



# A Better Recipe When Benchmarking for Best Practices

Lots of cities and counties engage in benchmarking—at least the form of benchmarking most common in the public sector. But the form of benchmarking most common among local governments bears little resemblance to the approach private corporations take when they engage in benchmarking. The corporate approach is much narrower and more analytic than its public sector cousin. And it's prescriptive—at the end of the project, the benchmarking organization gets new ideas for improving its operation.

Would the corporate approach to planning and conducting a benchmarking project work for a local government?

Nine cities teamed up with researchers from the University of North Carolina to find out.

## Corporate-Style Benchmarking

Public-sector benchmarking differs from the comparison of a broad range of performance statistics common among cities and counties doing benchmarking. In corporate-style benchmarking, you pick a key process that you want to improve in your operation and you devote all of your attention to that process. The process chosen should be an important one—a process important enough to the organization's success to warrant all that attention.

Once you have selected your focus, you proceed to find outstanding performers of that function from across the nation. If receptive, these organizations become your benchmarking partners. With their cooperation, you analyze their process in detail; compare their process with yours in hopes of finding differences that account for their superior performance; and figure out ways to adapt the best features of their process to make it work in your own operation to improve your results.

That's corporate-style benchmarking.

The members of the North Carolina team wanted to see if such an approach would work for local governments. They discovered that it can and does!

## Test Case: Local Government Development Review Process

The development review process in local governments is multifaceted and complex. It includes all of the steps that a developer must work through to get local government approval, for example, for a new subdivision or construction of a shopping center or restaurant. Despite the complexity of the development review process, the benchmarking team for the local government experiment selected this process as the focus of the project.

Although common elements in development review are found across all local governments, variations abound and specific processes are influenced by community characteristics and desires. Nevertheless, most communities desire a development review process that is fast, thorough, and fair. These desirable qualities were the foci of the project and led the North Carolina benchmarking team to the discovery of three local governments with exceptionally strong development review operations—the cities of Henderson, Nevada; San Diego, California; and Tallahassee, Florida. Administrative officials in these municipalities agreed to serve as benchmarking partners.

The entire project took almost two years to complete. Time-consuming steps included contacting more than 100 experts to identify more than 160 cities and counties considered to be outstanding performers of the development review function. Then came the tedious chore of narrowing the list, which ultimately led the team to its three benchmarking partners.

### Excerpt from *Development Review in Local Government: Benchmarking Best Practices*

#### Tallahassee, Florida

“The greatest strengths of Tallahassee’s development review process lay in the city’s advanced use of technology, its practice of assigning projects to geographically-based review teams, its quality assurance practices, and its education programs” (*Development Review in Local Government*, p. 19).

“The new ProjectDox system [in Tallahassee] will allow applicants to upload their plans online, which will then be emailed to intake staff. The intake staff will then review the documents for completeness. The plan review teams will be able to redline the documents electronically and send them back to the applicant. When the customer resubmits the documents with corrections, the computer program will show the plan review teams the changes that have been made from the original redlined document. The city anticipates that this will reduce staff time spent answering calls as well as time devoted to in-person submissions.”

“The IT systems [in Tallahassee] have a number of attractive features, including one that allows the department to track the amount of time the application is in the hands of staff members and how much time it is in the hands of the applicant’s team. The system allows the department to send out automatic emails to stakeholders for various projects and to include the project owner on the distribution list for comments. The [system] has also reduced the number of hard copies of materials that customers are required to submit from fifteen to two” (*Development Review in Local Government*, p. 34).

## Benchmarking for Best Practices



Source: Bengt Karlöf and Svante Östblom, *Benchmarking: A Signpost to Excellence in Quality and Productivity* (New York: John Wiley & Sons, 1993) Used with permission.

