RIGSPOLITIET

Pearls in Policing

PERFORMANCE MANAGEMENT

SYMPOSIUM
The Danish National Police
8-9 April 2013

WORKING PAPER

POLITI

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The symposium on performance management was following up on the Pearls in Policing conference held in Singapore 9-13 June 2012.

It is our hope and believe that the outcome of the symposium will be productive and of significant value in the preparations of the next Pearls in Policing conference in June 2013 and of value to all participants.

Program

SYMPOSIUM

Performance management

Organizational development and strategic capability – the necessity of establishing a tactically capable organization as a prerequisite for strategic management

The Danish National Police
Copenhagen, 8-9 April 2013

Photo: www.politi.dk

RIGSPOLITIET

Organizational development and strategic capability

The necessity of establishing a tactically capable organization as a prerequisite for strategic management

Building on the experiences with strategic management of police authorities so far, the purpose of the symposium is to discuss how to develop police organizations in a direction of increasingly managing tasks and responsibilities based on planned strategies and prioritizations.

Particularly, the symposium shall investigate and discuss which prerequisites, management tools, types of collaboration, cooperation and leadership that are central to ensure powerful strategic management.

The symposium will consist of two tracks on the following topics:

- Co-create your strategy and impact
- Performance management and leadership – how to lead and manage through transformation?

There will be an opening plenary, three panel presentations and three workshops followed by a closing plenary. The symposium will be facilitated by Implement Consulting Group, Partner Jørgen Kjærgaard.

Program

Morten Bødskov

Jens Henrik Højbjerg

Jørgen Kjærgaard

Nikolaj Veje

Rex Degnegaard

Patrick Timlin

Claus Nygaard

Symposium, day 1 – Monday, 8 April 2013

09:00 **Registration**

09:30 **Opening remarks**
The Danish Minister of Justice Morten Bødskov and the National Commissioner of the Danish Police Jens Henrik Højbjerg

09:45 **Setting the stage**
Jørgen Kjærgaard, Partner, Implement Consulting Group

10:00 **Performance management in a strategic and economic context – 360 degree governance model**
National Commissioner Jens Henrik Højbjerg and Finance Director Nikolaj Veje

Many organizations have strategic objectives, performance targets and measurements, but they are often disconnected from the processes of strategy as well as budgeting. This keynote will address how to develop a good strategy through co-creation and how to design a performance management system that connects decisions and actions with strategy and engages staff in times of change. The keynote will focus on:

- How to engage and inform stakeholders in the strategy process
- Performance measurement driving transformation from strategy to delivery – aligning KPIs with strategic objectives
- Secure open communication about performance throughout the organization
- Linking strategy and budgeting
- Performance and activity-based budgeting – how to do?
- Key principles of the Danish resource allocation model

11:15 **Introducing workshops and speakers**
Jørgen Kjærgaard, Partner, Implement and the workshop leaders

12:00 **Lunch and networking**

Continued on next page

13.00 **WORKSHOPS**

Workshop 1: Co-create your strategy for impact
Dr. Rex Degnegaard Assisstant Professor in Strategy and Leadership, Copenhagen Business School

The keynote will emphasize how the police through co-creation can enable other stakeholders to help lift challenges that have traditionally been coordinated and executed by the police. These are the questions that will be dealt with:

- How does the police create impact on strategic priorities through partnerships?
- How can the police work strategically to enable external stakeholders to lift resource demanding challenges that have consequences for citizens, corporations, and other institutions?
- What are the consequences for performance management, setting metrics, and strategy execution when strategic initiatives are lifted in close cooperation with external stakeholders?

The impact of co-creation approaches will be illustrated by examples from the Danish police and other organizations that have embarked on engaging stakeholders in co-creating police challenges.

Workshop 2: Performance management and leadership – how to lead and manage through transformations
Patrick Timlin, CEO of MSA. Until January 2012, Patrick was the Deputy Commissioner of Operations of the New York City Police Department (NYPD). As Deputy Commissioner, Patrick administered the Compstat process, the successful data-driven management accountability process pioneered by the NYPD. Jacob Staun and Tucker Bailey, both from McKinsey & Company, will facilitate the session.

This workshop discusses the challenges and opportunities in transforming performance management and leadership in police organizations. After a brief introduction to the principles of performance management and leadership, Patrick will share practical experiences from NYPD's Compstat and NYPD2020 programs. Based on this, we will jointly discuss the following topics in break-outs:

- How do the participating police organizations drive performance management and leadership today?
- What are the observed main challenges in achieving the desired performance improvements – from KPI definition to cultural barriers?
- What are the characteristics of best practice police performance management and leadership?
- What is the maturity of measurement definition and best practice KPI hierarchies?
- What are the common themes across police organizations and what is required to address them going forward?

At the end of the break-outs, we will jointly synthesize the discussions from the groups and conclude on commonalities and the road ahead in police performance management and leadership.

17.00 **Break**

18:00 **Dinner**

Symposium, day 2 – Tuesday, 9 April 2013

09:00 **Follow-up on Monday program**
Jørgen Kjærgaard, Partner, Implement

09:15 **Presentation and plenary discussion of the results of workshop 1: Co-create your strategy for impact**
Dr. Rex Degnegaard Assisstant Professor in strategy and Leadership, Copenhagen Business School

10:00 **Presentation and plenary discussion of the results of workshop 2: Performance management and leadership – how to lead and manage through transformations**
Jacob Staun, Tucker Bailey and Dana Maor, McKinsey & Company

10:45 **Break**

11:15 **Headlines in the working paper**
Jørgen Kjærgaard, Partner, Implement Consulting Group

11:45 **Closing remarks**
National Commissioner Jens Henrik Højbjerg

12:00 **Lunch and networking**

Case: The Danish model

The Danish police have in recent years established a significant part of the foundation to support strategic management of its tasks and responsibilities. A national, organization-wide group strategy provides a well-defined strategic basis; clear targets have been set for key areas of the police activities, and performance against targets are followed up upon continuously and systematically. The group strategy is operationalized through a national operational strategy plan that addresses the areas of highest priority, through a sub-strategy for the Public Prosecution, and finally through local strategy plans for each of the individual police districts. Additionally, the overall strategy is implemented by means of a number of other sub-strategies, e.g. an HR and management strategy.

Based on the national strategy plan for the operational police activities, a number of key performance indicators have been defined and implemented, primarily focusing on the citizen-oriented results and outputs. On top of this, a scheme with annual performance contracts has been developed, supporting that the performance targets are closely linked to the local crime fighting initiatives and strengthening the focus on police district results. At the same time, an ambitious development program has been initiated which in the coming years will yield additional quality improvements and a more strategic approach to the financial and strategic management of the organization, with a clear link between financial prioritizations and the strategic objectives. The program will in a number of areas lead to new ways of working and thinking and it will support an appropriately tight financial management, which on an ongoing basis will contribute to creating openings for strategic prioritizations by police management.

The introduction of this strategic management foundation has contributed to enabling the Danish police to raise the level of its performance significantly and at the same time document good results in a long list of central areas. This has increased the level of confidence in the Police. Among other things, the increased confidence in the organization means that the Danish police now enjoys the privilege of being allowed, with much greater autonomy now than previously, to determine areas for prioritization, and that the efforts to fight crime therefore, to a significant degree, can be founded on analyses of crime patterns and threat assessments as well as clear prioritizations and goals.

A well-defined strategic foundation, clear targets and systematic follow-up are essential and necessary elements in a coherent strategic management of a police organization. At the same time, however, they are not sufficient on their own. Therefore, the Danish police now works in a number of areas to establish the prerequisites and management tools that can contribute to improving the strategic management.

Among other things, this work involves to:

- Establish and implement a model for activity-based financial management, supporting the strategic management and ensuring the necessary link between the group strategy of the Police and processes of prioritization and budgeting.
- Implement an activity-based resource allocation model, based on the most significant resource drivers.
- Set few but strategically grounded goals which are clear and meaningful to the employees.
- Develop new methods of performance measurement, e.g. aimed at measuring the results of the crime pre-vention and security enhancing efforts of the police.
- To establish partnerships, intended to create coherence and value-add, with actors external to the police, e.g. through co-creation.
- Develop leadership capabilities of police leaders to support that the execution of the strategic objectives is strengthened and the targets are communicated in ways that make them meaningful to employees.

Practical information

Time
Monday, 8 April 2013 at 09.00-18:00 and

Tuesday, 9 April 2013 at 09:00-12:00

Place
Hilton Copenhagen Airport
Ellehammersvej 20
DK-2770 Copenhagen

TEL: +45 32 50 15 01

Accommodation
Hilton Copenhagen Airport.

Rooms will be booked in advance by enrollment.
Please note: The hotel is located only 10 minutes from city center by metro.

Price
DKK 2,000 / EUR 268.25 (cover all meals and accommodation).
Please note: Participants are kindly asked to cover their own travel expenses to Denmark. It is possible to book an extra night at Hilton at your own expense (DKK 1,036 / EUR 140) from Sunday to Monday).

Registration/enrollment
www.implement.dk/PerformanceManagement

RSVP: 22 March 2013

Contact
If you need further information in relation to the symposium, you are welcome to contact:
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Symposium Speech

Jens Henrik Højbjerg,
National Commissioner of the Danish Police

How to develop a good strategy through co-creation and how to design a performance management system that connects decisions and actions with strategy and engages staff in times of change

How to develop a good strategy through co-creation

Strategic management assumes a more flexible governance structure

In Denmark – and in most other countries, I assume – many different actors are calling for better strategic management in the public sector, including better expectation management and prioritization. At the same time, the media will likely continue to take part in setting the agenda, and both the media and the politicians will continue to be concerned with situational cases – potentially with detail regulation of the police as a result. On top of this, public institutions – police authorities being one – act in a world of constant change. This makes is necessary that we – who work within these institutions – are able to set strategic direction and become better at explaining and justifying our direction to politicians, employees and citizens alike.

If the police is to be capable of handling the dynamic factors in our environment as well as the increasing demands for efficiency and quality in our performance, it is important that we have the necessary managerial space. It is a prerequisite that the police can act under flexible governance structures that enable us to make ongoing adjustments to our prioritized actions based on the current threat and crime patterns as well as citizen expectations. Therefore, when I took on the role of National Commissioner in 2009, I found it necessary to challenge the detailed political regulation of the Danish police that was present at that time. The detailed regulation was a fundamental barrier for us to execute effective strategic leadership, and thereby a barrier for us to solve our tasks effectively.

Detail- and input regulation has been a barrier for effective strategic management

A telling example of the detail regulation of the Danish police is that as late as up until the end of 2010, we had a politically set target for the number of employees who had to be police trained staff. This "force number", as we call it, totaled exactly 11.100 men in 2010. The "force number" has been a significant barrier for development of the police for many years, as more than 80 percent of our funding was locked into maintaining the size of the police trained force. This significantly limited our possibilities to reallocate resources within our financial frames and to a certain degree removed the incentive to rationalize and increase efficiency.

If you look to previous political funding agreements for the police from before 2011, they all included a long list of input targets for our operational activities that locked our resources to very specific tasks over a longer period of time. These input targets limited our possibilities for reallocating resources when new situations arose. At the same time they carried the risk that the operational

goals in the political agreements after shorter or longer periods of time no longer reflected the real and present issues of crime in society.

The constricting governance framework had to be challenged and we had to set direction ourselves

It's been very important for me to challenge these constricting conditions of our governance framework and instead achieve a much higher degree of flexibility and opportunity to determine our targets so that they match the challenges we face and we can put our resources to use effectively.

To achieve this flexibility, I've been very focused on showing the politicians that we ourselves are capable of setting strategic direction for the Danish police. A strategic direction supported by political consensus, backed internally by the entire police and not least living up to citizen expectations. Therefore, in 2010 the Director of Public Prosecution and myself initiated a comprehensive strategy process in order to establish a 5-year strategy for the police and public prosecution as a whole.

When we initiated the strategy process, I was well aware, that should we not succeed in making the right prioritizations, manage expectations of citizens and funding authorities, as well as deliver – and not least document – results, then there would be others who would take over and do this on our behalf.

The results of the police reform were absent and strengthened the need for a strategy

The strategy process was initiated at a time when the Danish police was in a period of transformation following a comprehensive structural reform. Among other things we had reduced the number of police districts from 54 to 12 and implemented a significant decentralization of financial and staff management to the police districts. This naturally led to us not performing so well for a period of time. Therefore, we were under extreme pressure in the media – and the politicians were not so kind to us either. However, even though others thought that there were more urgent problems for the police to solve than initiating a strategy process, I believed that it was part of the cure to get the police back on the right track. We needed to set a clear direction for our organization in order to move away from the detailed input regulation and to use our resources as flexibly as possible.

An open and participatory strategy process takes time and resources – but it was necessary

Up front we had made ourselves clear that if the police were to have a strategy which could actively set direction and be a foundation for momentum and development, and at the same time a strategy which would make sense to politicians, employees and citizens alike, we had to involve key stakeholders of the police as well as the employees in the strategy formulation. This assumed a very comprehensive process in which a great deal of patience was necessary – which in an action based organization like the police can be a significant challenge in itself.

In the Danish police, we spent about three quarters of a year on the strategy process, which led to the formulation of a group strategy that set the direction for the police and the public prosecution from 2011 to 2015. Among other things, we carried out a detailed stakeholder analysis that mapped

out both internal and external stakeholders' views of the police and public prosecution and the challenges we face. We also carried out a survey (questionnaire) among our employees with the same purpose in mind and ran a number of workshops which involved both police managers and staff representatives. In the workshops, we discussed the challenges of the police and public prosecution in the coming years and took in suggestions for strategic focus areas and goals. On top of this, the process included dialogue with external key stakeholders such as the Prison service, the courts, private companies and municipalities – among other things to shed some light on how the police best engages in mutual, value creating partnerships.

I honestly admit that along the way, I *did* worry whether we spent too many resources and too much time carrying out this process. It was, however, offset when I saw how we internally in the police increasingly reached agreement on a shared direction. Gradually throughout the process, a shared image, of where we wanted to go and how we were to get there, was created.

Participation/engagement made the strategy strong and holistic

I was also pleased to see the positive approach and participation by our external key stakeholders – although we initially were a little skeptical that their involvement might just lead to a long list of situational single case issues they wanted us to address. When I look back at the very comprehensive material from the external stakeholder analysis, I'm very pleased to see how limited the single case focus turned out to be, how much the actors actually related strategically to our tasks, and how interested they were in contributing to better and more holistic solutions. They were by and large capable of ignoring special interests. The fact that our external stakeholders would like to contribute should not be something that we just make use of every five years when we set a group strategy. In my view, the Danish police must to a much higher degree engage our stakeholders and users in the development of the police. I would therefore like to see co-creation as a means for us in the future to create new and better solutions together with our users and partners. Actually I believe that it is absolutely necessary that we make use of the vast knowledge and the resources of the surrounding community, if we are to solve our tasks more effectively and efficiently in the future.

With the strategy we have become a more capable and aligned police – and also more aligned with the surrounding environment

The strength of the finalized strategy has contributed to enabling the Danish police to place itself in the driver's seat of its own development and shape its own direction to a much higher degree than before. Therefore, it is my belief, that the strategy has been a key factor for us to gain a flexible governance structure in the political funding agreement for 2012-2015.

All strategies reflect the issues and challenges present at the time of their formulation. The strategy of the Danish police is no exception. At the time of the strategy formulation, as well as today, the police is challenged by a more complex, integrated and demanding crime pattern. Adding to this, the police experiences increasing pressure from the surrounding world. The political environment expected more focus on visible results, from a financial perspective better results were expected,

and the citizens expected more transparency in the quality of our services and the prioritization of our resources and activities.

The strategy creates a shared platform that we work from. It sets the path for the way we solve our daily tasks and it creates clarity about our priorities. At the same time it sets a direction for the development of structures and routines in the organization, the culture, and the actual behavior among our employees.

The involvement was an eye opener and a culture change

Traditionally, management processes in the Danish police have been characterized by a top-down approach. Taking this history into consideration, the strategy process was quite a culture change for us. A culture change which taught us a lot – and which was absolutely necessary. The process has generally given us the courage to enter into partnerships with other public authorities, private companies and citizens when we make prioritizations but also when we solve our tasks.

Let me give you a present example. At the moment, we experience regular confrontations between criminal groupings related to bikers and gangs. Among other things, they are shooting at each other in the streets, bringing normal citizens in danger. In the short term, the police can dampen the conflict by arresting them, taking them out of circulation, but if we are to solve the fundamental problem, I believe it is necessary to take a more holistic approach, involving other authorities, the civil society and private companies. I'm thinking – aside from the need to prevent new people from joining the criminal groups – among other things on the partnership created between the Danish police and the tax authorities in connection with the fight against gangs and organized crime.

Naturally, the police has allocated massive resources to investigate and prevent the violent incidents within these environments. It's been hard work, and fortunately we have seen very good results in the past years.

As I'm sure you also know, one of the reasons why it's often a great challenge to prosecute offenders from these groups and environments is that they are largely closed to outsiders and even victims of very serious crimes are not willing to talk to us. For the same reason, our cooperation with the tax authorities has been a very useful supplement to our police tactical efforts.

Together with the Danish Tax Authorities, we use the so-called Al Capone method and target gang members through the financial profits of their illegal activities. Using the Al Capone method, the police points out persons related to gangs and organized crime to the tax authorities, who then systematically go through the person's financial and tax-related matters, - including potential companies associated with that person. Additionally, the tax authorities check up on business partners to prevent capital injection to the organized crime environments.

By using the competences of the tax authorities, not only do we pursue the organized criminals' traditional offences. They also feel it directly in their wallets.

An example of an initiative where we have had good success in engaging citizens, is that one of our police districts have started working with crowd sourcing. Citizens report criminal incidents by using their mobile phones to text message the police – based on the logic that there are 11.000 police officers in the country but 6,5 million mobile phones.

I think that these two examples of collaboration with external parties illustrate how new approaches to traditional policing are made possible when we involve the surrounding community and other professions in solutions – central elements of the co-creation method. Co-creation is a good method to break down silos and to work across sectors and professions – thereby developing new and groundbreaking solutions to some of the complex challenges we are facing.

By using the co-creation method in the Danish police, we have been able to challenge the way, we traditionally solved our tasks. But also by basing our strategy process on co-creation, we have been able to formulate a strategy that sets an effective direction and creates the foundation for our prioritizations and development in the coming years. At the same time, it has ensured that the strategy reflects the needs and wishes among both citizens, politicians, partners and employees. In this way, the strategy to a great extent reflects the process that led to its creation.

I look very much forward to the workshop later today when we will get the opportunity to discuss the challenges and potential in co-creation further.

How to design a performance management system that connects decisions and actions with strategy

The strategy is not alive until you formulate concrete targets and prioritized actions

One of the biggest pitfalls of strategic management, I believe, is not that the direction of the strategy is wrong, or that the prioritizations are off – nor is it the level of ambition. Rather, it is that the strategy ends up just being fine print on glossy paper, because it is not turned into concrete targets.

My fundamental management philosophy is that a strategy is not alive until it is turned into clear targets, executed through concrete objectives and prioritized actions. It is through the concrete actions that we create the results as well as the changes, that are necessary.

By formulating our group strategy, we have shed the detail regulation and instead introduced governance based on a strategy for the entire police which sets a clear direction for our prioritizations and management mandate. With the strategy we have also created the essential balance between national priorities and the need for local objectives, specifically targeting local communities and their issues.

The overall targets and focus areas in the group strategy are broken into sub-strategies for each of the larger activity areas, including an annual national operational strategy plan addressing the police

tactical areas of highest importance and a sub-strategy for financial and strategic management. Additionally, the strategies are implemented by means of key performance indicators to ensure that the strategies do not end up as mere empty symbols.

Lastly, the police districts each year formulate local strategies that function as their central management tool. These strategies ensure the necessary link between the targets and focus areas of the overall strategy and the local prioritizations.

Performance contracts based on few strategic objectives

In the Danish police we operate with performance contracts that support our strategic management. Annually, the Ministry of Justice and the National Police enter into a contract that covers the entire scope of police activity. Subsequently, the National Police and the Public Prosecution jointly enter into contracts with the 12 police districts across the country. The strategic objectives of highest priority for the Danish police are determined in these contracts.

If I am to mention the most significant principles of our performance contracts, they are that:

- The objectives in the contracts must be concrete, measurable and citizen oriented as well as result- and output-focused.
- The local objectives of the police districts in their contracts must be founded on the overall strategy for the police and public prosecution, the national threat and crime patterns and the related national strategy plan for the police operational activities as well as the threat pattern in the local district – making sure that there is a shared direction across the agreed objectives and targets of all our police districts.
- The formulation of the objectives and targets in the contracts are based on actual negotiation between the Director of Public Prosecution, the National Police Commissioner and each of the District Commissioners.
- The allocation of funds to the police districts and the formulation of objectives take place in *one* coherent and coordinated process.

Because we find it important to avoid detail regulation, the performance contracts typically consist of only 7 to 8 performance targets that span across the entire range of tasks of the police district. The targets in the contracts are of course supplemented by a long list of other goals and performance indicators that we monitor separately so that the entire scope of the police organization are covered by our performance monitoring system.

Strong focus on managing our case production

In this connection, I could for example mention that we have set very clear key performance indicators related to our case production. This enables us to continuously monitor productivity, quality and service related to our case handling – an area which consumes about 30 percent of our employee resources. A fundamental prerequisite for creating such key performance indicators and to follow up on them is that all our employees in the police and the public prosecution systematically and

continuously for years have registered the time they spend on their daily activities, split into activity categories.

To ensure effective management of the Danish police it is necessary to have a system that measures our results in a holistic and balanced manner, making it possible to monitor the development of the performance in the police districts in the most central activity areas.

Establishing an incentive structure that supports result creation and systematic innovation
Besides focusing on the results produced by the police, we have also changed the way in which we prioritize the internal allocation of funds within the police. We have built in incentives which support that we fulfill our targets and utilize our allocated funds better and which encourage innovative behavior.

Let me give you an example of innovation in this connection. To launch an extraordinary effort against organized gang crime, the police has been granted more resources. We have used these to establish a national task force and concrete actions across the country. We have spent the allocated funds in such a way that the police districts have been given the opportunity to come up with suggestions for concrete, innovative, extraordinary actions against organized gang crime. The projects or ideas that we judged to have the highest effect have been prioritized and the final targets for the extra funding has been agreed with the police districts in connection with their contract negotiations. In this way, we have ensured that the extra funding we received has been put to use effectively, and that the good, innovative ideas have been rewarded.

Performance management must be coupled to the financial management
As my financial director Nikolaj Veje will get into in a moment, we are currently working on implementing activity based financial management. Among other things to create a better link between our performance management and our financial management. A better link to the financial management will ensure more managerial focus on cost effectiveness and support that the police can strengthen its strategic prioritization of activities – and this includes evaluating if the resources spent match the results and effects achieved.

In my view, we have come far with the formulation of targets in most of our activity areas, and we have also established a long list of performance indicators – but there is still a need for improvements. I'll give you an example of how we work on improving our performance management. In recent years, the Danish police has intensified its efforts in particularly vulnerable neighborhoods with the aim to increase safety in these areas. Up until now we have solely monitored our activity by measuring the development in the level of crime and the number of charges. To get a better indication of the results of our actions in these areas, we have now started the development of a so-called "safety index". This index will measure the citizens' own perception of both safety and the level of crime in the neighborhoods. Citizen perception is mapped by means of an annual questionnaire which we have just run for the first time. Among other things the survey is intended to map out, to what degree the citizens feel exposed to crime and neighborhood problems. In parallel, the

level of crime is calculated based on our own data on the number of incidents reported to the police. The safety index will give us the opportunity to link the actual development of crime directly with the development of residents' feeling of safety and through this provide us with a more sophisticated view on the results of our actions.

If I am to mention two areas where we will work to improve our performance management in the coming years, it is to establish measurements of outputs and effects of response policing and crime prevention work respectively. With regards to response policing, we are well on top of our resource consumption and our incident volumes, but in reality we have only formulated *one* output target, namely our emergency response time. This target relates to one of the most important objectives of the response units but the target doesn't cover the entire range of response activities. With regards to crime prevention work, we also know our resource consumption but within this area, we have significant challenges formulating both output and effect targets.

