

PERFORMANCE MEASURES

Outline:

1. Critique of Fielding's approach
2. Structure of performance measures

Critique of Performance Measures

- Limited by availability of NTD data
 - focused on cost and efficiency
 - little data on quality and effectiveness
- Resulting measures place too much emphasis on cost efficiency and too little on cost-effectiveness
- Make it too easy for the manager to ignore the market and service quality
- Do not contribute effectively to the hypothetical roles for measures

Critique of Performance Measures (cont'd)

Type of Measure	# of Measures		# Factors (# Recommended Measures)
	Initial	Reduced	
Cost-Efficiency	22	16	
Service-Effectiveness	19	11	
Cost-Effectiveness	7	3	

Performance Measure Examples

Vehicle Miles
Maintenance Employees

- many possible interpretations without control for maintenance effectiveness

Revenue
Operating Expense

- if local area favors low fares, does this mean poor performance?

Passengers
Rev Veh Hour

- very high values may imply very congested vehicles; is this good performance?

Critique of Peer Group Comparisons

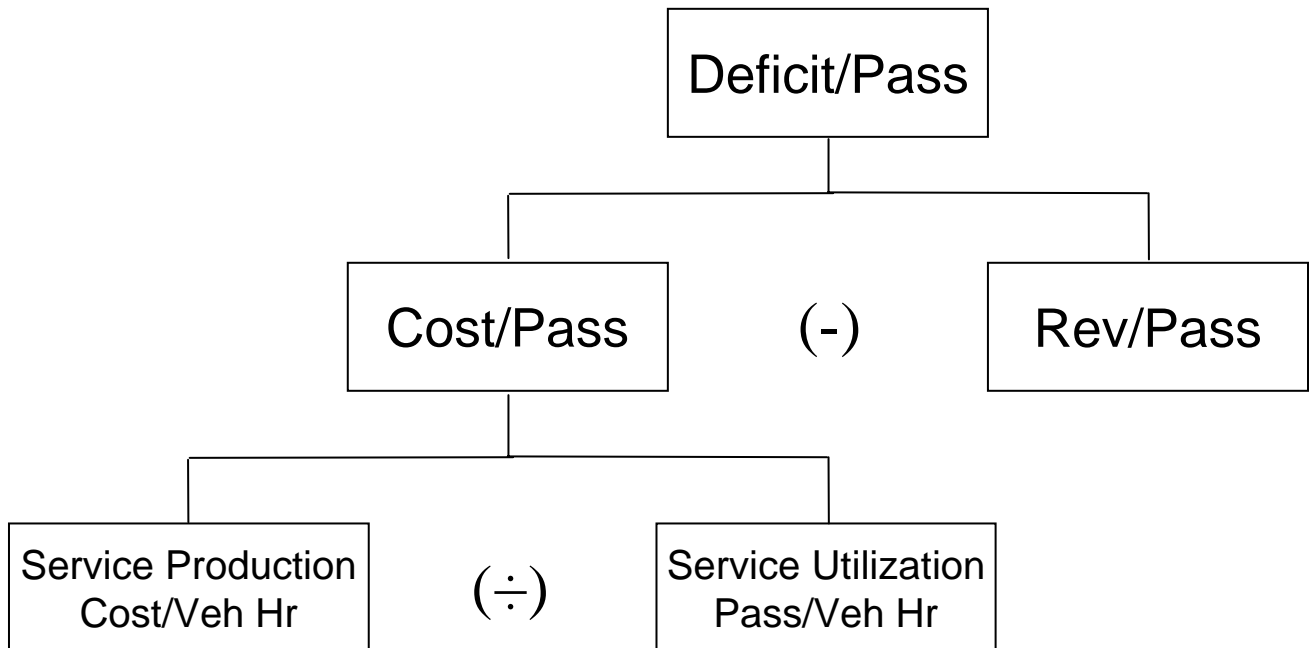
- Peers and/or measures need to recognize impacts of non-NTD differences such as:
 - cost of living
 - urban structure
 - auto ownership
- Peers should be defined uniquely for each agency
- Peers might be defined differently for different types of measure

Structure of Performance Measures (D. Lee)

Basic premises:

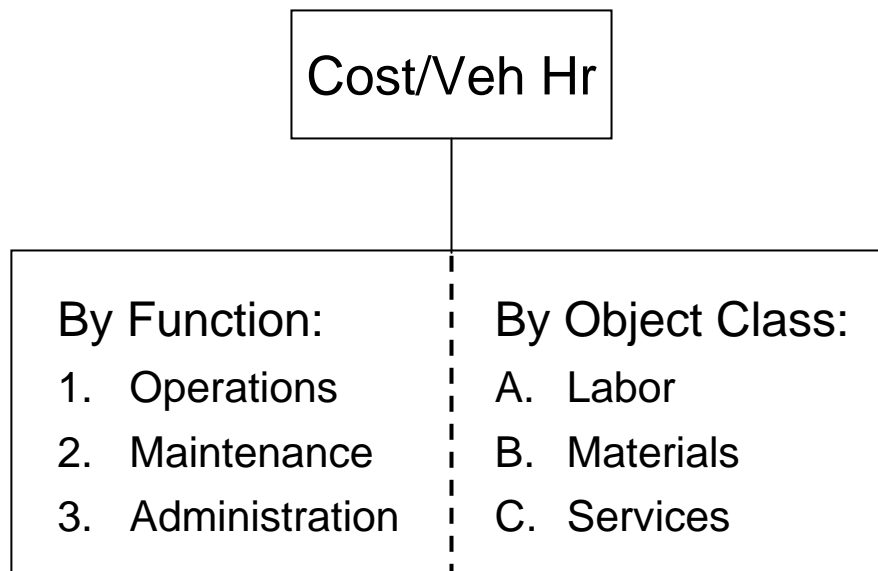
- each indicator should measure something unique
- a subset of indicators should fully describe some dimension of the system
- subsets of indicators should cover all important dimensions
- indicators can be grouped and nested
- for two systems to be compared along one dimension, they need not be similar in all other dimensions