## Development Review Lessons and 78 New Ideas

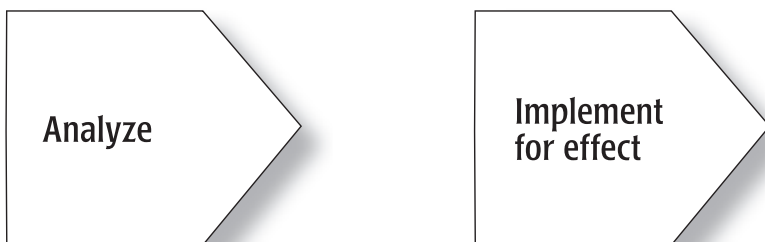
A careful review of documents pertaining to the development review operations of the benchmarking partners, followed by site visits to all three, revealed five common characteristics among the these development review leaders:

- A commitment to delivering services at a level and cost that match the scale of development in their community
- Customer-focused services
- Transparency
- Reliance on high-functioning technology
- Extraordinary relationship with information technology support personnel

In addition to these broad lessons, the project yielded 78 specific ideas for improving the development review processes. These ideas are described in the book, *Development Review in Local Government: Benchmarking Best Practices*.

### Rapid Adoption of New Ideas

Apparently, seeing *really is* believing! Within a few months of the final site visit, 38 of the 78 ideas had already been adapted and implemented by at least one participating city that had not already been using it. Many of the other ideas were rated as having “excellent” likelihood of implementation.



## Lessons for Benchmarking in Local Government

Traditional benchmarking practices in local government are valuable for their broad *diagnostic* capability. A local government official examining performance statistics across a broad array of functions can see where their organization’s strengths and weaknesses lie. Corporate-style benchmarking brings something different to local governments: *prescriptive* capability. Cities and counties looking for new ideas and best practices that they can implement in various key processes can find them using this technique.

Because of its complexity, the development review process was a tough test for this different form of benchmarking. If corporate-style benchmarking can work for that process—and it did—it can work for other local government processes as well.

### Excerpt from *Development Review in Local Government: Benchmarking Best Practices*

#### San Diego, California

“[San Diego’s Development Services Department (DSD)] operates as an enterprise fund, drawing all of its operating funds from service fees. This arrangement, more than nine years old at the time of this review, forces the department to be especially attentive to ebbs and flows in development activity so that it can maintain operating efficiency and avoid excessive fees, and yet set its fees at a sufficient level to cover costs. DSD management believes that a key factor in the department’s success has been its status as an enterprise operation. Its ability to adjust the fee structure upon approval of the city council enables the DSD to more rapidly enhance services in response to demand. The department conducts time-and-motion studies on a regular basis to ensure that fees are meeting the costs of operation” (*Development Review in Local Government*, p. 40).

“Beyond tracking customer wait times, the department has an extensive set of performance measures, including measures that track audit functions and plan-review times. The department takes a balanced scorecard approach to setting its goals and designing its measures. DSD management monitors department operations through monthly performance reports” (*Development Review in Local Government*, p. 42).



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North Carolina:

**[www.sog.unc.edu/programs/perfmeas](http://www.sog.unc.edu/programs/perfmeas)**

## Excerpt from *Development Review in Local Government: Benchmarking Best Practices*

### **Henderson, Nevada**

“The first floor of Henderson’s new building, devoted entirely to development services functions, includes work space for Development Services Center (DSC) personnel and features more than thirty customer service counters staffed by cross-trained permit technicians. The DSC uses a queuing system to ensure that customers receive timely service. On a given day, each department participating in the DSC has an employee assigned to front desk duty and another assigned as backup, if needed. If any customer waits as long as ten minutes for assistance, the backup is alerted by pager and reports to the front desk. If any customer waits twenty minutes for assistance, a supervisor and the DSC manager are alerted by pager” (*Development Review in Local Government*, p. 29).

“Having reasonably aggressive time standards [for development review] is important, but even more important to the Henderson development community is that the DSC consistently meet whatever service standards are set. When the city council deliberated the need for a fee hike of approximately 70 percent to support the DSC, as recommended by a consultant, the development community was willing to endorse the higher fee schedule in exchange for a commitment to meeting aggressive service targets at least 90 percent of the time. The DSC was initially anxious about its ability to meet these targets at the consistency stipulated. However, it quickly demonstrated its ability to do so. The staff is currently meeting the targets more than 99 percent of the time” (*Development Review in Local Government*, p. 29).



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