How to engage staff in times of change

In the Danish police, we continue to spend a great deal of our budget / financial allocation on salaries. We must therefore ensure that we put our employees to use in the best possible way, that we strive to give them the opportunity to do what they prefer to do and are best at. We must ensure that everyone knows how they contribute to our activities and performance. And, now we are at the core of performance management – which is fundamentally simple – at least when thinking about it… it's about two things: 1) That all employees have a right to know which tasks they must solve – i.e. their objectives and targets, and 2) That all employees have a right to know how well they perform, i.e. their results. It might sound like simple managerial tasks but in real life, they aren't so easily done.

In the Danish police we need to improve in both these areas which are core managerial tasks that I expect all leaders to take on. We must not develop a range of bureaucratic maneuvers to measure and control our activities so we end up losing citizen focus. However, we must have the effective operation in sight. We need to have enough control over what we are doing, how we spend our resources and with what effect, - or else we can forget all about continuous improvements and consistent efficiency improvement. In other words: If we don't know where we are, we cannot decide where we want to go. Performance management is a core element of leadership in the Danish police and we constantly need to improve in practicing this method so that it maximizes our possibilities for effective management and minimizes bureaucratic barriers.

We need a stronger focus on strategic leadership and human resource management
Our challenge in this connection is crystal clear. Traditionally we have focused on professional tactical police management whereas human resource management and not least strategic management have had less attention – a lot less. This needs to change. We have to get much better at the type of leadership where we communicate open and clearly about demands and expectations, communicate and justify shared goals for our employees and our stakeholders. We must empower employees and

allow them influence and responsibility of planning and organizing their work. We must create positive relations across professional boundaries and motivate our employees to do the same. We must learn to master a new way of working. A new way of working that will make us capable of achieving the right results at the quality – and know why and how we reached them.

Our ability to execute and follow up on our strategies and targets must be strengthened
We have recently cooperated with McKinsey consultants to carry out reviews in two police districts, focusing on local organizational efficiency. One of the elements in the analysis was an employee questionnaire, aimed at producing an organizational health index – OHI. The results of both reviews show that our challenges in strategic management is not related to the actual strategies, prioritizations or the targets we set. Rather, the reviews showed that we must improve our ability to execute and follow up on our strategies and targets – and that these improvements must happen at all levels of management in our organization.

Strategic leadership takes visions and the ability to cooperate with others outside of the police
To practice strategic leadership also takes visions and the ability to cooperate across authorities, companies, third party groups, etc. – in order to create a more holistic and effective approach to our core tasks – e.g. by means of shared task forces, partnerships and networks. Going forward, the ability to create results through partnerships and networks across sectors and professions will be a core management competence in the Danish police.

Within a number of core focus areas, for example burglaries and organized crime, the police has in recent years benefited a lot from partnerships related to fighting and preventing crime together with other authorities, companies and third party stakeholders. This new way of organizing and finding solutions requires new competences among the leaders of the police. Previously, leadership competences were typically focused on work methods based narrowly on our own police resources, knowledge and approaches – now, leadership competences must also support network based interaction and cooperation across organizations. These new hybrid ways of organizing tasks also require that leaders develop competences that make them capable of working with and maneuvering in relation to more stakeholders in a market of many different management logics and cultures.

A management reform is needed
We have come really far by our strategic management in the Danish police. We have set a strategy which is backed by politicians, citizens and employees – and we have also come far in developing the performance management that will ensure that the strategy leads to concrete actions and results. At the same time, the politicians have shown us trust and given us the flexible governance structures, we wanted. To reach the finish line, I believe that it is now time to focus on the part of our organizational effectiveness that relates to leadership. I'm particularly thinking about our ability to execute and our ability to solve our tasks in cooperation with the surrounding society.

We have just launched a significant "brush up" of our management structure, aimed at also improving our organizational effectiveness. First of all, we are carrying out a management reform which

will reduce the number of managers and managerial levels as well as strengthen the leaders' competences. Secondly, we are implementing a comprehensive leadership pipeline project to ensure that we determine clear roles and responsibility across the entire chain of leaders. In connection with both initiatives, we are of course very focused on addressing the tasks related to strategy formulation, execution and follow-up.

Activity-based Management

Nikolaj Veje, Financial Director,
Danish National Police

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Activity-based management

The foundation for performance management

Copenhagen, April 2013

Symposium on Performance Management

Nikolaj Veje, Financial Director, Danish National Police

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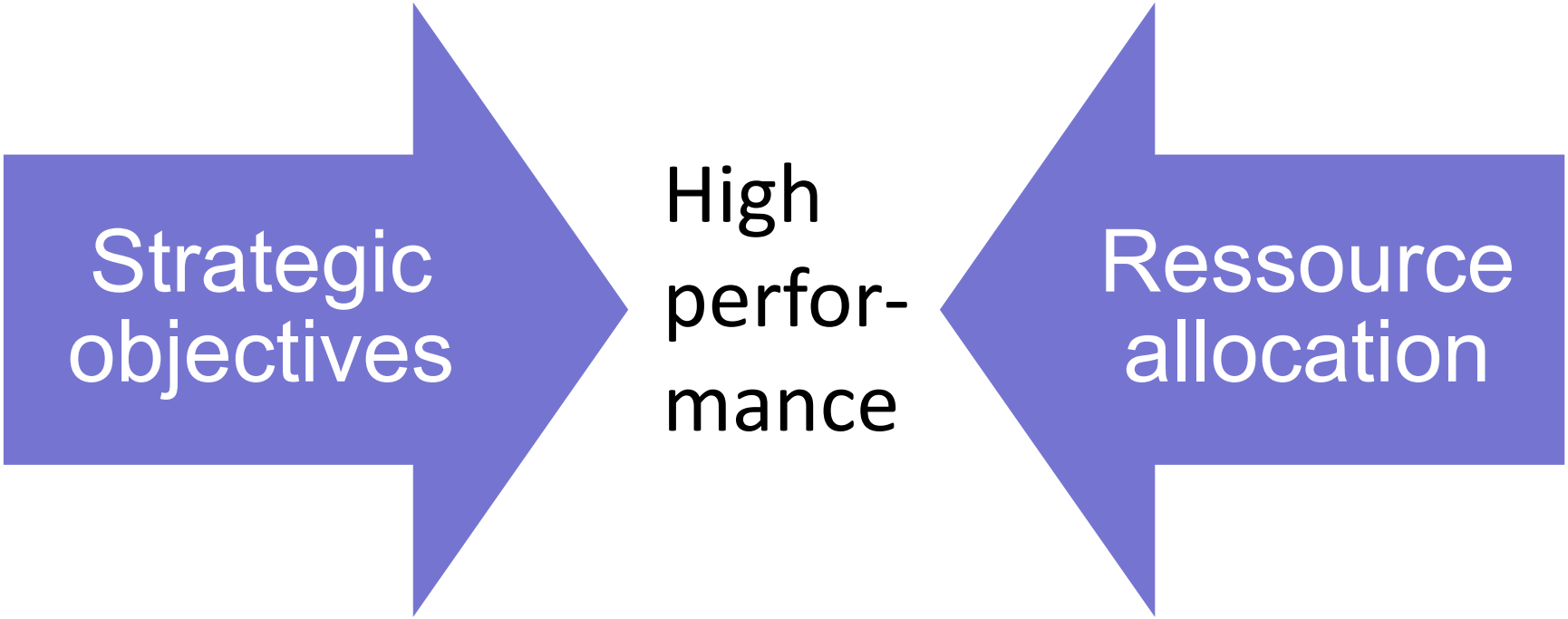
Linking strategy and budgetting



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High performance: If succesfull…

Performance targets are met

High overall effectiveness and engagement

Ressources are made available for new priorities

Ressources are allocated to activities with high priority

Management decisions are aligned with the strategy

The power of strategic management is recognised in the organisation

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Prerequisites

High quality and operational overall strategy

Integrated processes

Meaningfull and measurable KPIs

Allocation of costs to relevant activities

High flexibility and precision in ressource allocation

Good budgetting and effective follow-up

An integrated, strategic financial management model

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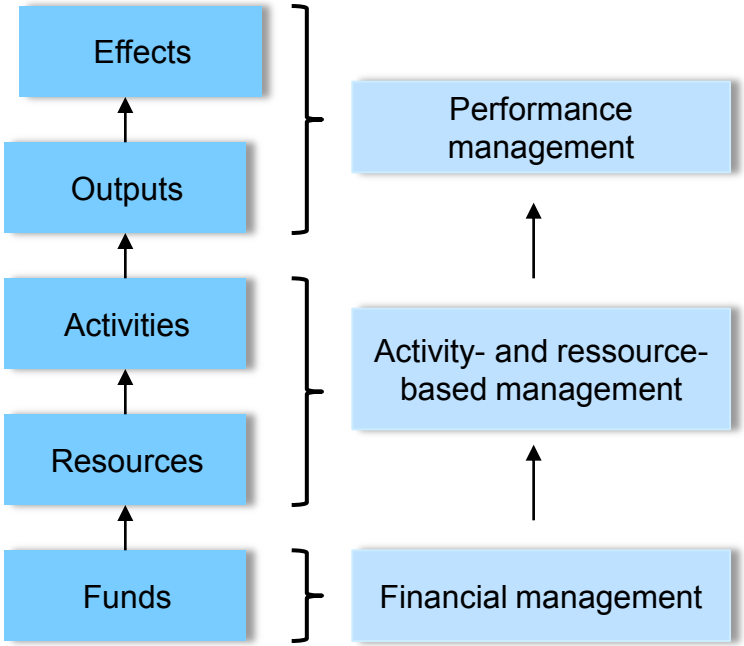

- **Follow-up on ressource consumption compared to strategic targets and objectives and their fulfilment ratios**
- Prioritisation across activities
- Cost-benefit analyses
- Benchmark of productivity and quality levels across police districts
- Etc.

- **Ensuring that activities and operational processes are continuously optimized to ensure efficient use of resources and productivity increases.**
- Cost allocations
- Unit cost analysis
- Investment planning
- Etc.

- **Ensuring that financial resources are put to use optimally and ensuring that allocations are not exceeded.**
- Controlling of actual spending compared to budgets
- Cash flow management
- Periodical planning and budgetting
- Etc.

Excellent strategic management is not achieved solely by tight financial management focused on budget and allocation controlling. It also requires insight into (and management of) how the resources are put to use and the results hereof.

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Main elements in the danish model

- Ressource allocation model
- Activity based cost allocation
- Overall police strategy
- Strategy for financial and corporate governance
- Investment planning
- Integrated proces planning
- Incentive contracts with perfor-mance targets
- Bench-marking

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New strategy for financial and corporate governance, May 2012

Secure financial management

- We must through a continued proper financial management maintain and improve the police's reputation as a modern and efficient organization

Prioritization

- By establishing a good financial and corporate governance model we have a clear picture of the police's own possibilities/room for prioritization of activities and resources

Productivity

- We aim for high productivity where we continuously benchmark/compare our practice internally and externally

Results

- We must ensure that our financial and corporate governance model focus on supporting high performance results in police core activities

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New strategy (continued)

- Implementation of activity-based management is a key focus area for the strategy in 2012-2013. The main purposes are:
  - Determine the central tasks (activities) the police solve – ***and*** what are the costs implied by these specific tasks
  - Organize the financial and performance management processes with a focus on activities in order to support prioritization and efficiency initiatives

The main focus is to manage and support the core police activities and not just focus on budget control and financial reports.

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Why activity-based management?

Tasks/activitites

- Visualise what the police spend the money on
- Visualise what each activity costs

Prioritization

- Create better basis for prioritization of activities
- Create better basis for management dialogue/processes

Efficiency initiatives

- Give better opportunities for systematic benchmarking
- Give visibility to "best practice"

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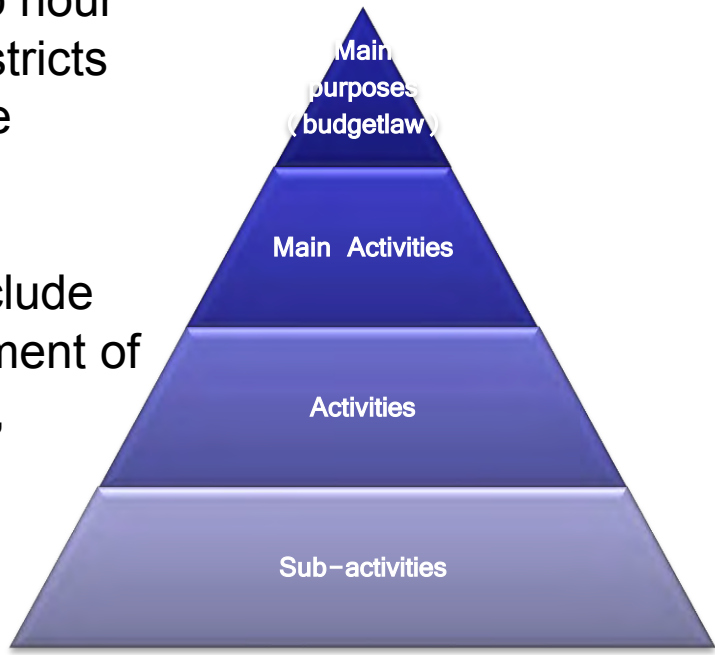
What is activity-based management in the Danish Police?

- There are many models of activity-based management - and not one model that fits all companies / institutions.

- The Danish Police model of activity-based management has so far only covered time tracking of certain activities, a series of reports in relation to hour consumption, ad hoc benchmarking between districts and partially following up on certain performance management targets (ad hoc)

- Going forward, the model will be extended to include the recording of all costs on activities, establishment of cost allocation, expansion of the report complex, systematic benchmarking, activity-based budget allocation, budgeting and follow-up activities (systematic).



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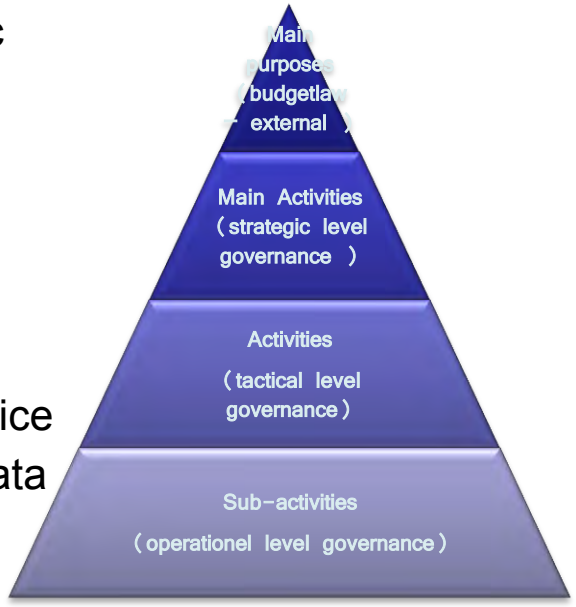
Basis for activity-based management

- In 2012 the Danish Police focused on implementing the basic foundation for activity-based management
- An essential part of this process included standardization of data registration dimensions across financial, HR/time-registration and production systems
- Furthermore there was introduced a new common activity dimension in all these systems which enables the Danish Police to plan, budget, execute and follow up based on combined data on production/results, time registrations and financial figures



Activity dimension (Main purposes, main activities and activities)

Forebyggende og målrettede indsatser

Forebyggende indsatser (FI)
- Forebyggende - vold
- Forebyggende - røveri
- Forebyggende - indbrud
- Forebyggende - tyveri
- Forebyggende - øvrige særlov
- Forebyggende -færdselslov
- Forebyggende i og omkring værtshuse
- Forebyggende - særlige persongrupper
- Forebyggende - særlige geografiske områder
- Forebyggende - særlige begivenheder
- Generelt forebyggende aktiviteter

Målrettede indsatser (MI)
- Målrettet - vold
- Målrettet - røveri
- Målrettet - indbrud
- Målrettet - tyveri
- Målrettet - øvrige særlov
- Målrettet - færdselslov
- Målretttet i og omkring værtshuse
- Målretttet - særlige persongrupper
- Målrettet - særlige geografiske områder
- Målrettet -særlige begivenheder
- Parkeringskontrol

Trygheds- og beredskabsopgaver

Alarm- og vagtcentral
- Alarm central
- Vagtcentral
- Modtagelse og visitation af borgerhenv.

Beredskabsopgaver
- Hændelser
- Eftersøgninger
- Transport og bevogtning
- Tilsyn/eskorte/beskyttelse
- Pas- og udlændingekontrol
- Patrulje flere formål

Internationalt arbejde
- Internationalt samarbejde
- Internationale missioner (udsend og adm)

Sagsbehandling

Undersøgelser
- Undersøgelser

Straffesagsbehandling
- Drab, brand mv.
- Vold
- Sædelighed
- Røveri
- Indbrud
- Tyveri
- Økonomisk kriminalitet
- Narkotika og smugling
- Øvrig straffelov, herunder brugstyveri
- Øvrige særlov
- Færdselslov
- Kortvarig sagsbehandling straffesager

Støtte til sagsbehandling
- Kriminalitetsanalyse
- Efterretningsvirksomhed
- Kriminalteknik, fototek og koster
- Sagsfordeling/visitation og kvalitetssikring

Politiadministrative opgaver

Tilladelser og attester
- Motorvæsen, pas, kørekort, vægtafgift mv.
- Køre- og teoriprøver
- Færdselstekniske foranstaltninger mv.
- Bevillingssager
- Våbensager
- Øvrige tilladelser og attester, straffeattester

Andre opgaver
- Hittegods, udsat bohave, herreløse dyr
- Fremmedsager
- Fogedfremstilllinger - forkyndelser mv.
- Indfordring af bøder mv.
- Assistance forsvaret
- Beredskabsplaner mv.
- Rådgivninger, høringer, adm.sager

Uddannelse

Grunduddannelse
- Grunduddannelse - kursist
- Grunduddannelse - lærer
- Grunduddannelse - udvikling og adm.

Anden uddannelse
- Efter-, videre og lederuddannelse - elev
- Anden kompetenceudvikling - elev
- Efter-, videre og lederuddannelse - lærer
- Efter-, videre og lederudd. - udvik. og adm.

Hjælpefunktioner samt generel ledelse og administration

Generel ledelse
- Generel strategi og planlægning (ledelse)
- Personaleledelse

Administrative støtteopgaver
- HR, personale- og lønadm. og -styring
- Økonomiadministration og -styring
- Indkøb
- Facility management
- Drift og vedligehold af bygninger
- Drift og vedligehold af køretøjer og materiel
- Kommunikation Intern/ekstern
- IT-udvikling
- IT-drift
- IT-support
- Tværgående udviklingsprojekter (excl. it)
- Adm. analyse, controlling, interne kontroller
- Øvrig service

Faglige støtteopgaver
- Personalemøder og briefing mv.
- Møder med eksterne
- Interne møder herunder faste udvalg
- Foreningsarbejde
- Ny lovgivning/instrukser/informationssøg.

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The resource allocation model of the Danish Police

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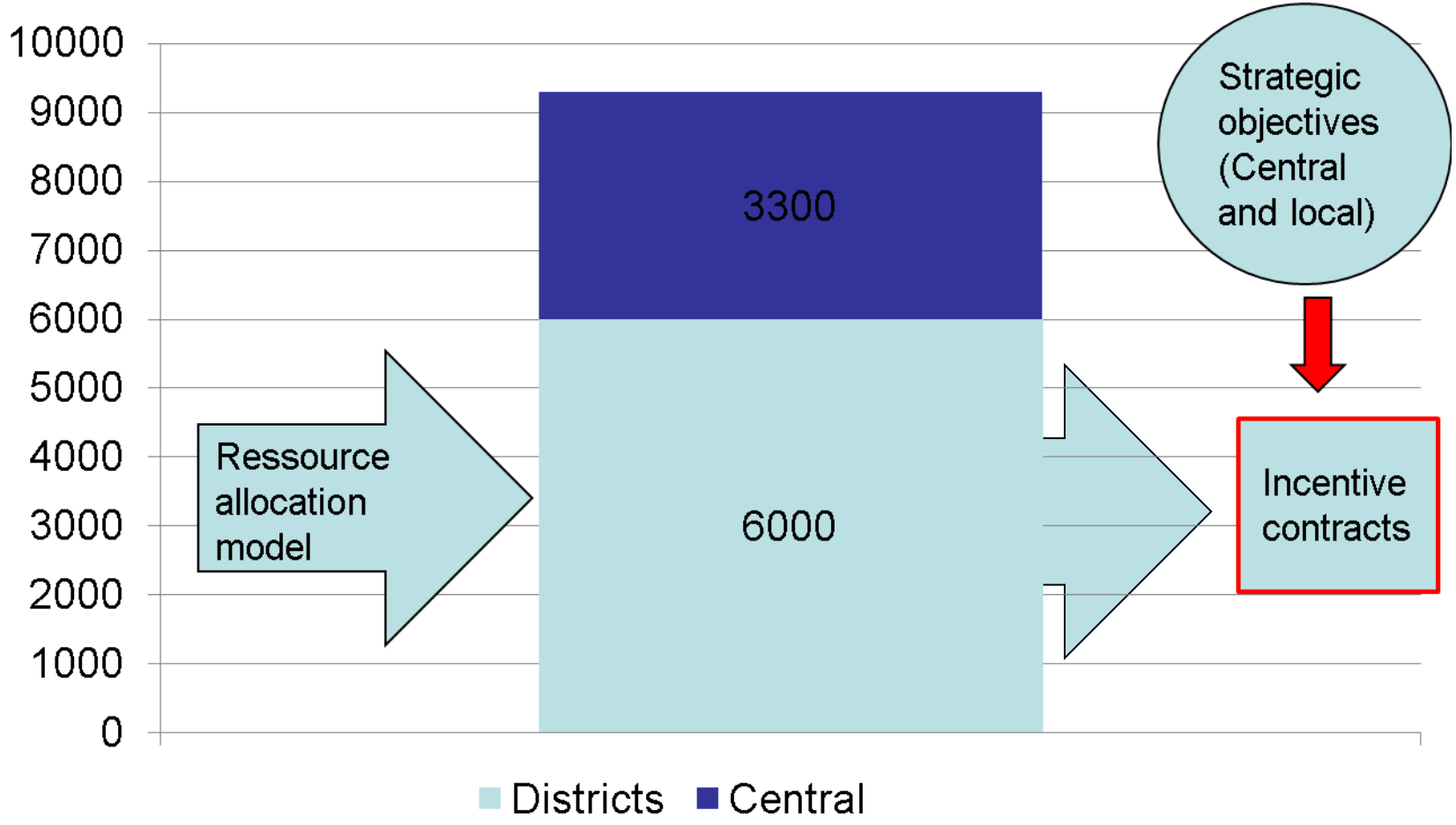
Distribution of total appropriation of 9.300 millions DKR



Ambition of the resource allocation model

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- A prerequisite for effective performance management in which the police districts are granted uniform funding conditions for delivering on agreed targets
- Must enable a uniform level of quality in service delivery across the police districts (level playing field)
- Must distribute ressources on the basis of central activity drivers of the police
- Must distribute resources based on objective criteria, supported by empirical evidence
- Must be transparent and comprehensible
- Must drive incentives towards cost efficient production
- Must be dynamic in respect of activity drivers

Allocation per district

Specific mechanisms of the model

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How the total allocation is distributed among the 11 police districts

Base allocation

- Each of the 10 comparable districts is upfront granted 100 FTEs.
- Copenhagen Police gets 300 FTEs.
- The activity-based allocation is subsequently granted on top of this base.

Activity-based allocation

Criminal case work

- Based on average activity level across a rolling period of 3½ years.
- Average activity is the weighted number of reported offences cross the ten crime categories (burglary, violence, homicide etc).
- Weighing is based on average resource spend (hours) within each crime category.
- Assumes and requires same productivity across all police districts (standard time per case) in their criminal case work.
- For selected crime types, standard time is adjusted based on the demography of the police district (”ethniticy factor”).