Level 1: Aggregate Performance Indicators



Level 2: Cost

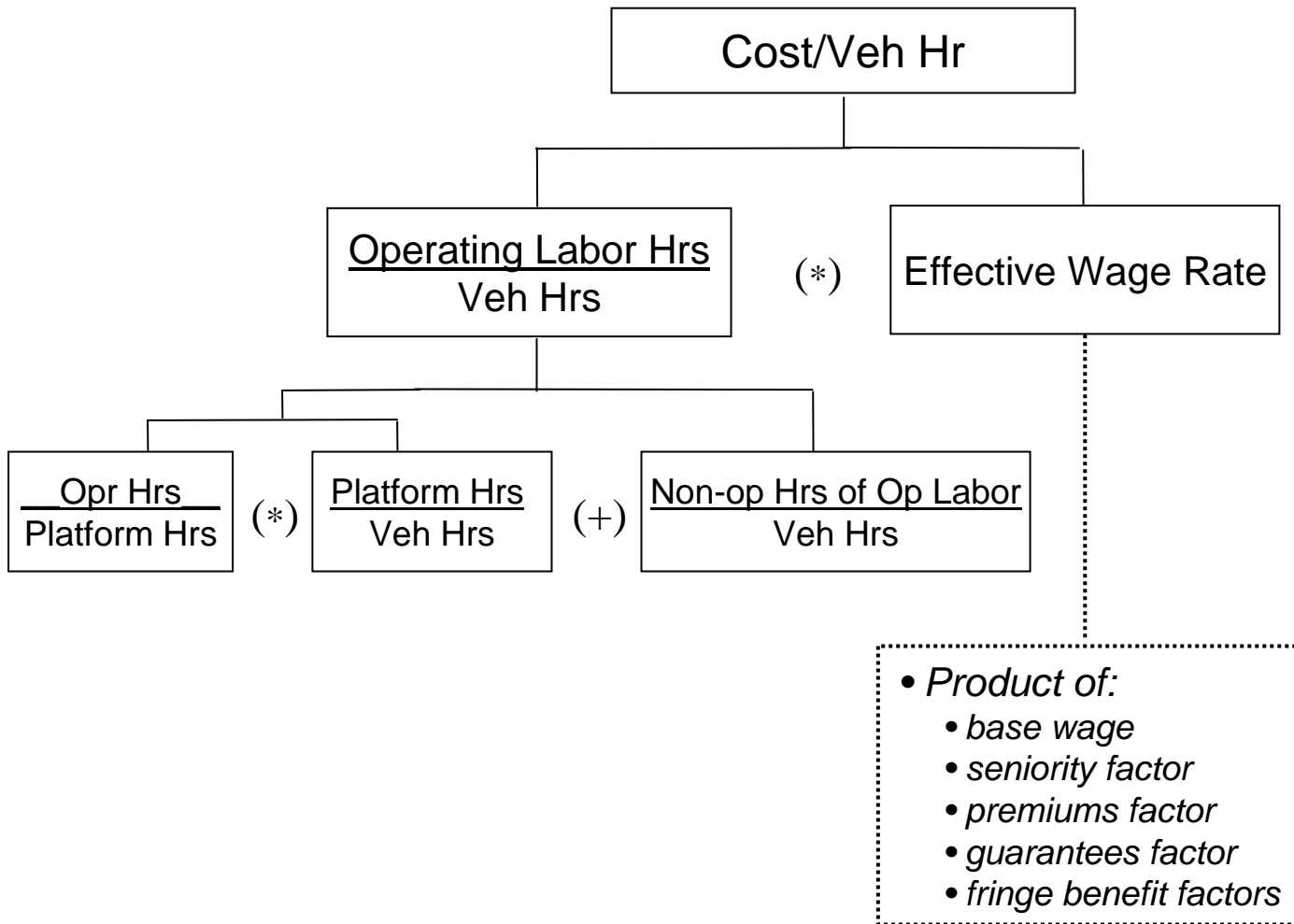
General:



Develop separate relationships and indicators for all interesting combinations of Functions (1-3) and Object Class (A-C)

Level 2: Cost (cont'd)

Specific: 1A. Operations-Labor



Level 2: Utilization

