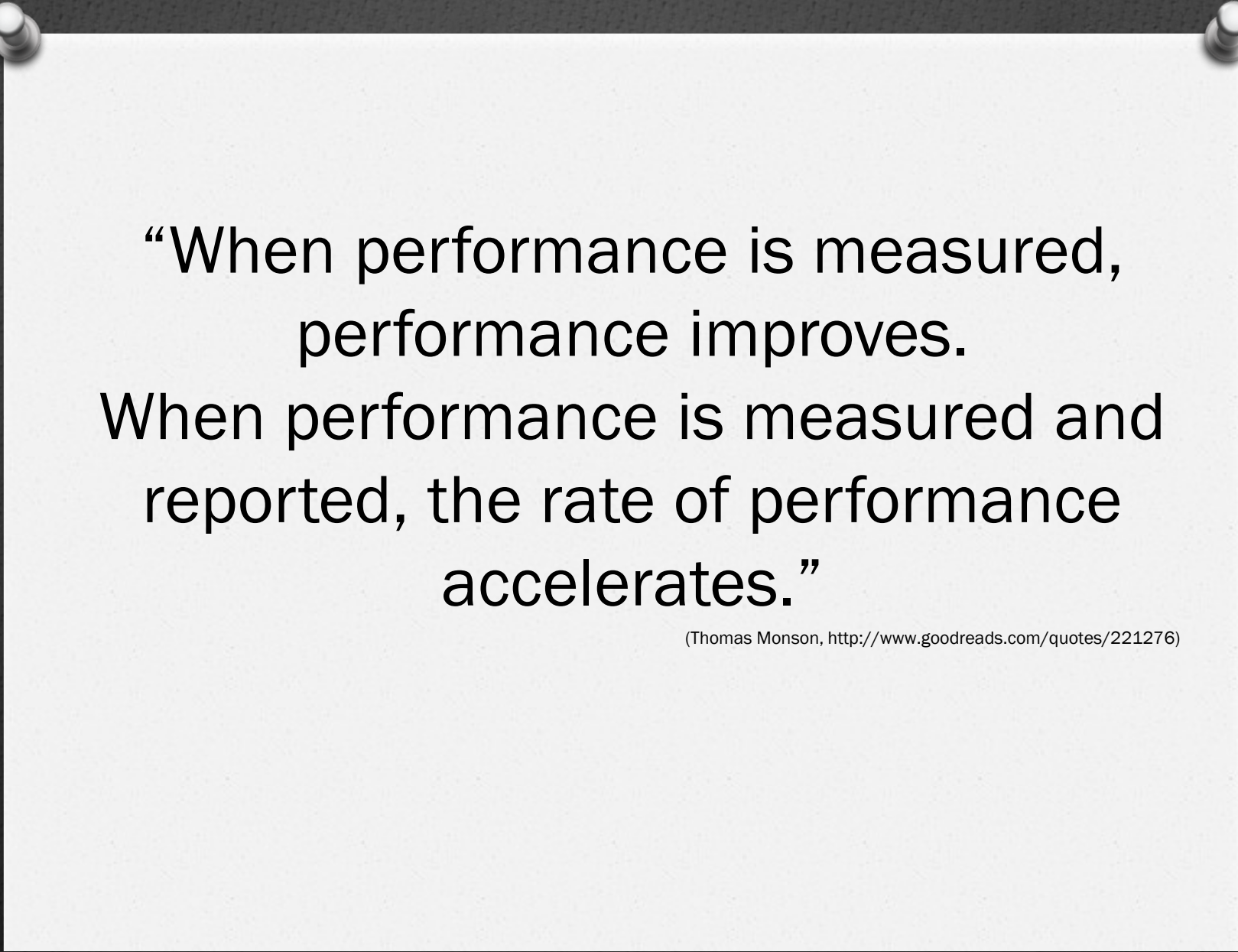
# Lessons Learned from Case Studies

- o No two agencies are alike.
- o Need for creative sustainable funding streams.
- o More focus on the impacts of programs.
- o Use program goals and anticipated outcomes to develop measures.
- o Need emphasis on qualitative measurements.

# SUMMARY

- o Outcomes are critical to developing relevant performance measures.
- o Consider a mix of quantitative and qualitative performance measures.
- o Data play a big part in performance measurement—ensure data accuracy.
- o Performance measures are one way to communicate improvements, changes, and successes.





“When performance is measured,  
performance improves.  
When performance is measured and  
reported, the rate of performance  
accelerates.”

(Thomas Monson, <http://www.goodreads.com/quotes/221276>)

# This Presentation and Supplemental Materials are Based on:

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- Best practices in Mobility Management, sponsored by the National Center for Mobility Management.
- Research findings funded by TxDOT's Cooperative Research Program and the Federal Transit Authority.



Full research reports may be accessed at the following link, under projects & publications:

<http://tti.tamu.edu/group/transit-mobility/>