Response policing

- Based on average activity level across a rolling period of 3½ years.
- Average activity is the ”warranted” number of patrol dispatches – i.e. number of traffic accidents with injuries and number of called-in incidents that a police district would/should normally dispatch a patrol to (not all they actually attend or drive to).
- Targets that all districts are granted resources so that they can maintain a uniform high level of service quality.
- Calculations of district-specific standard time takes geography into consideration, incl. driving distances and areas with large city and suburban characteristics.

Special allocations

- Specific local conditions that may affect activity levels and resource requirements in only one or selected police districts:
  - Border-related tasks
  - Airports
  - Driving tests
  - Emergency call centers (112)
  - Capital-related tasks
  - Support to capital-related tasks

Although the model calculates ressource allocations based on activity levels, each police district is given one single allocation without specification. I.e. the districts have full autonomy and flexibility to distribute funds across their activities at local level as they deem appropriate to deliver on their obligations and targets.

Resource allocation split – the police districts

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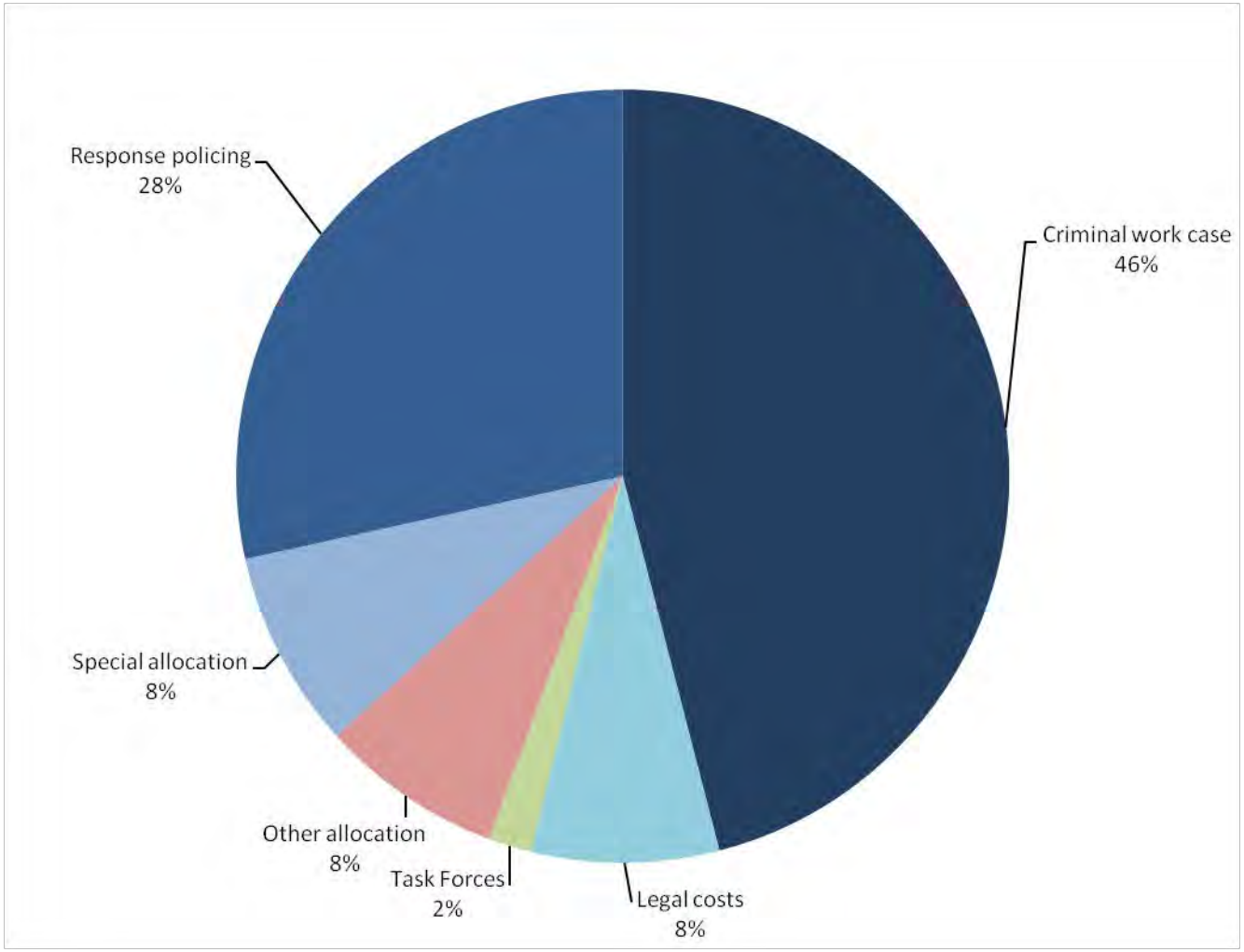

Activity based allocation

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I. Criminal case work
II. Responce policing

Expected activity based on central activity drivers

X

Unit costs (national)

Creates incentive to increase effectiveness / reduce unit costs and have attention on the chosen service level

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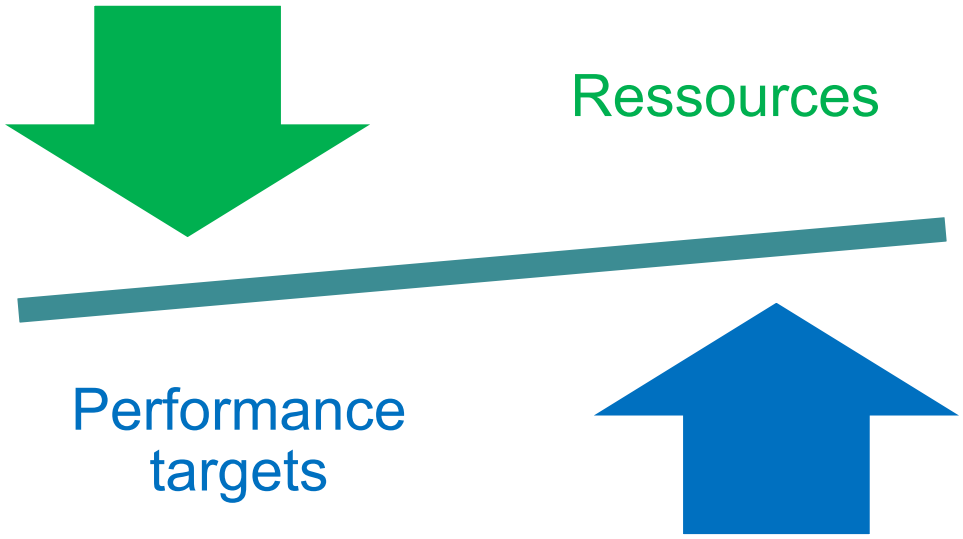
Ressource allocation and performance management

Uniform funding conditions
justifies
uniform demands to effectiveness



Today: Balance by rough estimation
Tomorrow: Calculated balance by use of activity-based financial data

Ressource allocation and performance management – in practise

Important that the ressource allocation model and performance management (in contracts) work together

Together they must promote desired action to meet performance targets

Examples:

1. Lower report of crimes reduces activity and therefore also ressource allocation ⇨ Performance targets for reports of crime are necessary in the contracts

2. What is the consequence of gradual phasing in of the new ressource allocation model with temporary excess allocation to some districts (detailed analyses needed)?
   a) Higher demands to ensure effective use of excess resources and/or to push for lower unit costs
   b) Lower demands to leave time to adjust relatively high service levels

Determine uniform service levels implied by the ressource allocation model

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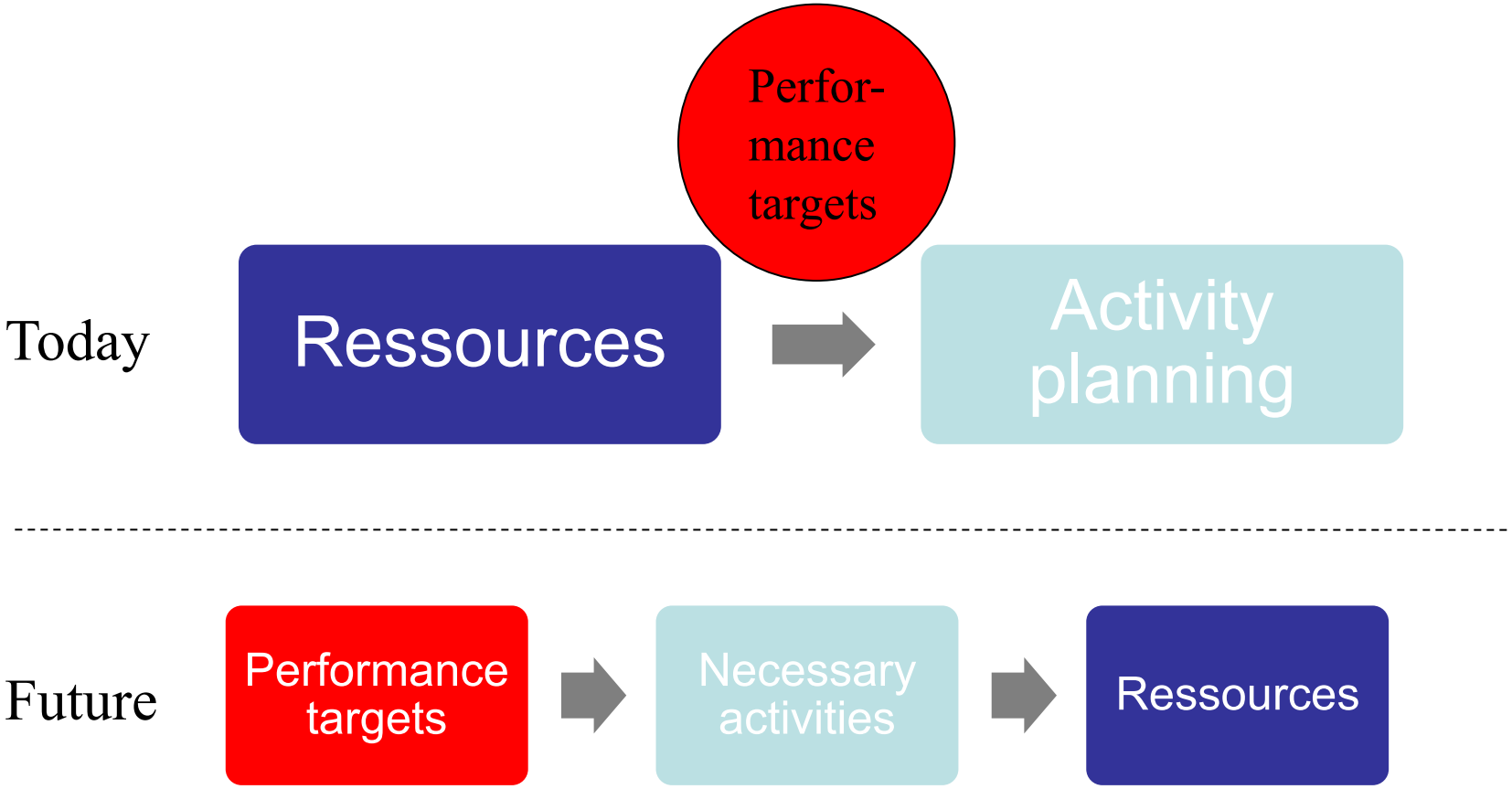
Further development of activity based planning



Prerequisites and learnings

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Prerequisites

- Data on activity levels (no. of reported offences and incidents, split by crime category / incident type)
- Data on resource consumption (time spent by the employees, split by activity, i.e. case work within each crime category and time spent on patrolling/dispatches).
- Monitoring/controlling of consistency and quality in registration practice across the police districts
- Must be coupled with quality requirements (e.g. lead time and detection rates) in the contractually agreed performance targets to avoid that increased focus on productivity deteriorates quality and service levels.

Learnings

- Stay focused on selecting only a limited number of resource drivers for the model. Prioritization is key.
- Time registration (available activity categories) must be kept relatively simple, not too detailed/many – otherwise the quality of registration by the employees suffers.
- Data controlling must be in place to ensure uniform registration practices across districts.
- Employees and managers need to know / see that the data is actually used.
- Special allocations should be limited to only tasks of significant volume and when they are truly unique to only one or a few police districts.
- When the critics argue against the model, ask ”what is the alternative?” – allocation based on judgment calls? Unintelligent forecasting based on last years’ budget/spending? Static allocation of inputs without considering outputs and productivity?

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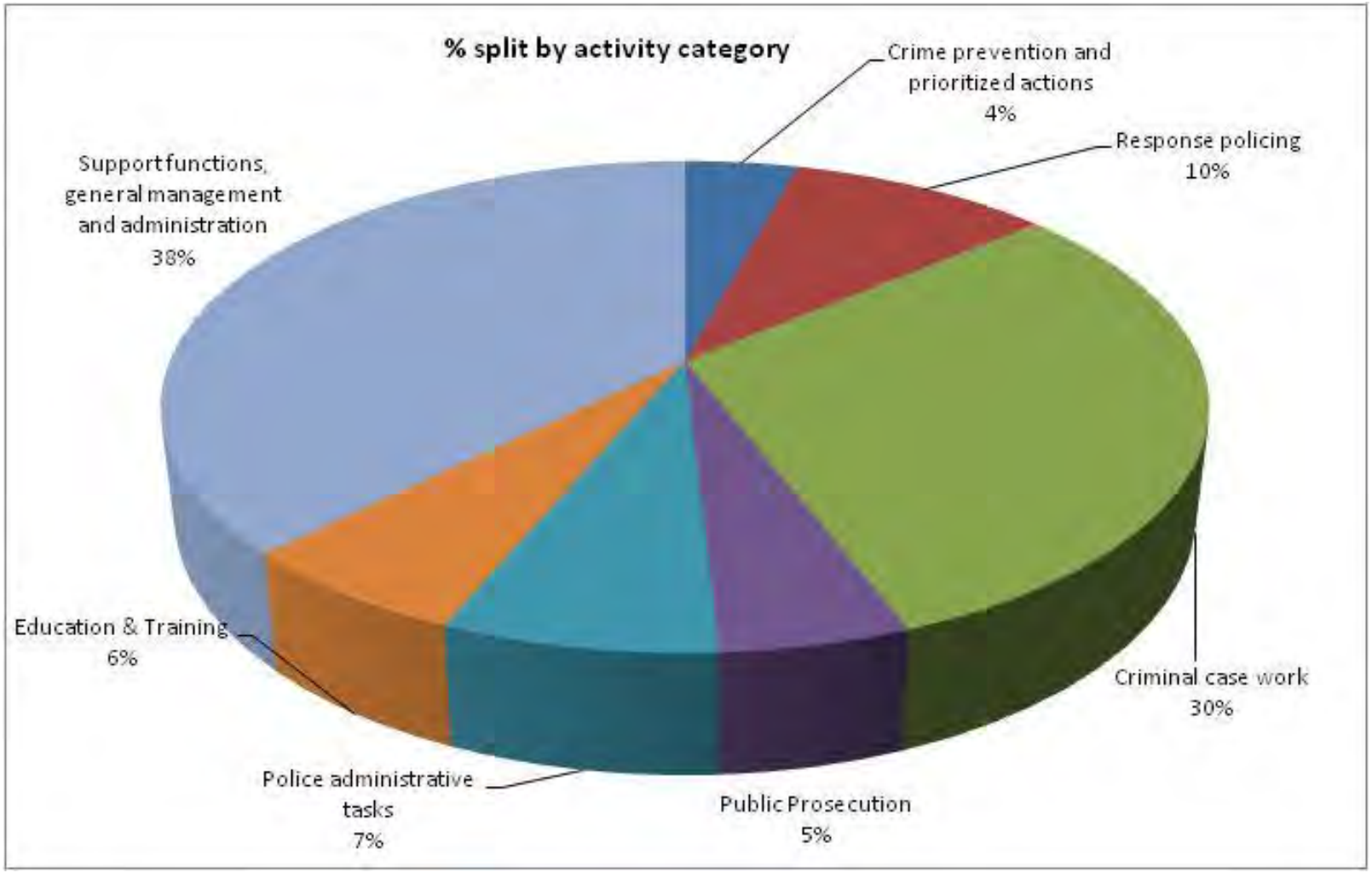
New prospects for performance management by use of activity-based financial data

Spending by activity



Support functions include: IT, procurement, facility management, housing/rent, vehicles and operational equipment

Activity split into sub-categories (example: case work)

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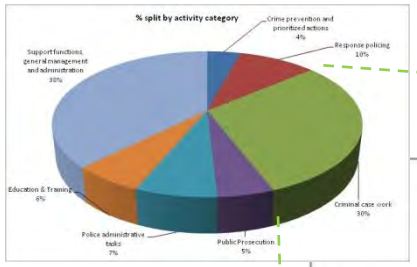

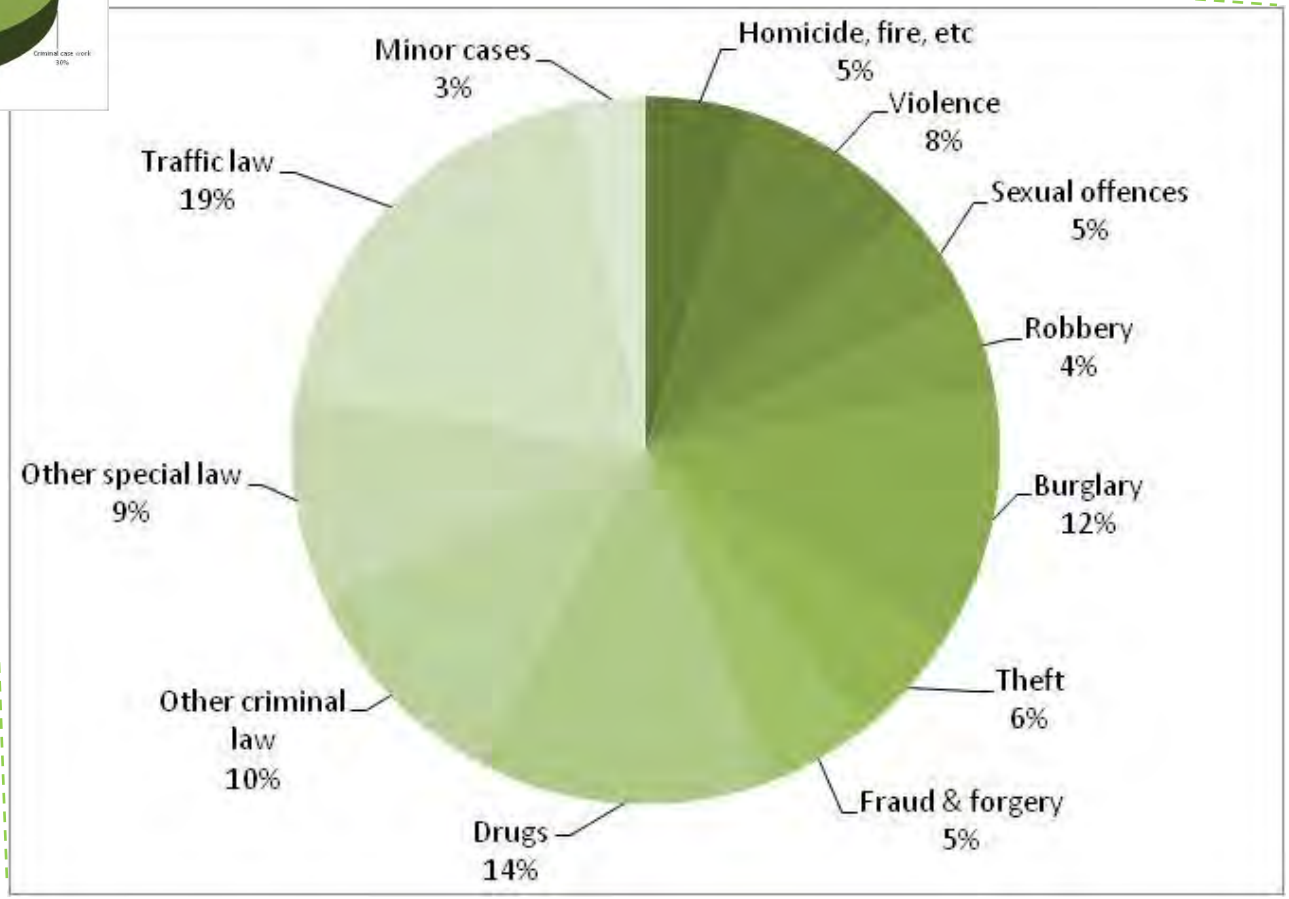

Ressource spending by activity by district

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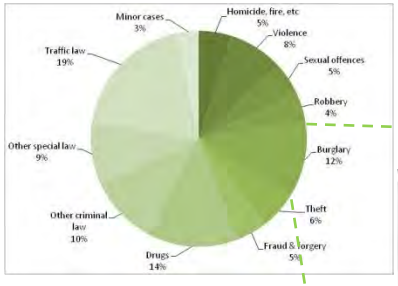

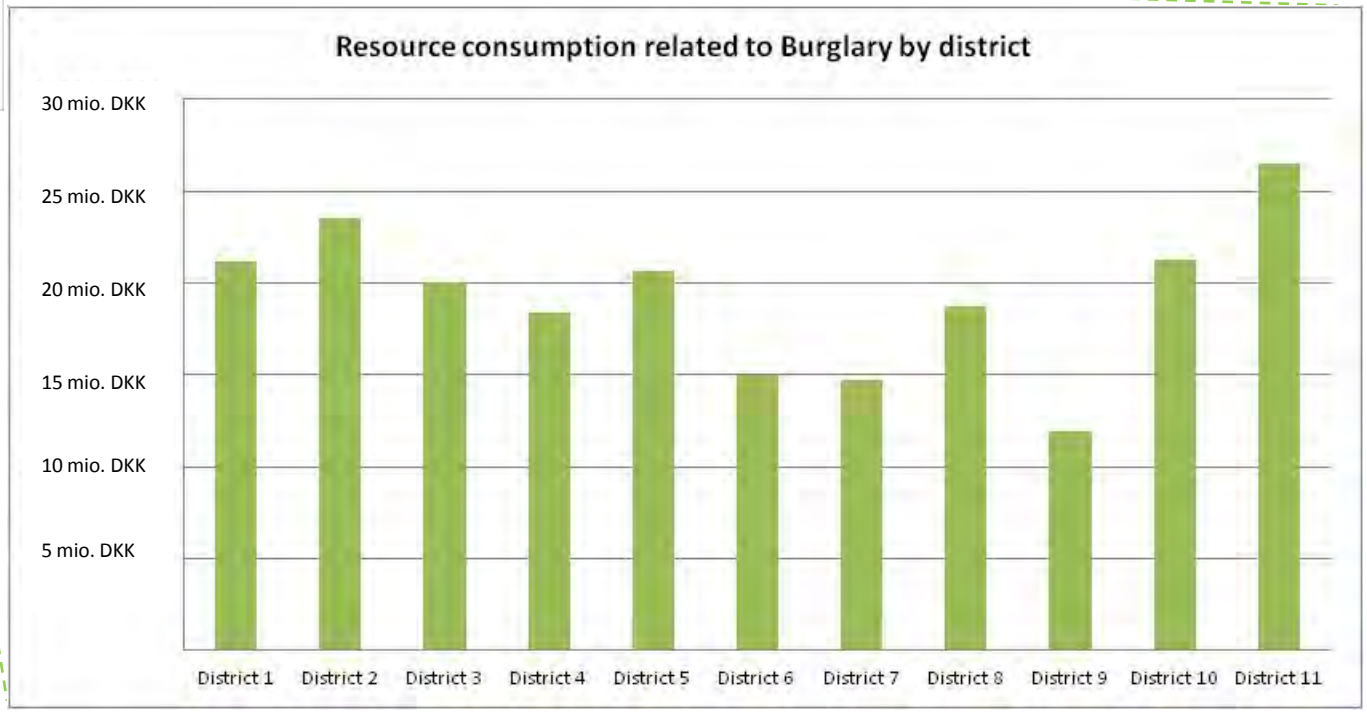

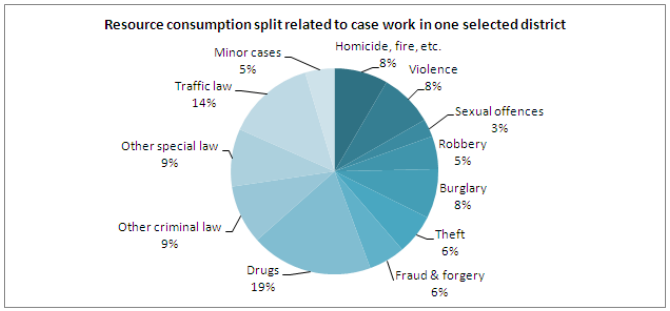

Output data by activity and district

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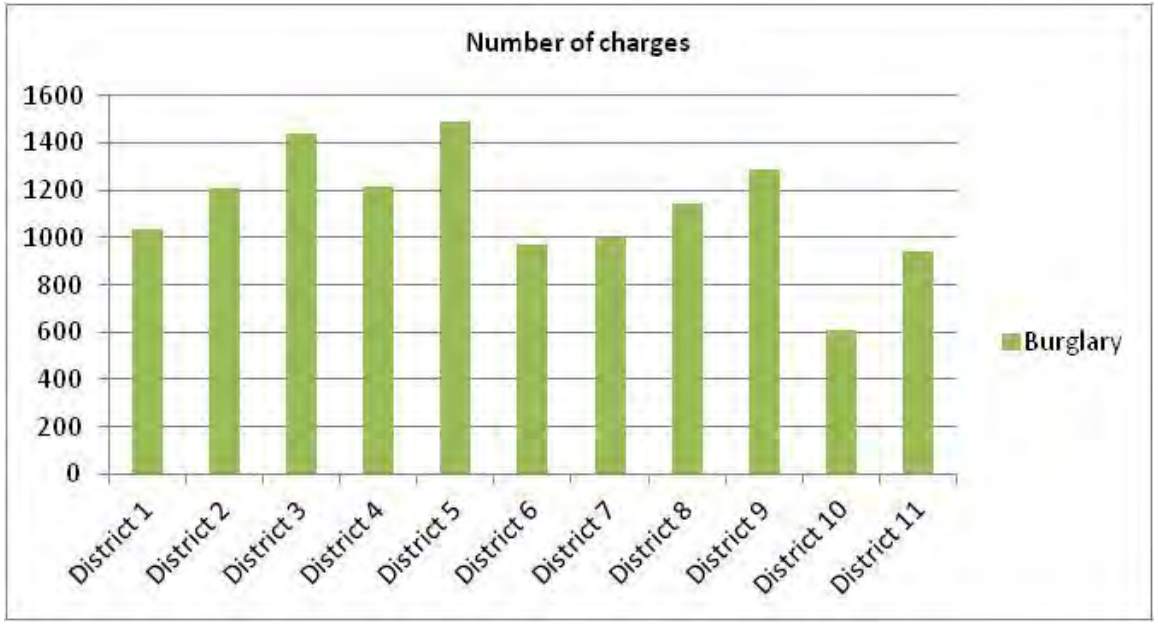
Number of charges in 2012	District 1	District 2	District 3	District 4	District 5	District 6	District 7	District 8	District 9	District 10	District 11
Homicide, fire, etc.	91	79	45	68	62	94	84	108	96	67	127
Violence	1118	1544	1324	967	1375	1350	885	924	938	817	1768
Sexual offences	216	152	245	165	248	218	126	213	254	175	250
Robbery	102	215	130	122	113	212	157	137	225	213	547
Burglary	1037	1209	1438	1219	1490	969	1002	1146	1289	608	944
Theft	3106	4123	3104	3602	2995	3255	2067	2940	3256	3216	8978
Fraud & forgery	1237	1380	1725	1492	1506	1297	1172	1517	1452	1443	4780
Drugs	1976	2508	1971	2057	1628	1628	1002	1622	1073	1266	7632
Other criminal law	1521	1802	1852	1554	1810	1654	1342	1564	1643	1404	2903
Other special law	5236	4170	4813	4110	4094	2872	2675	2768	3104	1882	8801
Traffic law	42764	42757	30204	46452	34507	42167	34680	38588	41600	42366	93004



We also measure the number of reported incidents, cases that go to court and the number of court rulings in our favour.

Productivity benchmarking across districts by category

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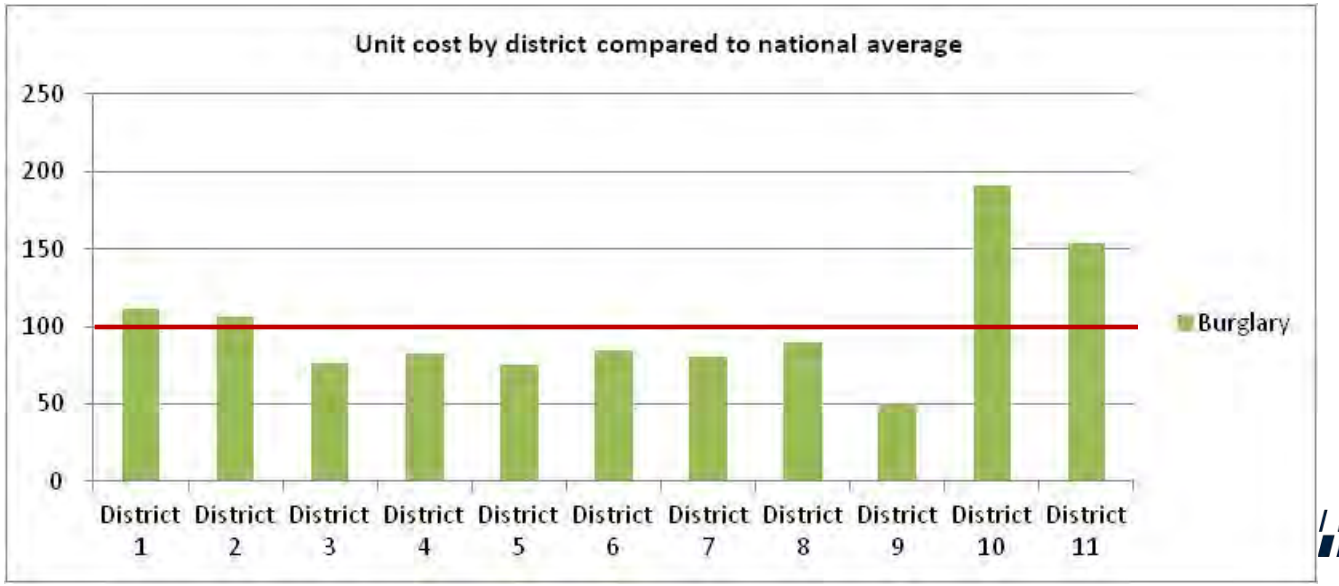
Productivity ratio compared to national average	District 1	District 2	District 3	District 4	District 5	District 6	District 7	District 8	District 9	District 10	District 11	Average resource consumption per submitted charge (UNIT COST)
Homicide, fire, etc.	49	100	95	107	53	76	122	58	66	116	259	87.803
Violence	81	91	72	107	121	77	108	96	90	115	142	11.386
Sexual offences	79	84	83	104	77	62	127	74	236	74	102	37.704
Robbery	127	114	81	96	82	98	87	95	124	106	89	36.312
Burglary	111	106	76	82	76	85	80	89	51	191	153	18.313
Theft	66	72	110	87	163	76	102	86	108	133	97	2.504
Fraud & forgery	94	91	60	68	114	99	80	78	171	160	86	4.773
Drugs	93	75	53	108	108	104	152	76	156	91	84	10.249
Other criminal law	92	67	76	76	114	105	122	96	117	122	114	9.557
Other special law	82	135	78	94	119	123	115	118	4	139	92	3.839
Traffic law	118	109	156	83	116	111	137	82	28	87	73	695

Index 100 = national average

Index 100 = national average



Here we compare unit cost per charge. Other options include to calculate/compare unit cost by number of reported offences or favorable court rulings.

Quality benchmarking (% offences that we turn into charges)

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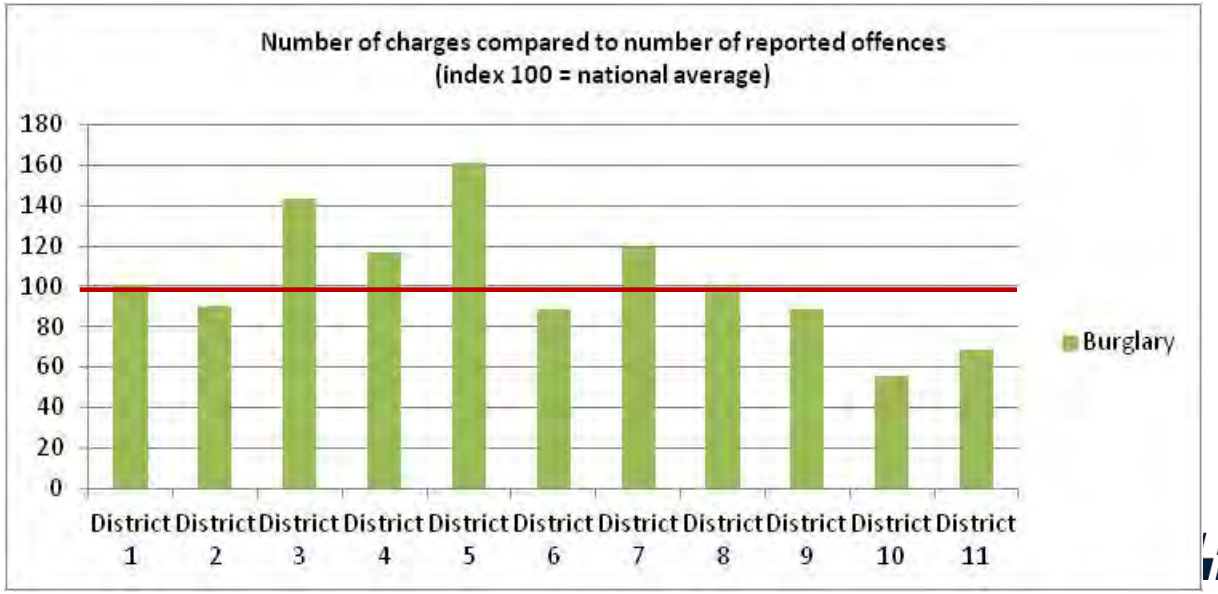
Number of charges compared to number of reported offences

Quality ratio compared to national average	District 1	District 2	District 3	District 4	District 5	District 6	District 7	District 8	District 9	District 10	District 11	National performance
Homicide, fire, etc.*	63	158	119	82	96	125	118	152	101	89	84	111%
Violence	100	90	108	104	104	93	109	111	97	99	97	96%
Sexual offences	97	73	105	102	114	108	74	102	103	95	120	84%
Robbery	109	105	173	116	157	133	143	130	142	102	62	73%
Burglary	101	91	143	117	161	89	119	99	88	56	69	15%
Theft	112	87	142	125	142	112	106	104	95	109	75	21%
Fraud & forgery	87	82	116	120	91	98	101	88	91	80	122	91%
Drugs	92	105	97	97	86	102	100	99	100	104	105	96%
Other criminal law	97	92	111	96	111	101	86	105	96	88	112	35%
Other special law	128	125	131	117	108	113	100	115	40	100	100	69%
Traffic law	101	102	97	102	98	103	95	101	97	106	98	87%

Index 100 = national average

*National performance above 100% is due to periodisation issue (time of incidents compared to the date of the charge). For most of the other activity categories, the numbers even out and do not affect statistics.

Index 100 = national average



Quality benchmarking (average handling time)

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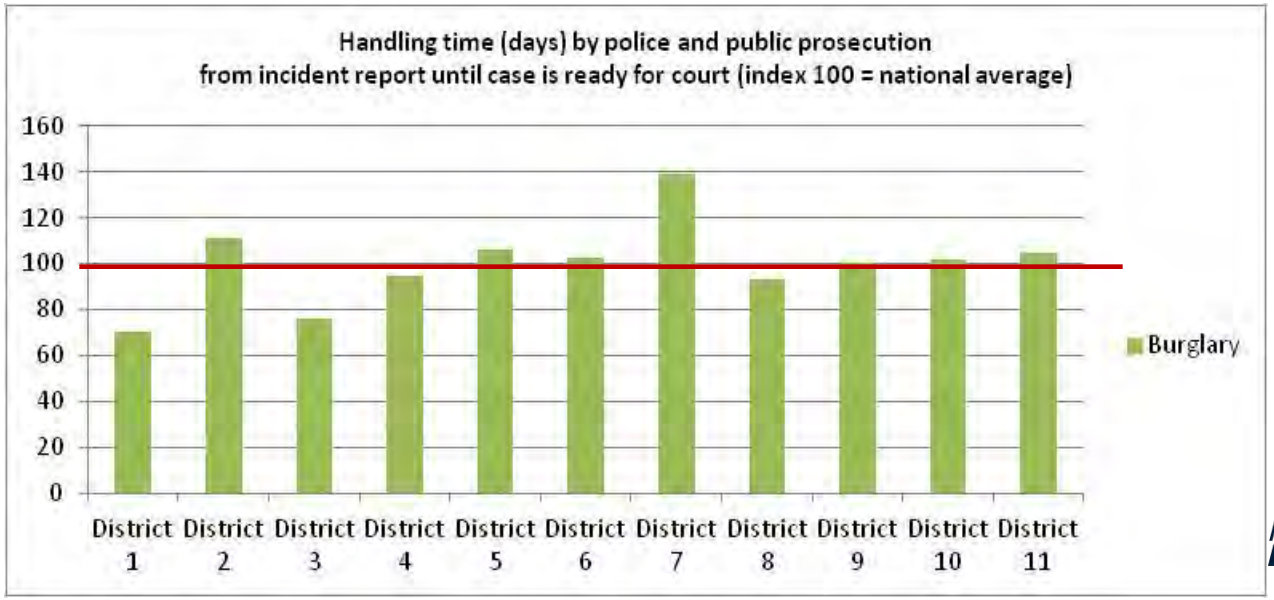
Handling time by police and public prosecution from incident report until case is ready for court

District performance compared to national average (indexed)	District 1	District 2	District 3	District 4	District 5	District 6	District 7	District 8	District 9	District 10	District 11	National average (days)
Homicide, fire, etc.	78	97	86	116	92	80	90	127	77	138	119	199
Violence	93	106	90	99	105	86	104	105	111	104	97	65
Sexual offences	117	111	88	96	100	102	105	106	94	84	97	166
Robbery	82	103	93	139	75	93	89	114	93	108	109	118
Burglary	70	111	76	95	106	102	139	93	100	102	105	184
Theft	76	96	90	91	128	69	158	105	96	103	88	102
Fraud & forgery	66	99	75	80	100	67	172	119	107	92	123	269
Drugs	77	125	78	96	120	78	136	85	88	114	101	66
Other criminal law	90	111	92	101	103	72	125	114	81	89	120	150
Other special law	68	88	85	75	117	96	117	107	112	131	104	64
Traffic law	96	115	83	98	96	85	120	95	108	105	99	34

Index 100 = national average

Index 100 = national average



Balanced benchmarking (3 dimensions across 3 activities – by district)

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Benchmarking, three areas	District 1	District 2	District 3	District 4	District 5	District 6	District 7	District 8	District 9	District 10	District 11	National average	
Violence - productivity	81	91	72	107	121	77	108	96	90	115	142	11.386	dkk (unit cost per charge)
Violence - quality, charges	100	90	108	104	104	93	109	111	97	99	97	96%	charges compared to incidents
Violence - quality, time	93	106	90	99	105	86	104	105	111	104	97	65	days
Burglary - productivity	111	106	76	82	76	85	80	89	51	191	153	18.313	dkk (unit cost per charge)
Burglary - quality, charges	101	91	143	117	161	89	119	99	88	56	69	15%	charges compared to incidents
Burglary - quality, time	70	111	76	95	106	102	139	93	100	102	105	184	days
Theft - productivity	66	72	110	87	163	76	102	86	108	133	97	2.504	dkk (unit cost per charge)
Theft - quality, charges	112	87	142	125	142	112	106	104	95	109	75	21%	charges compared to incidents
Theft - quality, time	76	96	90	91	128	69	158	105	96	103	88	102	days
Index 100 = national average	☺	⚡	☺	☺						⚡	⚡		

Index numbers below 100 indicate an above average (good) performance for productivity and handling time. For charge ratio, numbers above 100 indicate an above average (good) performance.

Differences may occur due to local prioritisations or certain challenges in a given period. Taking a balanced perspective, by looking at multiple dimensions across multiple activity categories, will therefore provide more useful benchmark data.

Word of caution: Internal benchmarks against the national average cannot stand alone (if everyone performs poorly…). Looking at the nominal level of unit costs, charge ratios and handling times is therefore also necessary in parallel (e.g. external benchmarking), assessing whether the level is reasonable or should be further optimized across the board. Generally, even the well performing districts should be given incentive to improve performance, ideally on all dimensions.

WORKSHOP 1
Co-Creating for Impact

Keynote presentation for police symposium on performance management
Spring 2013

Co-Creating for Impact

- *Performance Management issues in police co-creation strategies*

Dr. Rex Degnegaard
Copenhagen Business School

Times are changing

A call for co-creation

Dynamics

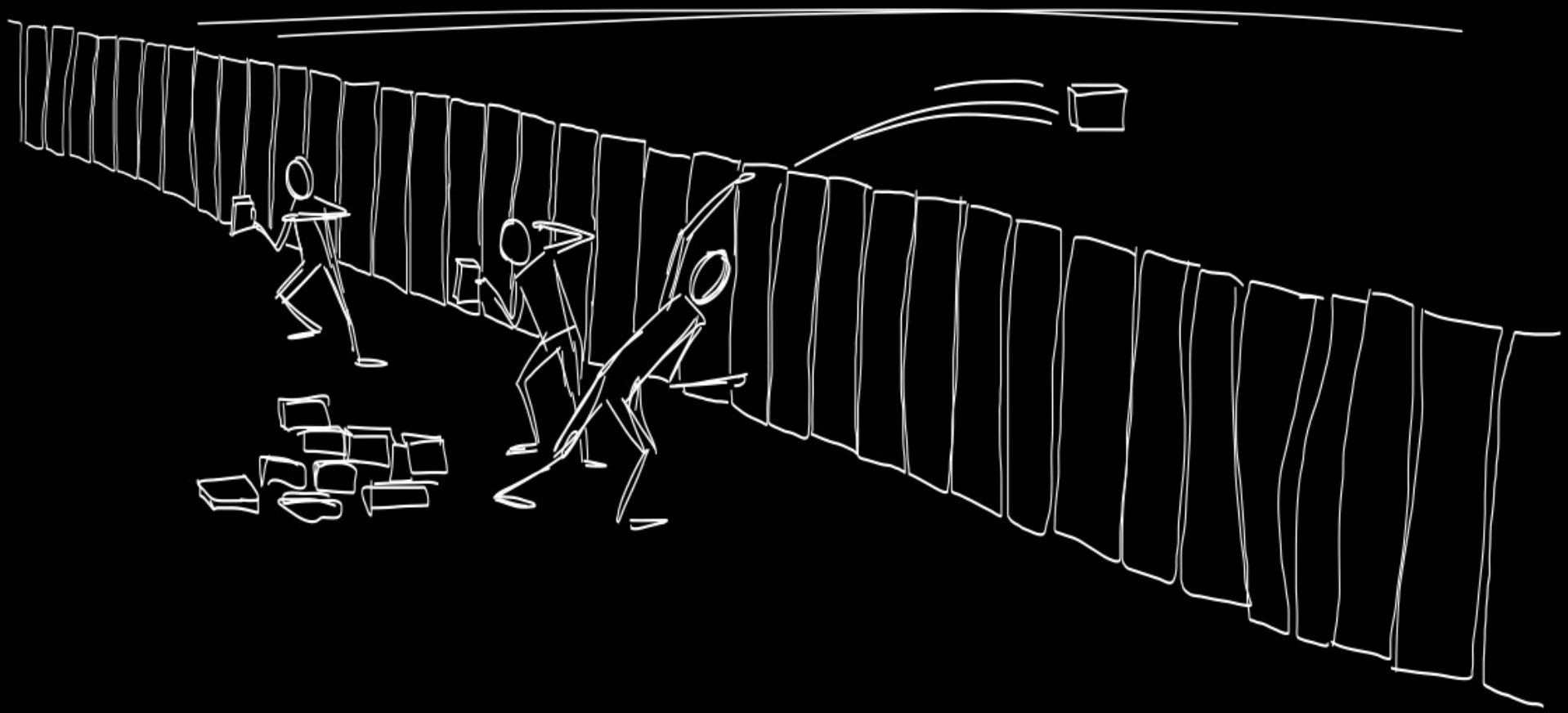
Performance Management
&
Co-Creation

Developing Practice

Future approaches to performance management

rex@degnegaard.dk

In today's world, we cannot decide on our own what to deliver to citizens and throw it over the fence – hoping that they will be happy with our efforts.



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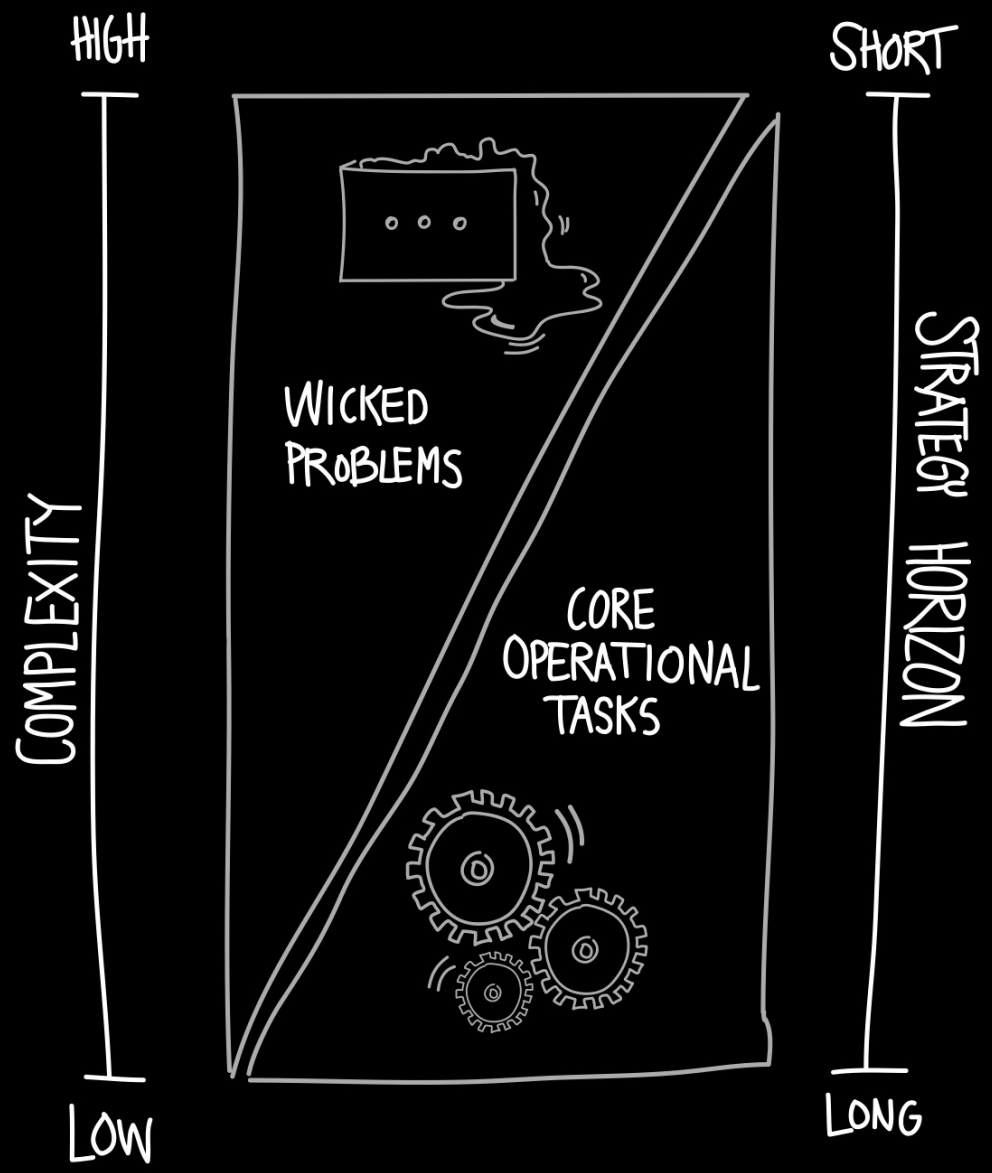
With increasing uncertainty and complexity in crime patterns, we are seeing the balance tipping toward more wicked problems compared to core operational tasks. This calls for shorter strategy horizons and more frequent adjustments to initiatives.



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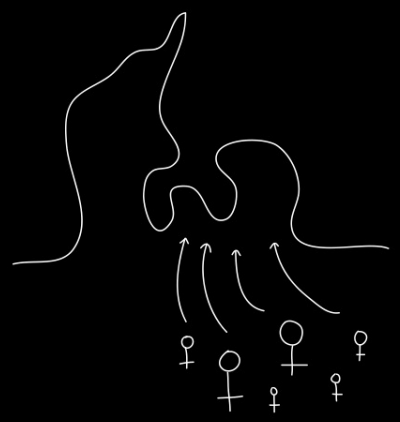
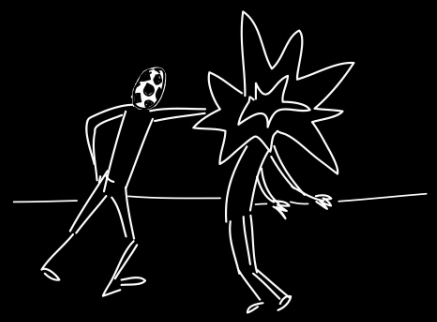
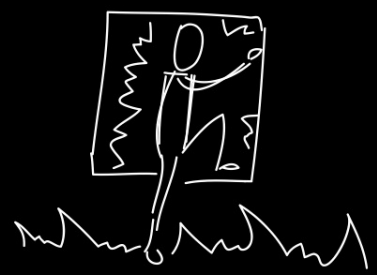
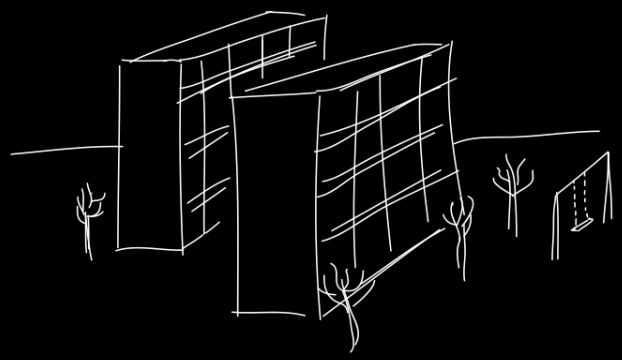
Examples of police initiatives that require co-creation approaches, engaging other stakeholders in lifting the challenges: Trafficking in women, hooliganism, burglaries in private homes, vulnarable neighborhoods, gangs, and exit programs.









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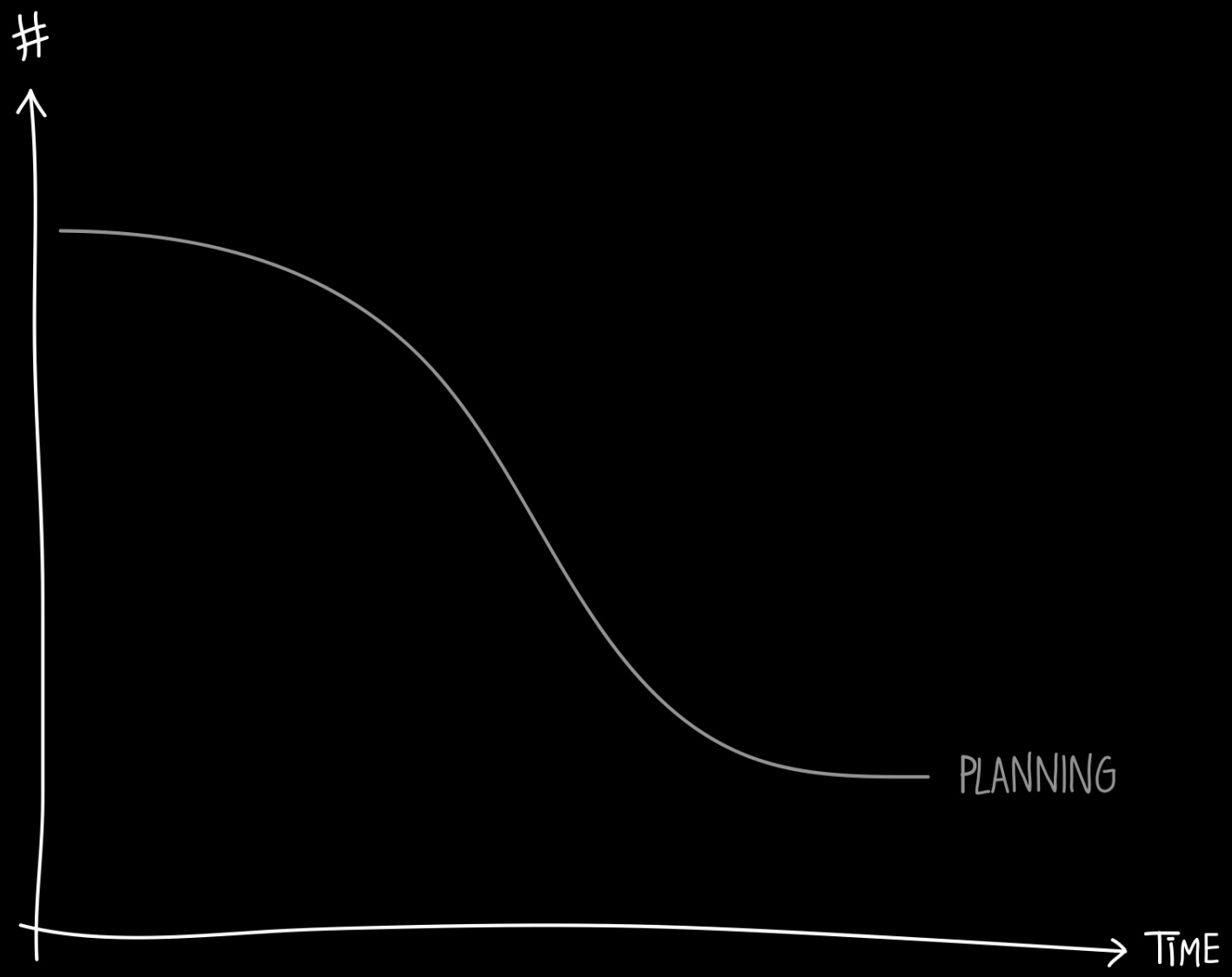
	TRADITIONAL STRATEGY	CO-CREATION STRATEGY
Value	Delivery.	Experience.
Interests	The interests of the corporation. Maximize share of created value.	The interests of all stakeholders. Firm value capture is secondary.
Advantage	Economies of scale. Position and timely advantage.	Increased engagement of stakeholders. Continually building relations.
Goals	Strategic goals at the outset.	Initial strategic goals as starting point.

Source: Ramaswamy og Gouillart, 2010

Traditional planning: high intensity in planning up front. Low intensity when going into operational mode.



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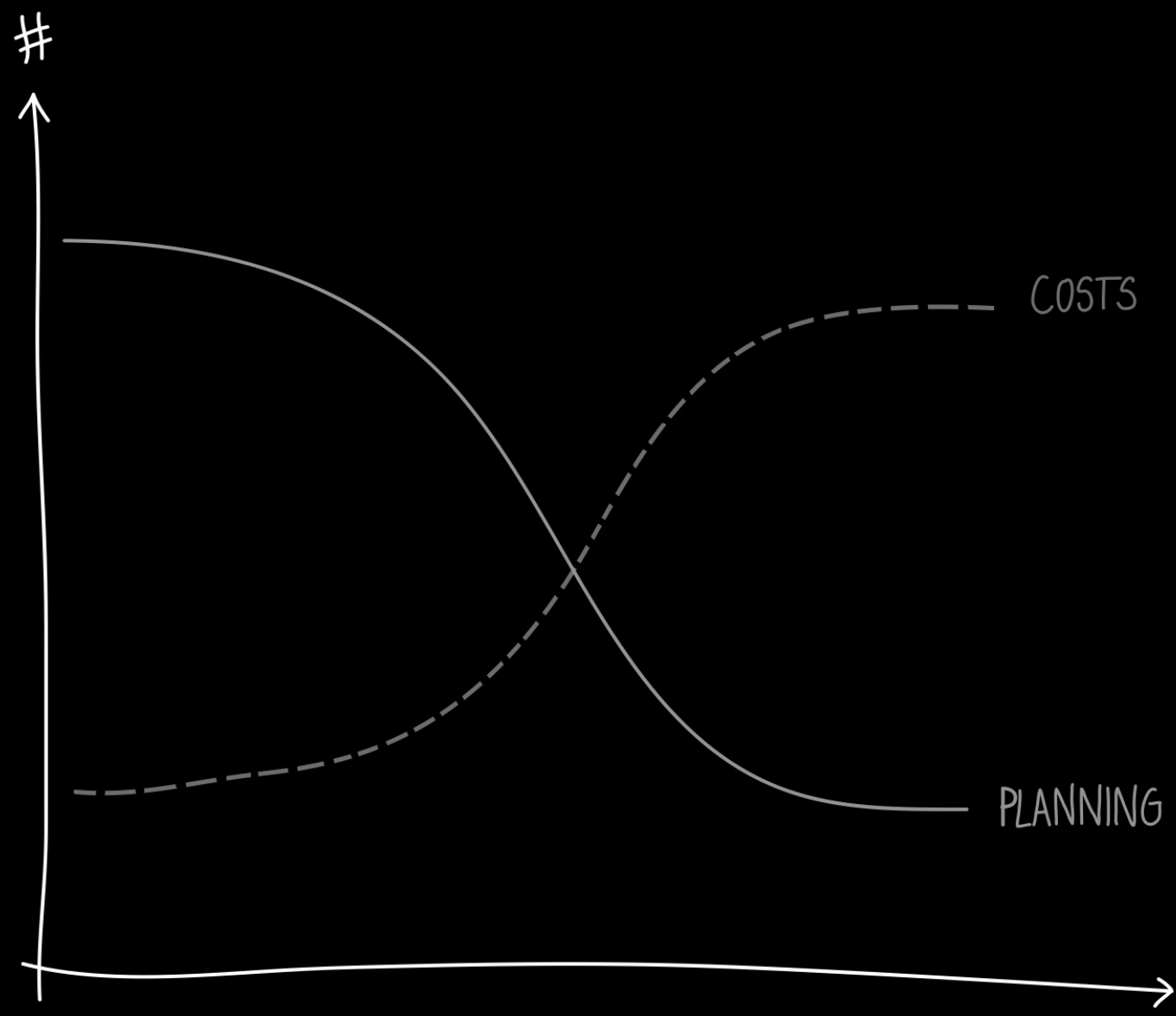
Estimated costs rise dramatically when entering into operational mode.
Therefore the attempts to plan at the outset.



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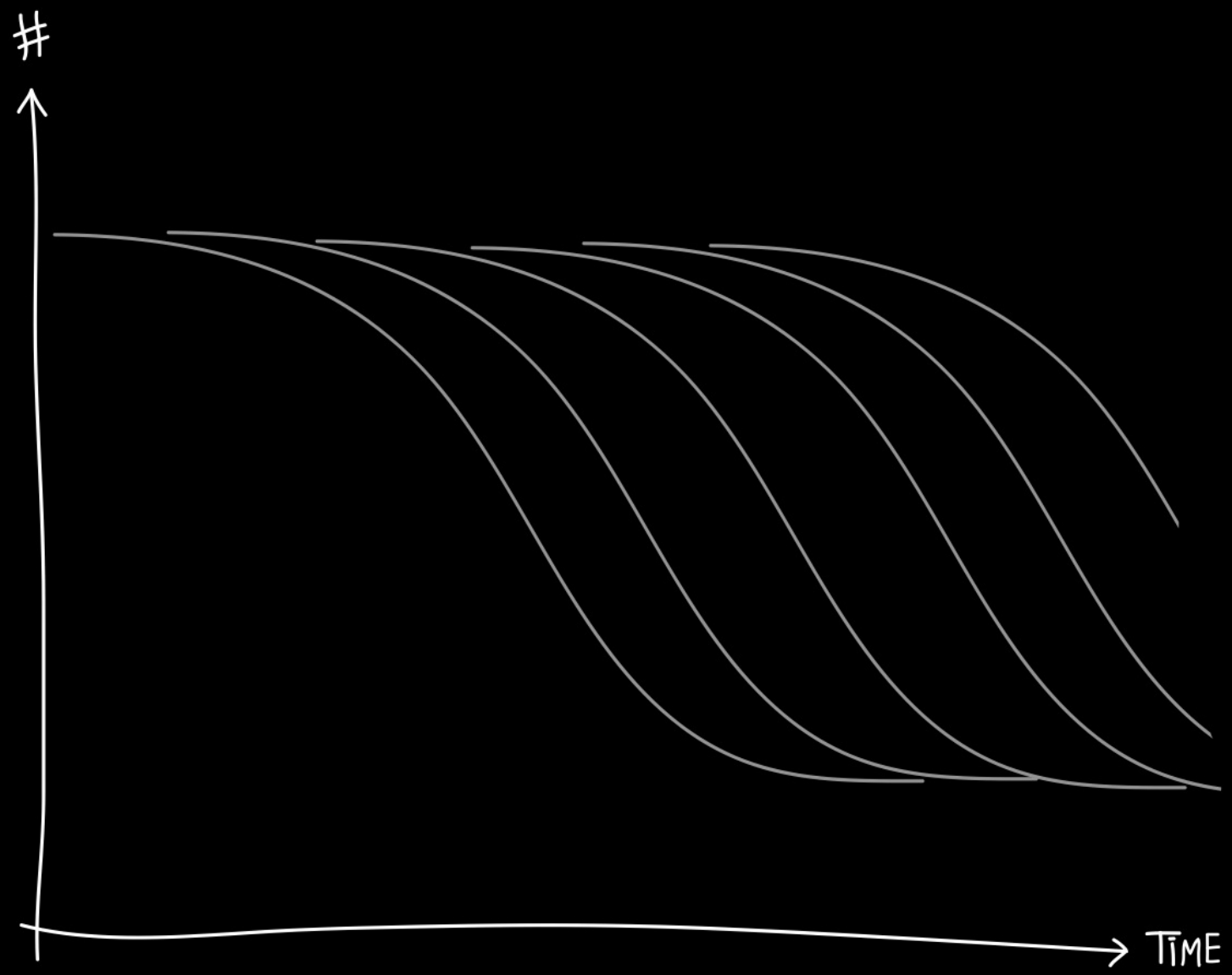
In reality, rigid planning at the outset in complex environments result in detailed planning again-and-again. The expected decrease is never realized.



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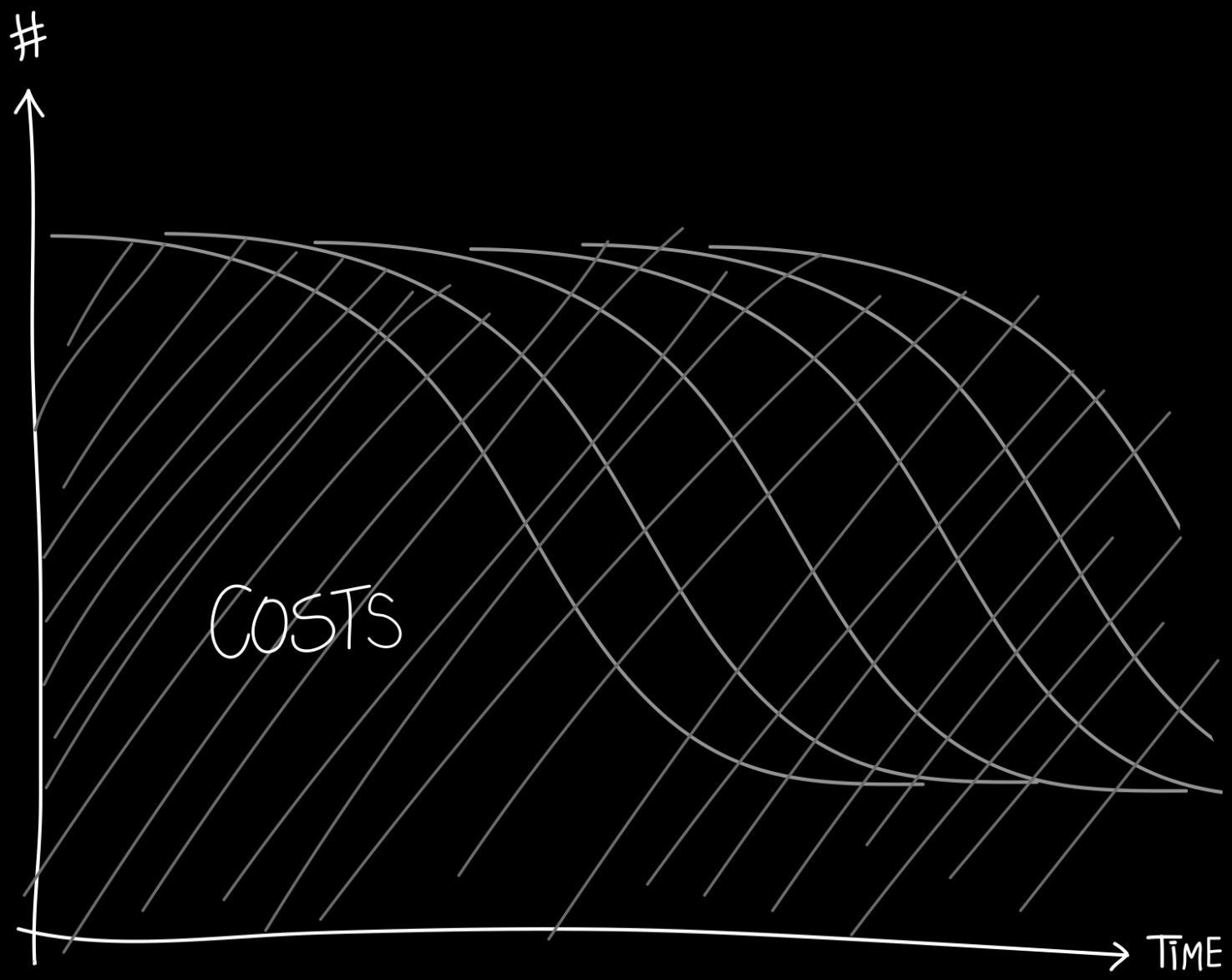
The unrealized decrease in planning intensity due to the results in very high costs.



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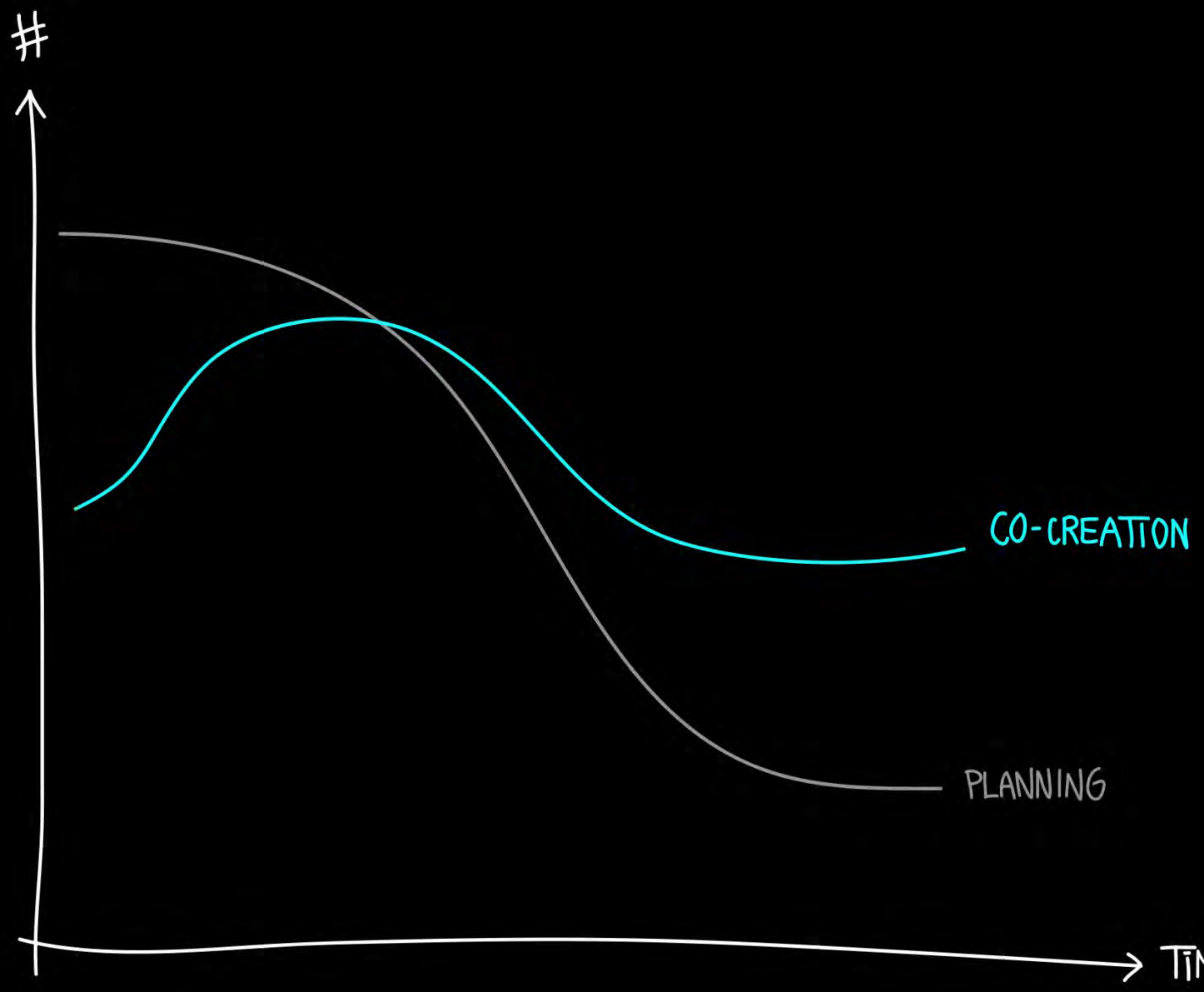
Co-Creation approaches expect a continued high intensity in planning and adjustment throughout the initiative. Therefore, theoretically the costs appear to be higher than in the traditional approaches.



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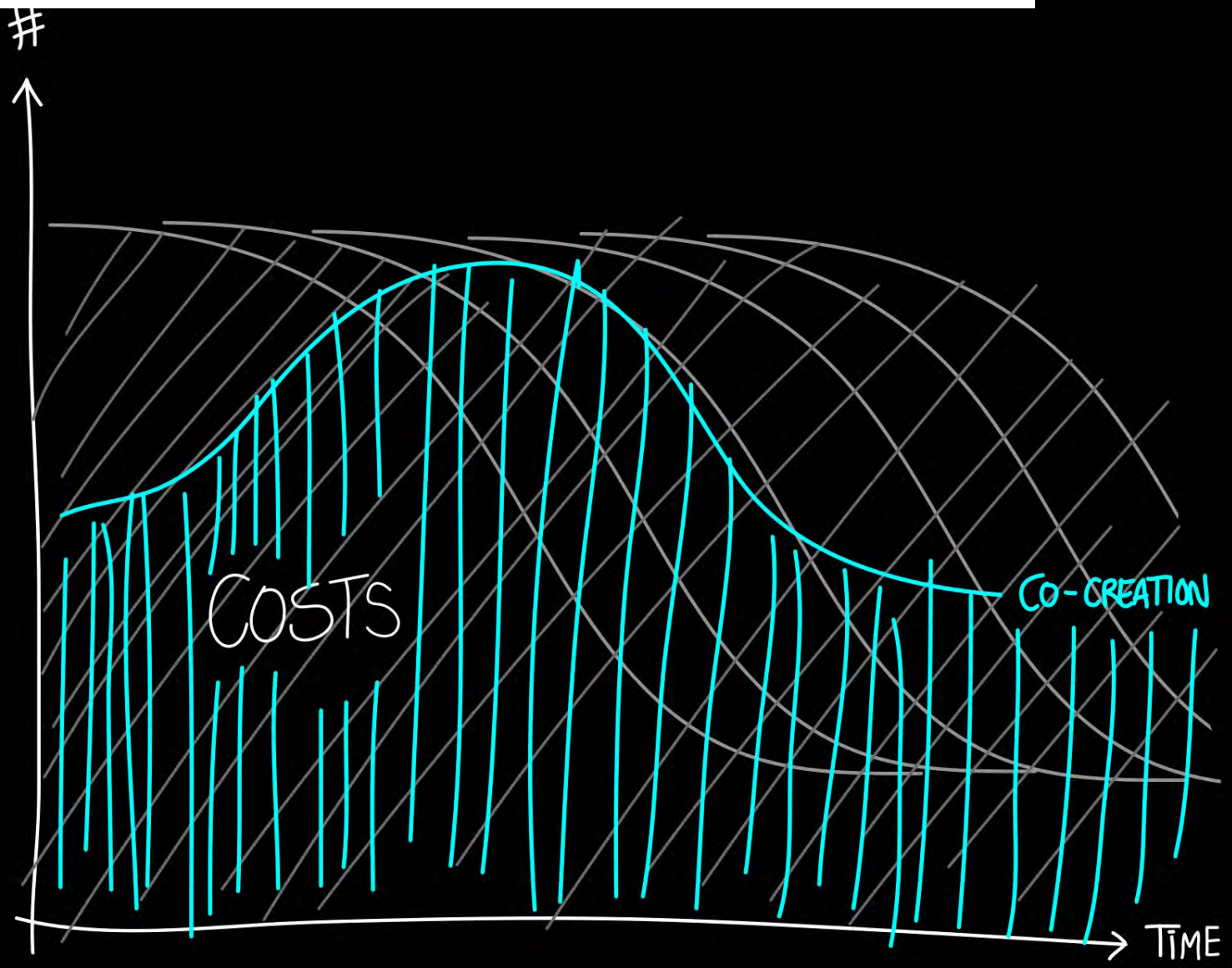
Realized costs in co-creation approaches are high – but in hindsight lower than in traditional approaches when dealing with complex crime patterns.



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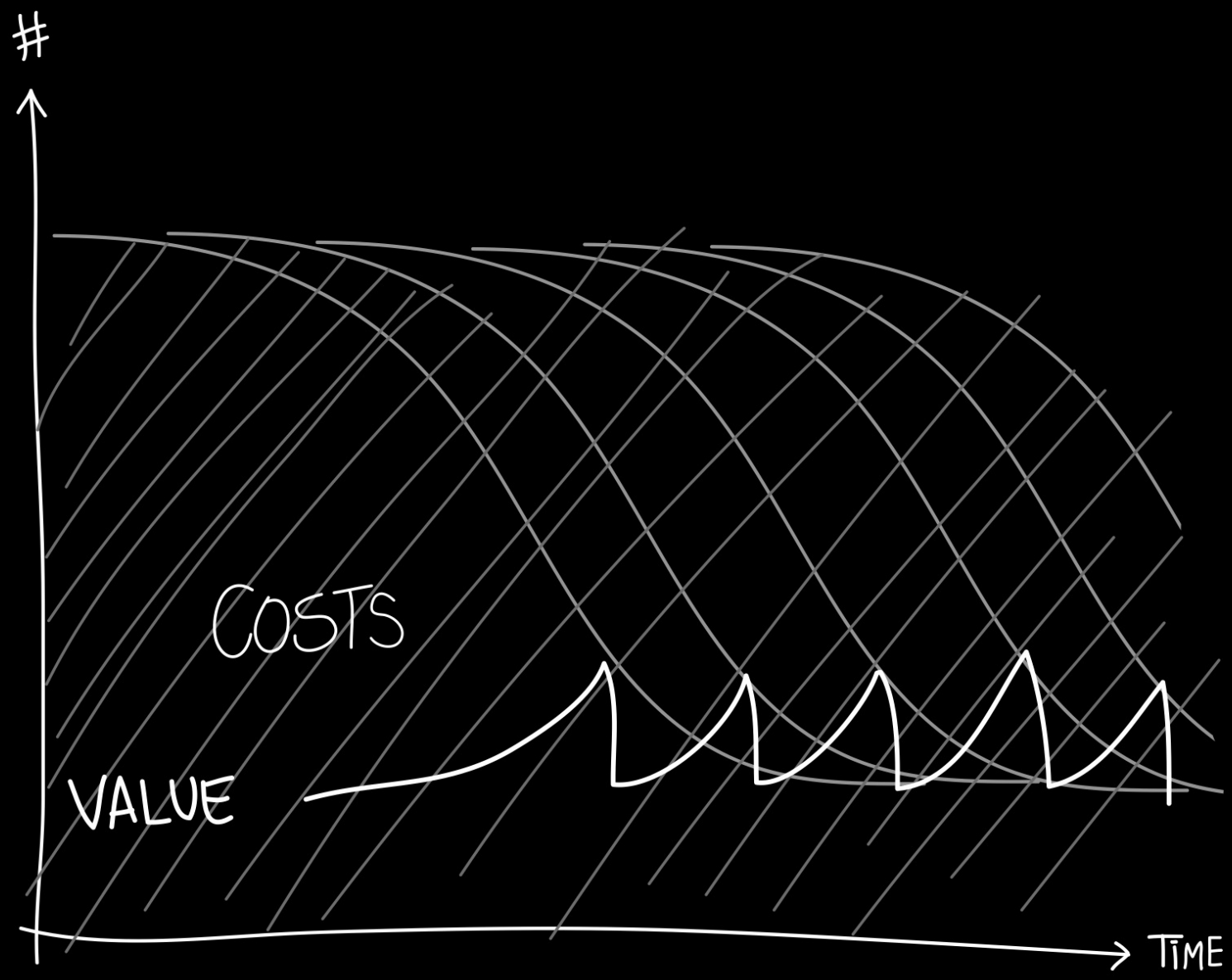
Realized costs and benefits in traditional strategies in complex contexts show high cost and low value capture due to specific and rigid setups.



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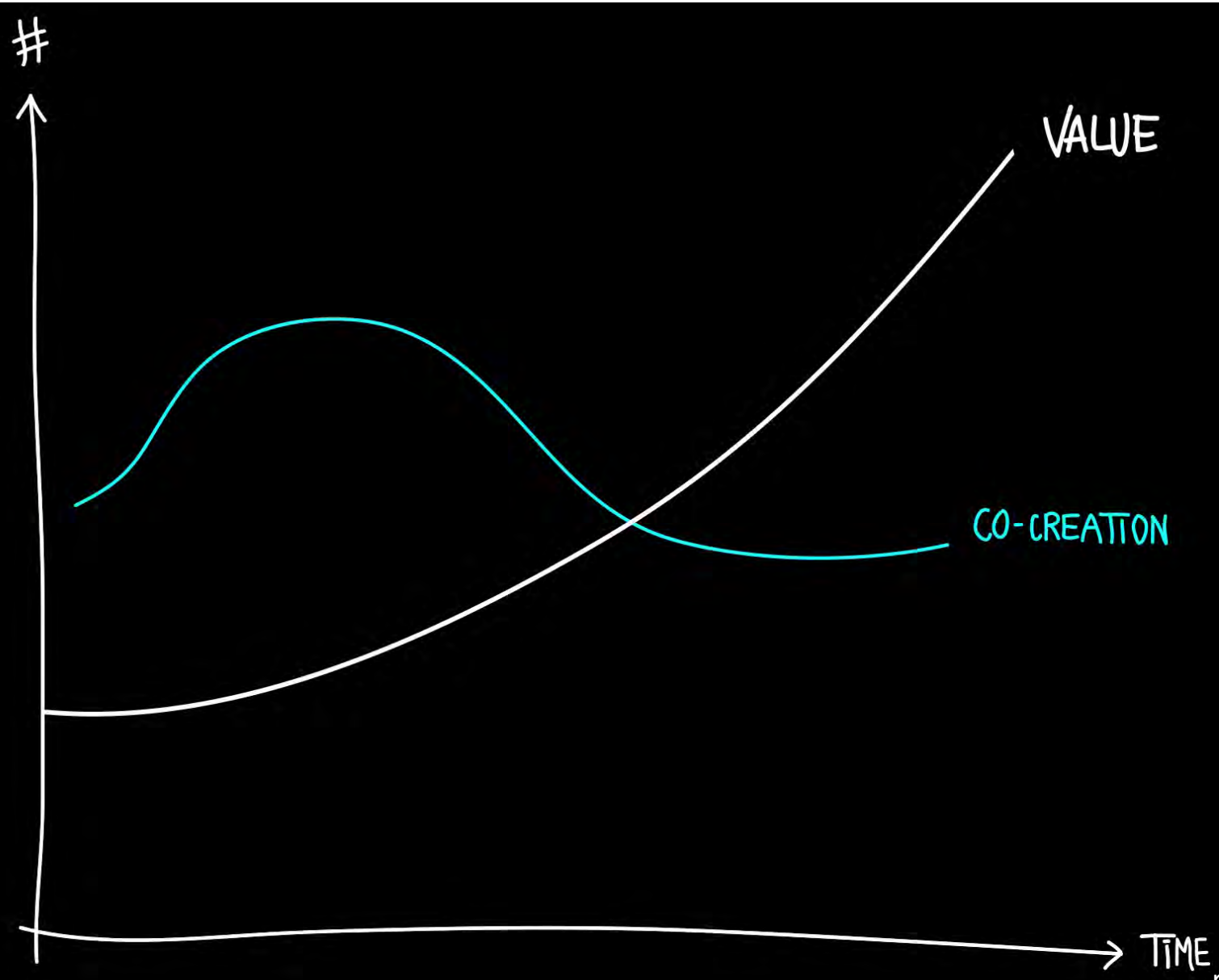
Realized costs and benefits in co-creation strategies in complex contexts show fairly high cost and the potential for increasing value capture due to continued engagement with other stakeholders.



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In complex contexts, co-creation approaches provide higher value capture and lower costs. However, consequnces for performance management are to set initial targets at the outset and to continually work targets to allow for agility in the initative.

This is challenged in political contexts when politicians and citizens demand action based on traditional approaches in areas that require co-creation approaches.

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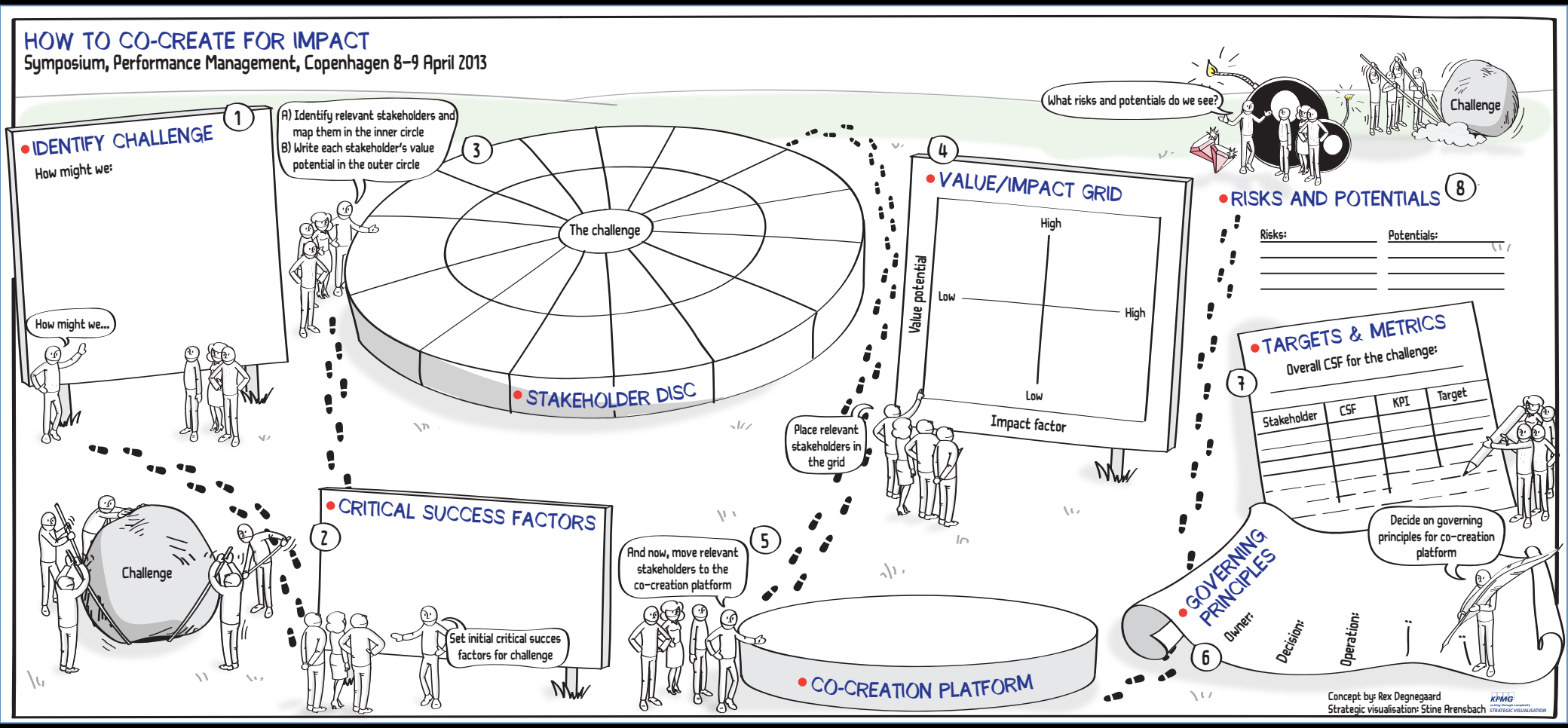
The 8-step process for designing co-creation initiatives.



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8 Steps to Co-Creating for Impact

1. Identify a central challenge
2. Decide on critical success factors for your work on solving the challenge
3. Identify key stakeholders and their value potential
4. Position stakeholders based on value potential and impact factor
5. Decide who to include in the co-creation platform
6. Formulate governing principles for the co-creation platform
7. Set initial targets and metrics for the challenge and for the stakeholders
8. Identify risks and potentials for the co-creation initiative

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Visualisations by:

STINE ARENSBACH

HEAD OF STRATEGIC VISUALISATION, KPMG

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Advantages of Co-Creation

- findings from the workshop

Advantages of Co-creation	
Process	• Open process (targets can change) • More efficiency • More successful targets • Less KPI conflict • More qualified creative process • Better chance to get into all corners and aspects • More holistic approach
Results	• Resources • Innovation • Inspiration • Shared ideas / consensus • New/other perspectives
Organisa-tional benefits	• Commitment • Get the right people involved • United front/joint efforts • Involvement in strategy-making • Common understandings/ common pictures of challenges • Stronger impact • Faster implementation • Flexibility • Change of success is higher

Potential challenges

	Internal challenges	External challenges
Individual level	• Who am I to know? • Lack of power in organisation. • Trapped in operations with no time to engage in Co-creation processes.	• Potential stakeholders do not acknowledge the individual.
Team level	• Little agreement on which stakeholders to involve. • No common language or framework to guide the Co-creation process. • Little agreement on Critical Success Factors, KPIs and Targets.	• Team members favour different external stakeholders, which leads to skewed power balance in the Co-creation team. • The team offers no value potential to external stakeholders.
Organisational level	• No time/resources allocated for Co-creation processes. • Co-creation becomes an appendix to standard operational procedures. • Lack of understanding/respect across organisational silo's. • Nice to have, but the organisation is not in need for Co-creation right now.	• The organisation is not perceived as a legitimate Co-creation platform for external stakeholders. • The external risks associated with Co-creation exceeds the external potentials.

Potential opportunities

	Internal opportunities	External opportunities
Individual level	• Applying leadership in new areas. • Building of new individual power base in organisation. • Expanding ones personal and professional network within the organisation. • Gaining personal knowledge about internal stakeholders and organisational operations.	• Expanding ones personal and professional network outside the organisation. • Gaining personal knowledge about external stakeholders. • Opening up black holes in ones external network.
Team level	• Co-creation processes establish a common language or framework for future strategic development. • Co-creation processes establish a team identity and sense of belonging.	• The team gains knowledge and innovative capacities from external stakeholders. • External stakeholders offer new value potential to the team.
Organisational level	• Allocated time to Co-create increases the value creation on organisational level. • Co-creation networks across departments and hierarchical levels removes organisational silo's.	• The letimacy of the organisation increases as it opens up to external networks of stakeholders. • The Co-creation platform is a gateway to gaining new organisational resources from the outside.

10 tips for Co-Creation

- *Bring stakeholders into the co-creation process very early*
- *Address the self-interest of stakeholders in an open way (it's okay to have own interests/value potentials)*
- *Be willing to include stakeholders with non-traditional/conformist opinions*
- *Work to create a common understanding of both framework and process*
- *Keep your focus on key challenges and critical success factors*
- *Keep the Co-creation process open (be willing to innovate and change)*
- *Expect to be "out of control"*
- *Use differences between stakeholders as drivers for learning and innovation*
- *Keep expanding the boundaries of your co-creation network and snowball your way to new resources for learning and innovation*
- *Expect learning by frustration*

WORKSHOP 2

Managing Performance through Transformations

Managing Performance through Transformations

DAY 1
08 April 2013

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McKinsey&Company

Your presenters today

Pat Timlin
Former Deputy Chief of Operations, NYPD
CEO of MSA Security
Former CO of Patrol Bureau, Bronx

Tucker Bailey
Associate Principal, Washington, DC
Leader in McKinsey's security service line
Former NCIS Special Agent
MBA HBS

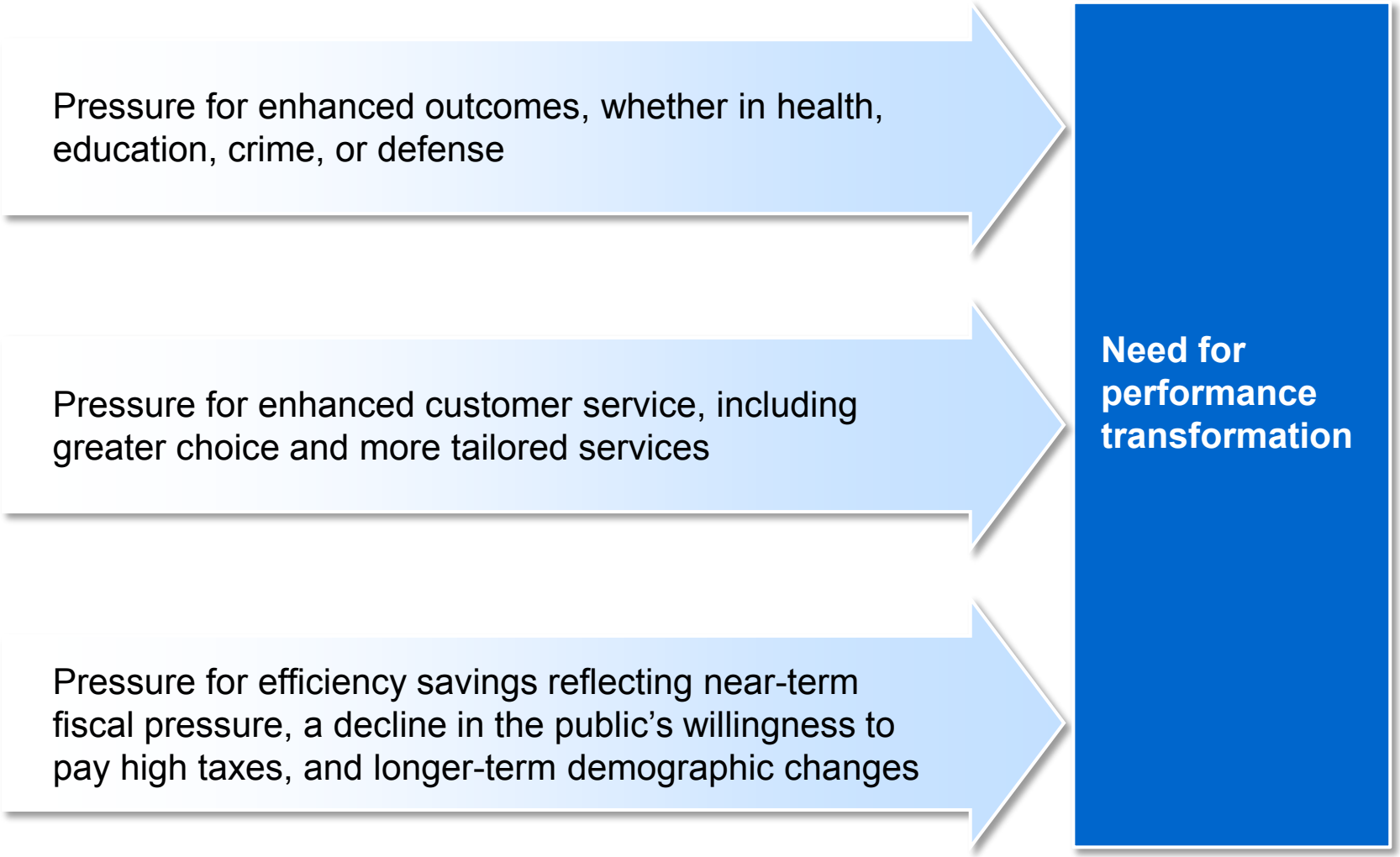
Katie Lemire
Former Counsel to the NYPD Commissioner
President of MSA Investigations
Former federal prosecutor

Jacob Staun
Partner, Copenhagen
Leader in McKinsey's practice for operational transformation
M.Sc. Engineering

Agenda

Timing	Topic
13:00	Principles of performance transformations
13:30	Establishing the case for change: NYPD + Group poll and discussion
14:15	Performance management at NYPD through Compstat + Group poll and discussion
15:15	Break
15:30	Measuring and managing organizational health for Police + Group poll and discussion
16:30	Wrap up

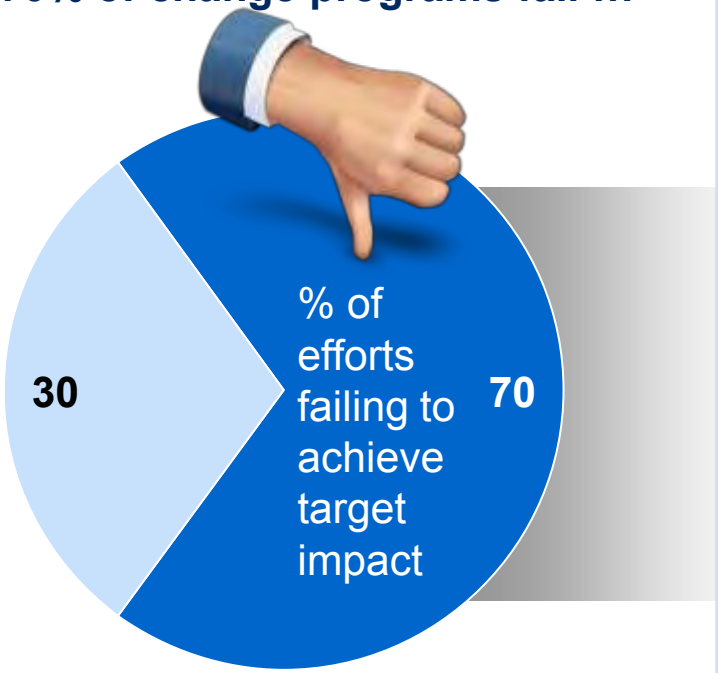
Many police organizations like other public services are being asked to deliver more for less



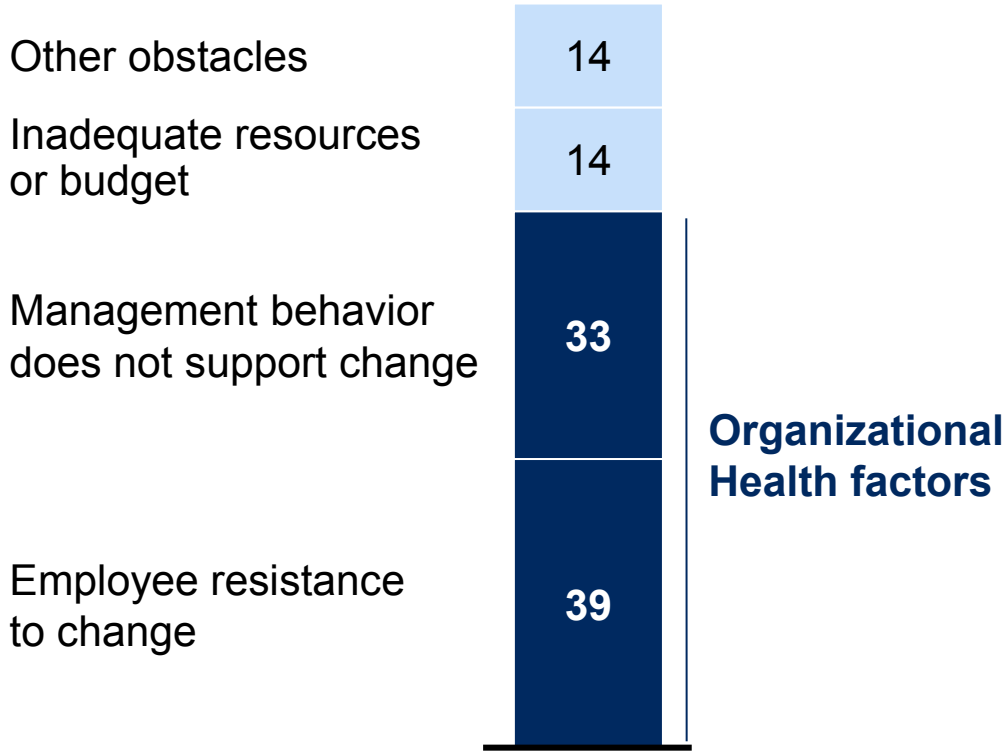
SOURCE: McKinsey and Company

Bad news: Most transformations fail – and for predictable reasons

70% of change programs fail …



… mainly because organizational *health* gets in the way



SOURCE: Scott Keller and Colin Price, Beyond Performance: How Great Organizations Build Ultimate Competitive Advantage. 2011

Good news: Recipe for success is to manage performance and health with equal rigor to achieve successful change

Performance

What an organization delivers to stakeholders in terms of operational and financial results

+

Health

The qualities, attributes, and actions today that help sustain performance tomorrow

SOURCE: McKinsey Organization practice

Both performance and health should be managed across all 5 stages of transformation

	Performance		Health	
Aspire 1 Where do we want to go?	Strategic objectives	Setting the overall performance goals	Health essentials	Defining explicit organizational aspirations with the same rigor
Assess 2 How ready are we to go there?	Capability platform	Determining gaps across technical, managerial and behavioral systems	Discovery process	Understanding the mindset shifts needed within the organization
Architect 3 What do we need to do to get there?	Portfolio of initiatives	Developing a portfolio of initiatives to improve performance	Influence model	Architecting the implementation along the levers that drive people to change
Act 4 How do we manage the journey?	Delivery model	Designing the approach to rolling out initiatives across the organization	Change engine	Building broad ownership, taking a structured approach, and measuring impact
Advance 5 How do we keep moving forward?	Continuous improvement	Setting up mechanisms to drive continuous improvement	Centered leadership	Developing leaders to enable them to drive change

SOURCE: McKinsey Organization practice

Agenda

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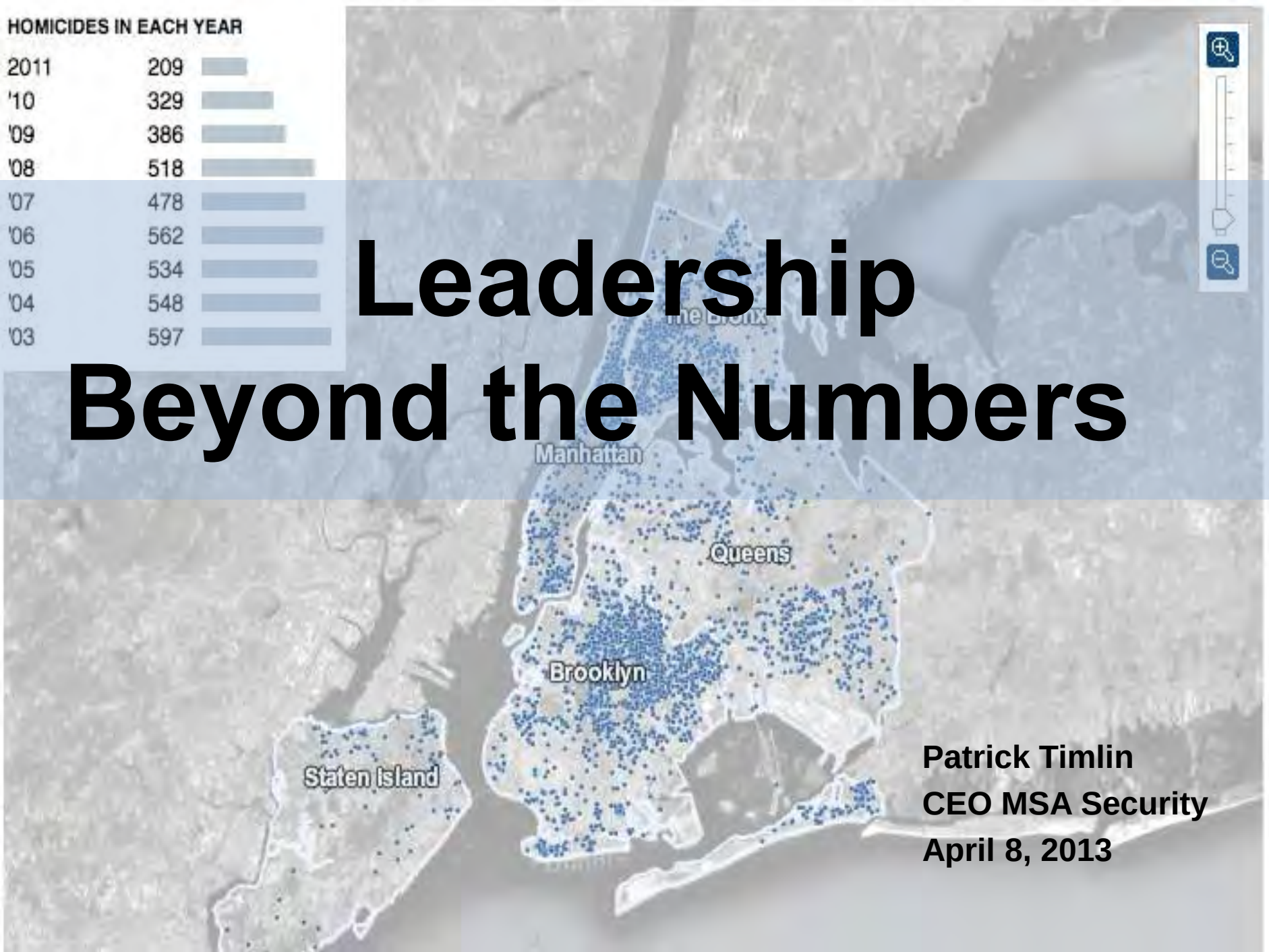


Leadership Beyond the Numbers

Patrick Timlin
CEO MSA Security
April 8, 2013

New York City

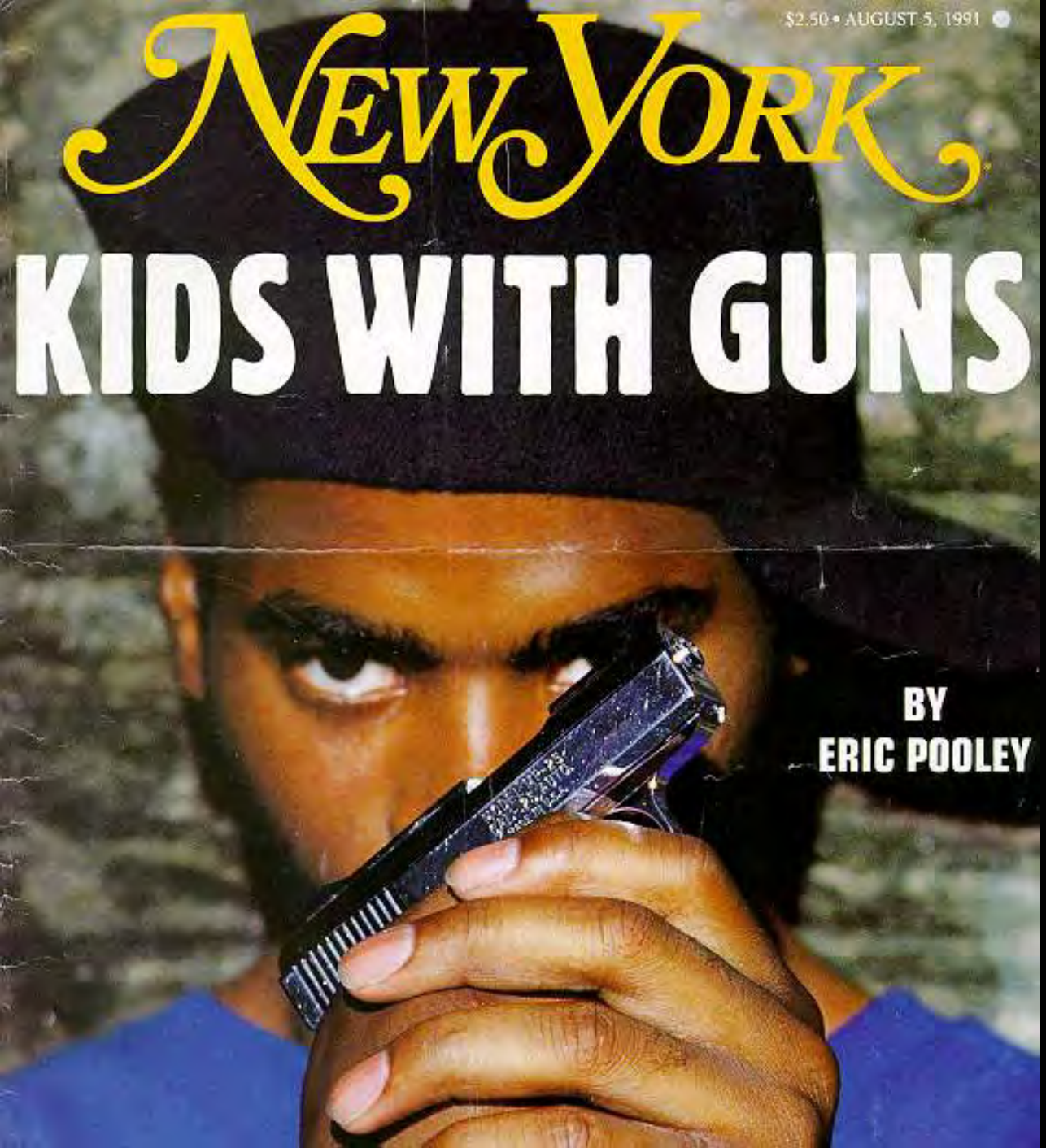
Area: 301 Square Miles
Population: 8.2 Million
Public Transportation: 5.4 Million People Daily
Daily Commuters: 2 Million People
Weekly Tourists: 900,000 People

34,500 Sworn Officers

17,000 Civilians

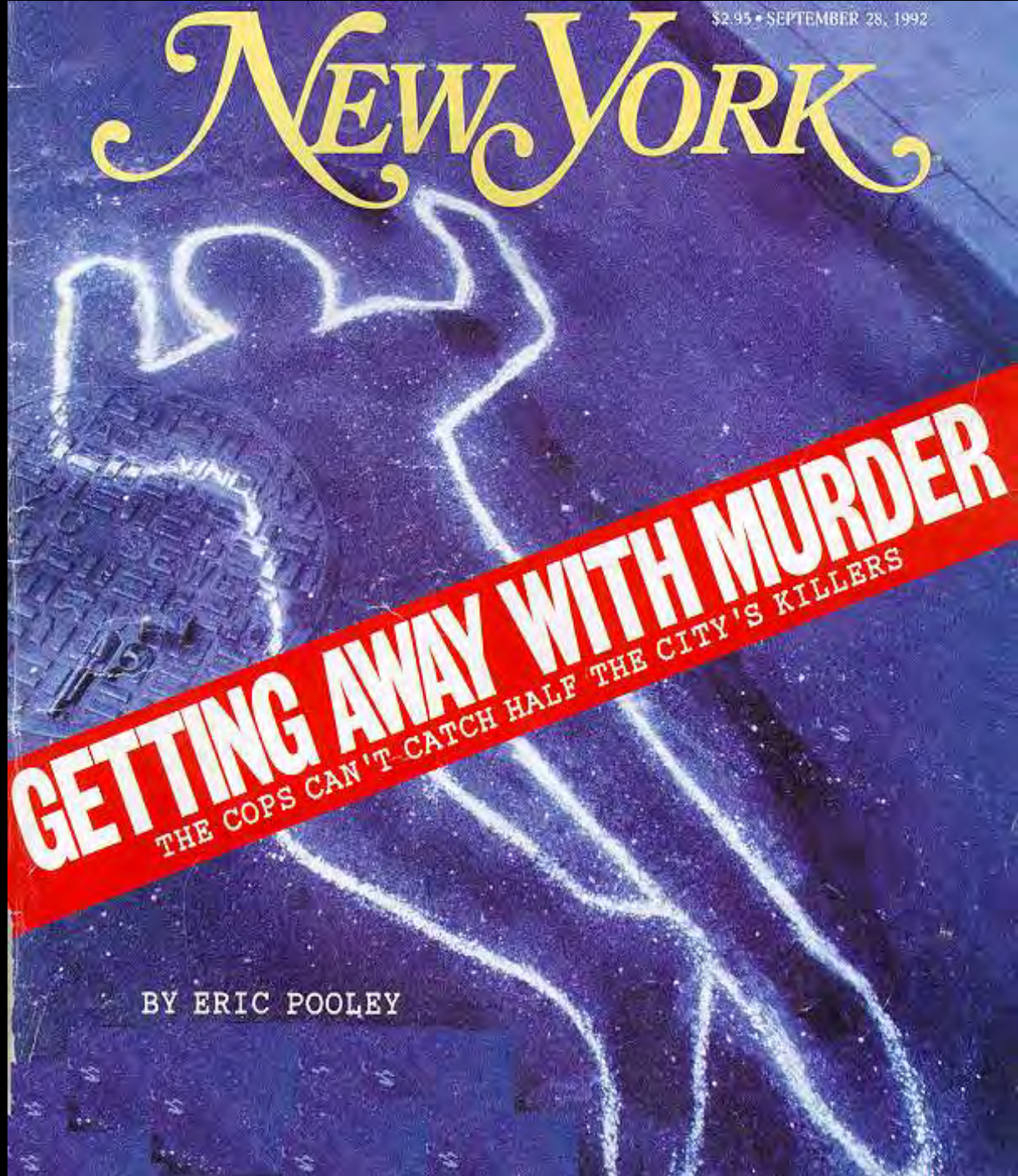
NYPD PATROL BOROUGHS

NYC 1990
2,200 Murders
100,000 Robberies
120,000 Burglaries
147,000 Stolen Motor Vehicles
700,000 Major Crimes Committed



1991

1992


$2.95 • SEPTEMBER 28, 1992
NEW YORK
GETTING AWAY WITH MURDER
THE COPS CAN'T CATCH HALF THE CITY'S KILLERS
BY ERIC POOLEY

1993-1994, Crime is Getting Worse

Performance

Health

Agenda

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COMPSTAT
Introduced by NYPD in 1994

414 Homicides in ’12 Is a Record Low for New York City

Philosophy:

Give precinct commanders more flexibility and responsibility

Make middle management responsible for identifying and addressing problems via a coordinated and strategic response

Develop strategic plans to address specific types of crimes

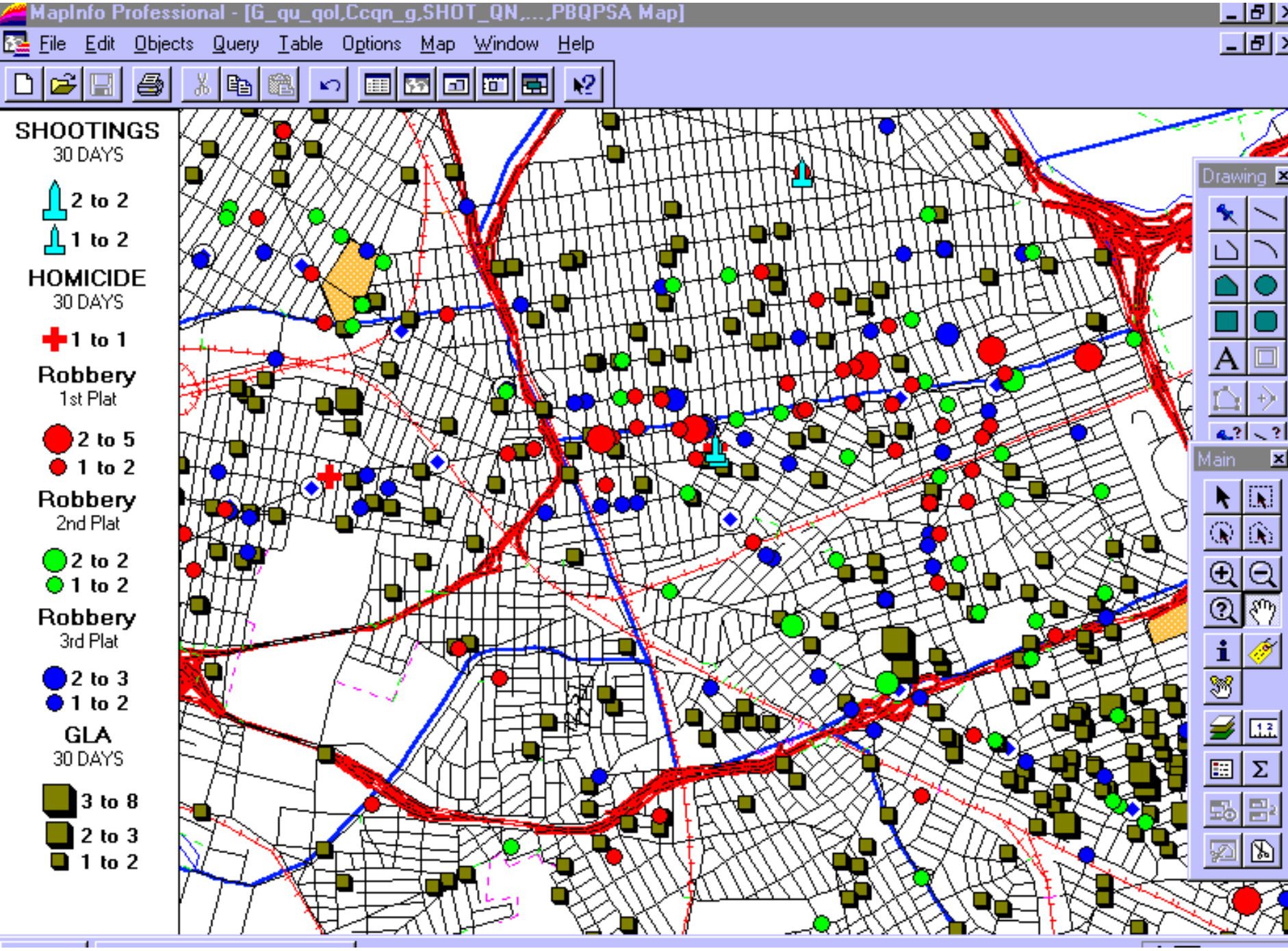
STEPS TO CRIME REDUCTION

***Accurate* and *Timely* Intelligence**

***Effective* Tactics**

***Rapid* Deployment**

***Relentless* Follow-up & Assessment**


MapInfo Professional - [G_qu_qol,Ccqn_g,SHOT_QN,...,PBQPSA Map]
File Edit Objects Query Table Options Map Window Help
SHOOTINGS
30 DAYS
2 to 2
1 to 2
HOMICIDE
30 DAYS
1 to 1
Robbery
1st Plat
2 to 5
1 to 2
Robbery
2nd Plat
2 to 2
1 to 2
Robbery
3rd Plat
2 to 3
1 to 2
GLA
30 DAYS
3 to 8
2 to 3
1 to 2
Drawing
Main

CRIME COMPLAINTS

	WTD 1998	WTD 1997	% Change	28 Day 1998	28 Day 1997	% Change	YTD 1998	YTD 1997	% Change	2yr % Change	3yr% Change	4yr% Change	5yr% Change
MURDER	1	0	******** %	5	1	400.00 %	13	10	30.00 %	0.00 %	0.00%	-55.17 %	-65.79 %
RAPE	2	4	-50.00 %	15	13	15.38 %	47	41	14.63 %	42.42 %	30.56%	-2.08 %	88.00 %
ROBBERY	22	24	-8.33 %	100	113	-11.50 %	429	455	-5.71 %	-30.36 %	-34.20%	-39.32 %	-48.44 %
FEL. ASSLT	16	17	-5.88 %	68	75	-9.33 %	281	314	-10.51 %	-16.37 %	-23.22%	-24.66 %	-30.96 %
BURGLARY	26	39	-33.33 %	91	102	-10.78 %	353	397	-11.08 %	-23.43 %	-18.10%	-26.15 %	-31.85 %
GR. LARCENY	20	14	42.86 %	62	55	12.73 %	192	191	0.52 %	-15.04 %	-13.90%	-6.34 %	-17.24 %
G.L.A.	22	19	15.79 %	88	80	10.00 %	348	284	22.54 %	-27.20 %	-23.01%	-50.43 %	-60.85 %
TOTAL	***109***	***117***	***-6.84 %***	***429***	***439***	***-2.28 %***	***1,663***	***1,692***	***-1.71 %***	***-23.12 %***	***-23.47%***	***-34.58 %***	***-43.45 %***
SHOOT VIC.	3	1	200.00 %	14	9	55.56 %	36	36	0.00 %	-14.29 %	-36.84%	-59.55 %	-68.97 %
SHOOT INC.	3	1	200.00 %	13	5	160.00 %	32	29	10.34 %	-17.95 %	-34.69%	-56.76 %	-70.09 %
RAPE 1	2	2	0.00 %	9	[illegible]	[illegible] %	[illegible]	28	7.14 %	-6.25 %	0.00%	100.00 %	100.00 %

ARRESTS STATISTICS

MURDER	1	0	******** %	3	[illegible]	[illegible]	13	10	30.00 %	-27.78 %	0.00 %	-43.48 %	-23.53 %
RAPE	0	2	-100.00 %	3	5	-40.00 %	9	13	-30.77 %	12.50 %	-62.50 %	-60.87 %	-10.00 %
ROBBERY	5	17	-70.59 %	48	51	-5.88 %	190	183	3.83 %	-11.21 %	-20.83 %	-17.75 %	-3.55 %
FEL. ASSLT.	14	14	0.00 %	42	62	-32.26 %	195	239	-18.41 %	0.52 %	-12.16 %	34.48 %	33.56 %
BURGLARY	8	18	-55.56 %	27	37	-27.03 %	120	149	-19.46 %	-4.00 %	46.34 %	55.84 %	118.18 %
GR. LARCENY	3	8	-62.50 %	24	22	9.09 %	81	65	24.62 %	24.62 %	68.75 %	131.43 %	118.92 %
G.L.A.	1	6	-83.33 %	20	11	81.82 %	44	60	-26.67 %	-50.00 %	-20.00 %	-54.17 %	-46.34 %
TOTAL	***32***	***65***	***-50.77 %***	***167***	***188***	***-11.17 %***	***652***	***719***	***-9.32 %***	***-8.43 %***	***-4.68 %***	***3.49 %***	***19.85 %***
GUN ARR.	7	3	133.33 %	16	11	45.45 %	54	76	-28.95 %	-37.93 %	-47.06 %	-73.00 %	-51.35 %
NARC ARR.	68	50	36.00 %	208	187	11.23 %	933	827	12.82 %	-1.69 %	-10.37 %	-6.04 %	27.46 %
PSB ARR.	111	104	6.73 %	450	374	20.32 %	1642	1627	0.92 %	21.81 %	8.03 %	31.05 %	73.02 %
OCCB ARR.	62	51	21.57 %	241	169	42.60 %	1066	743	43.47 %	143.94 %	197.77 %	149.07 %	410.05 %
D.B. ARR.	7	18	-61.11 %	41	65	-36.92 %	239	249	-4.02 %	-5.91 %	0.84 %	74.45 %	139.00 %
H.B. ARR.	10	7	42.86 %	66	57	15.79 %	263	257	2.33 %	-26.94 %	-61.32 %	-56.81 %	-42.45 %
T.B. ARR.	15	32	-53.13 %	60	129	-53.49 %	360	348	3.45 %	40.63 %	-44.44 %	-15.49 %	14.29 %
ALL ARRESTS	***209***	***216***	***-3.24 %***	***867***	[illegible]	[illegible] %	[illegible]	***3,300***	***9.52 %***	***25.70 %***	***2.52 %***	***23.01 %***	***69.12 %***

SUMMONS ACTIVITY

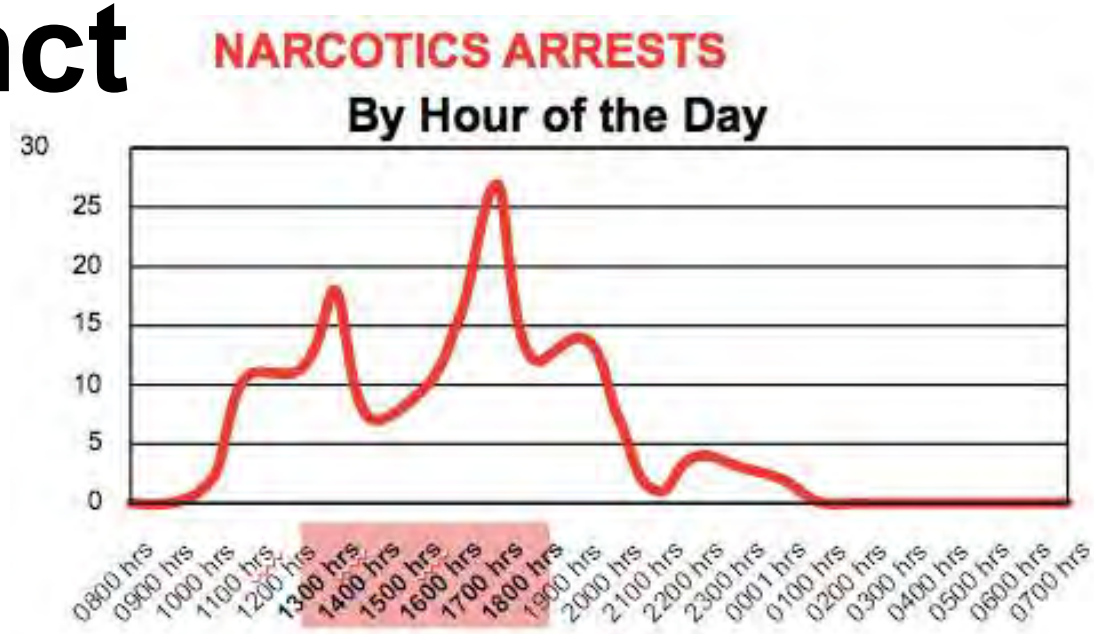
PARKING	673	644	4.50 %	3136	[illegible]	[illegible] %	[illegible]	9806	29.74 %	-39.94 %	-20.27 %	******** %	******** %
MOVING	417	183	127.87 %	1877	919	104.24 %	7372	4016	83.57 %	-15.46 %	21.29 %	******** %	******** %
CRIMINAL	138	154	-10.39 %	691	727	-4.95 %	2430	1271	91.19 %	168.81 %	370.93 %	******** %	******** %
ECB	2	9	-77.78 %	2	12	-83.33 %	4	29	-86.21 %	-99.51 %	-97.69 %	******** %	******** %

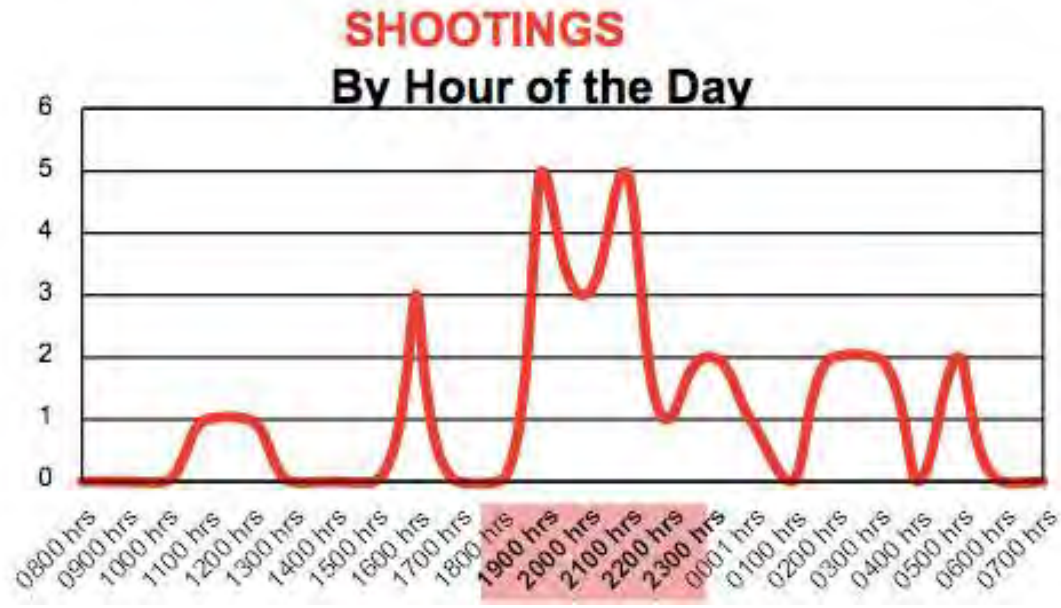
FIGURES ARE PRELIMINARY AND SUBJECT TO FURTHER ANALYSIS AND REVISION

Fixing Broken Windows Creates a Safer City

Restoring Quality of Life

75th Precinct Brooklyn





NYC 2009

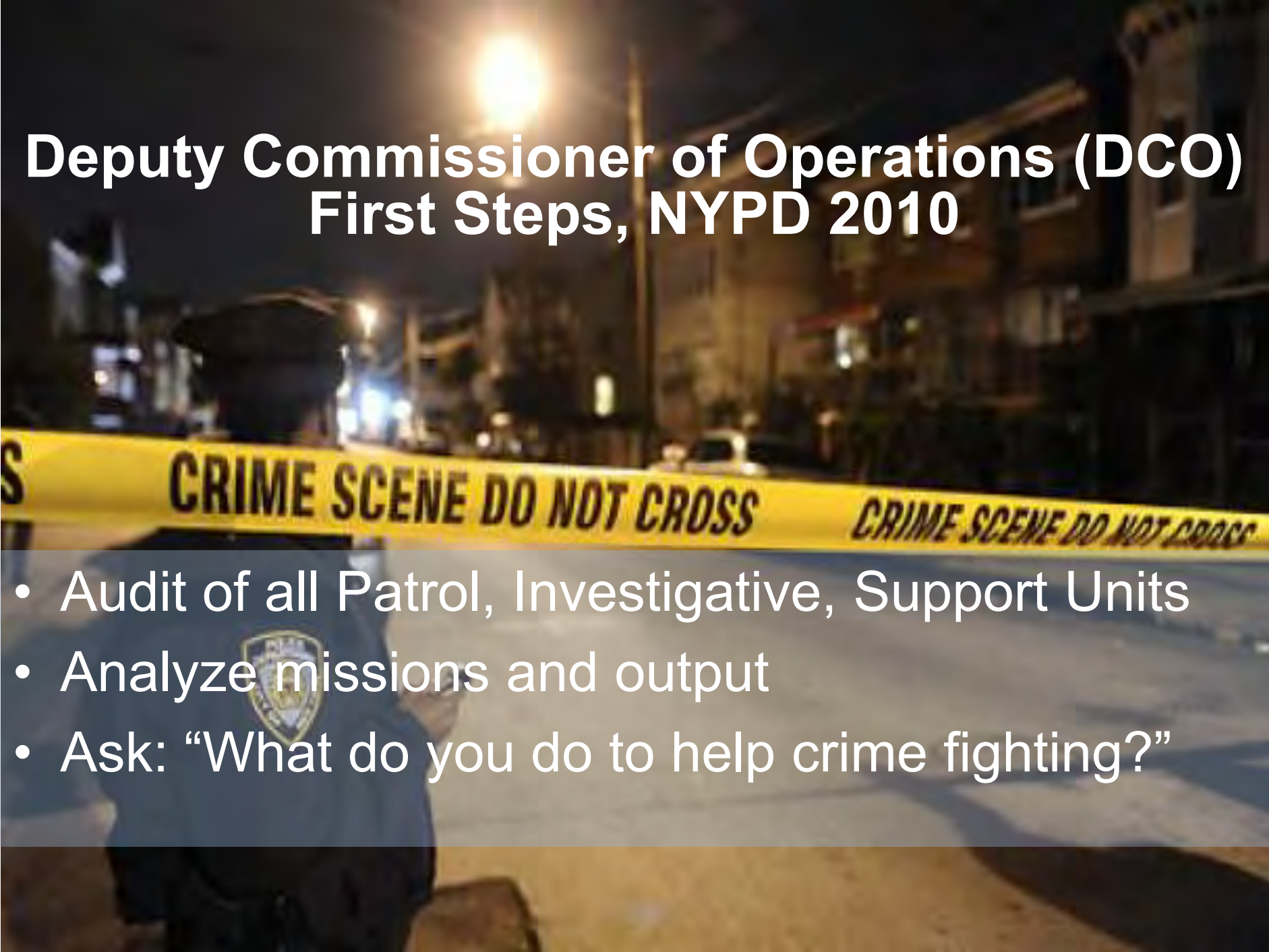
471 Murders v. 2,200
18,525 Robberies v. 100,000
19, 287 Burglaries v. 120,000
10, 681 Stolen Motor Vehicles v. 147,000
106,071 Major Crimes Committed v. 700,000

2★
NEW YORK POST,
CRIME TAKES A TIMEOUT
1990: 157 Murders
2009: 6 Murders

19 Year Crime Reduction Totals

Murder	- 79%
Rape	- 53%
Robbery	- 78%
Felony Assault	- 53%
Burglary	- 82%
Grand Larceny	- 52%
GLA	- 94%
TOTAL CRIME	- 76%

Deputy Commissioner of Operations (DCO) First Steps, NYPD 2010



- Audit of all Patrol, Investigative, Support Units
- Analyze missions and output
- Ask: “What do you do to help crime fighting?”

Leadership

DCO: Review 2010 Goals

Alignment

- To align the **mission** of the Agency
- To align the **efforts** of all the units within the Agency

Coordination

- Exploit opportunities for **coordinated efforts**, crossing bureau boundaries, and the effective **integrated** use of our **human** and **technological** resources

Enhancement

- Fully utilize Alignment and Coordination to maximize the efficiency of the Agency

Revisit Compstat Model

Build upon the four tenets of Compstat to enhance **<u>DCO</u>** and **<u>NYPD's</u>** capabilities:

- Accurate and Timely Intelligence
- Effective Tactics
- Rapid Deployment
- Relentless Follow-Up and Assessment

Concept: Reverse-Engineer

- Post 9/11, the NYPD developed unparalleled Counterterrorism and Intelligence capabilities, which benefited from the NYPD crime fighting experience

- In 2010, the NYPD crime fighting experience needed to learn from the Counterterrorism and Intelligence model of combating crime

Methodology

- **Assessment** of current practices by individual Units
- Matrix of the same - living document
- Review and **evaluate** all Units and programs for system integration
- **Prioritize** efforts
- Enterprise solutions - always look for the **enterprise level benefit; the value for the whole organization**

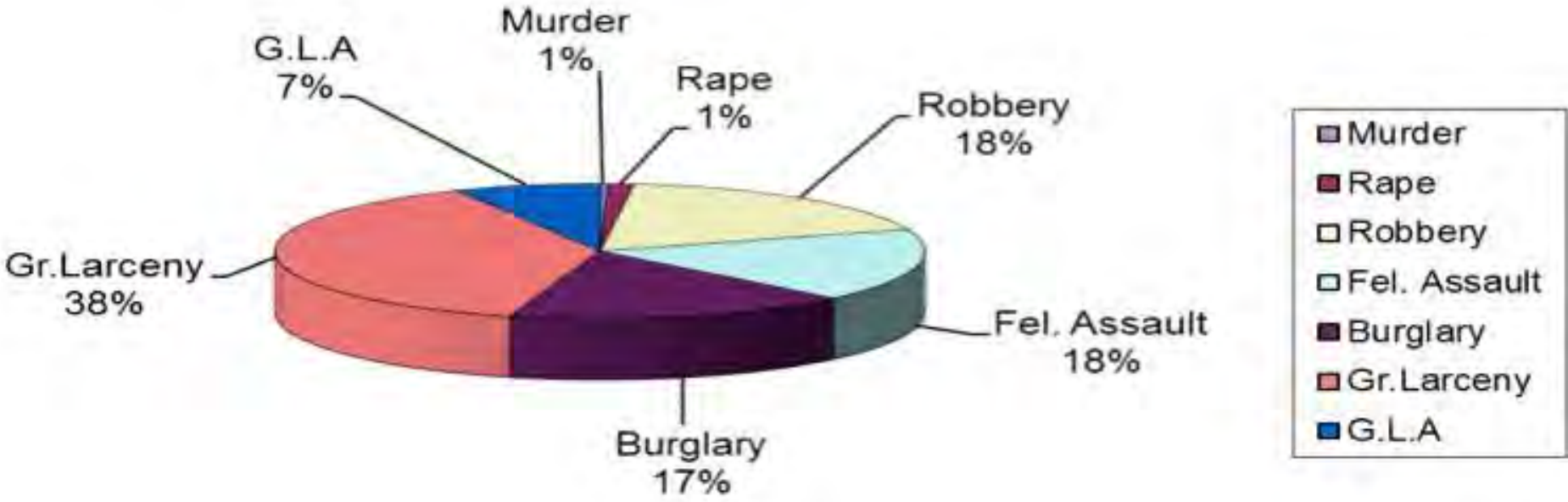
Front Burner Projects

1. Analytical Program Review
2. Recidivism
3. Firearms
4. Inter-Agency Coordination
5. Technology
6. Education / Intelligence Dissemination

Compstat Year End 2012

	Citywide	PBMS	PBMN	PBBX	PBBS	PBBN	PBQS	PBQN	PBSI
Murder	419	17	46	114	57	92	54	29	10
Rape	1,445	130	206	288	187	247	168	158	61
Robbery	20,144	1,324	2,248	4,724	3,215	4,052	2,222	1,915	444
Fel. Assault	19,381	1,267	2,054	4,824	2,873	3,790	2,113	1,778	682
Burglary	19,168	1,641	1,564	3,153	3,433	3,371	2,681	2,583	742
Gr.Larceny	42,497	10,688	5,276	5,508	6,685	5,164	3,512	4,537	1,127
G.L.A	8,093	340	460	1,635	1,409	1,252	1,473	1,221	303
Total	111,147	15,407	11,854	20,246	17,859	17,968	12,223	12,221	3,369
Transit	2,714	575	357	446	343	580	165	248	0
Housing	4,960	421	953	1,130	511	1,406	261	196	82
Sht. Vic.	1,625	20	157	494	223	409	214	60	48
Sht. Inc.	1,374	19	133	402	190	353	183	53	41
Arrests	39,954	53,400	55,676	90,140	45,149	68,507	37,003	34,259	13,032
PSB	103,473	28,584	31,478	52,768	29,329	37,459	24,696	23,076	8,605
OCCB	43,724	3,068	6,982	12,139	4,680	8,850	3.502	2,588	1,915
DB	35,631	4,364	3,863	8,471	4,649	5,484	3,484	3,328	1,988
Transit	47,414	12,100	7,664	9,218	3,771	9,054	2,764	2,835	8
Housing	22,744	1,662	4,833	5,632	1,942	6,937	666	1,072	0

Index Crime Percentage Total 2012



Performance

Health

Agenda

Timing	Topic
13:00	Principles of performance transformations
13:30	Establishing the case for change: NYPD + Group poll and discussion
14:15	Performance management at NYPD through Compstat + Group poll and discussion
15:15	Break
15:30	Measuring and managing organizational health for Police + Group poll and discussion
16:30	Wrap up

While performance is a relatively well-established concept in policing…

- Reducing crime and victimization
- Holding offenders accountable
- Reducing fear and enhancing security
- Increasing safety and order in public spaces
- Using force sparingly and fairly
- Using public funds efficiently and fairly
- Enhancing "customer" satisfaction

SOURCE: Mark Moore and Anthony Braga (2003) in Selected International Best Practices in Police Performance Measurement Robert C. Davis/RAND

…health is less commonly understood and measured in many public and private institutions

Align	Ensure people at all levels are aligned on vision, strategy culture and values
Execute	Ensure the right capabilities and motivation to execute your organization's strategy
Renew	Understand, interact, and respond to your external environment effectively
Lead	Foster great leaders who inspire, coordinate and manage the workforce

Public sector health is the ability of an organization to lead, align, execute, and renew itself in line with the broader society

The Organizational Health Index (OHI) Framework is one way to assess health

SOURCE: Mckinsey organizaiton practice

The Organizational Health Index examines nine different elements

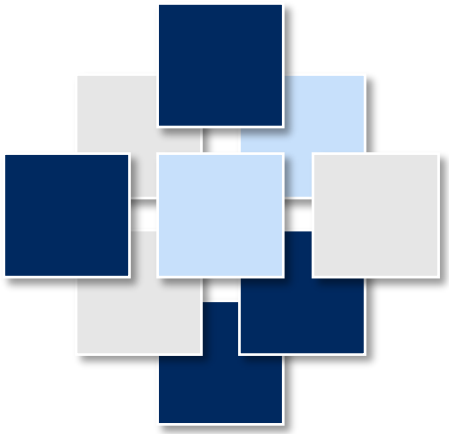
SOURCE: McKinsey organization practice

OHI measures outcome and practices to uncover what is true now (outcome) and what is happening (practice)

Outcomes

"A snapshot of where we are along the dimensions of health

"The company's employees are highly motivated

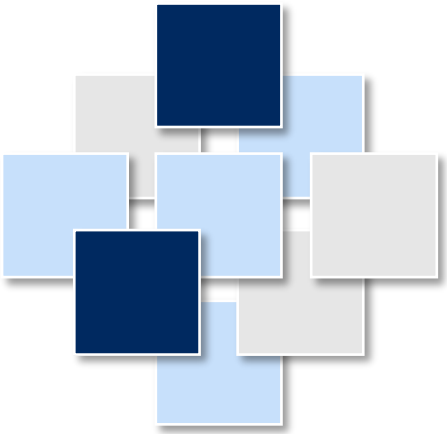


- Strongly agree/ agree
- Neutral
- Strongly disagree/ disagree

Practices

"Demonstrates how we got here, and where we might be going

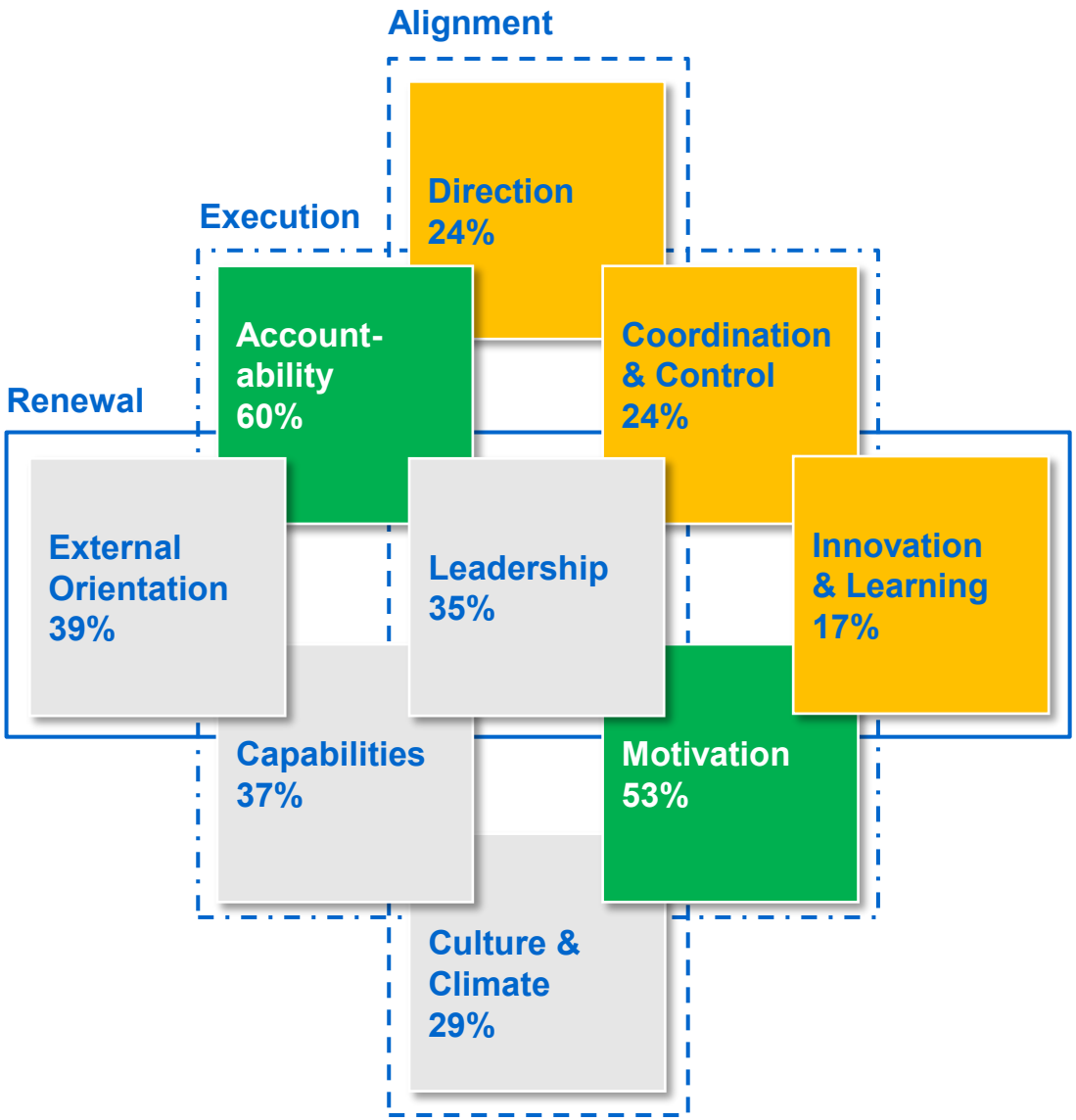
"Managers in my company Provide praise, thanks, or other forms of recognition to high performers



- Often/always
- Sometimes
- Seldom/never

SOURCE: McKinsey organization practice

Danish police shows strengths in especially Accountability and Motivation



SOURCE: McKinsey client experience

Health varies a lot across job levels

Global Benchmark

- Top Quartile
- 3rd Quartile
- 2nd Quartile
- Bottom Quartile

	Alignment			Execution				Renewal	
	Direction	Leader-ship	Culture & Climate	Account-ability	Coor-dination & Control	Capa-bilities	Moti-vation	Innovation & Learning	External Orientation
Police Inspector, district attorney, finance or higher charge (n= 17)									
Vice police inspector or administrative section manager (n= 28)									
Police commissioner or administrative manager (n= 52)									
Vice police commissioner (n= 111)									
Policeman/assistant (n= 851)									
Police applicants (n= 28)									
Employee, civil service, or intern (n= 176)									
Senior prosecutor, prosecutor or clerk (n= 61)									
Other job levels (n= 40)									

SOURCE: McKinsey client experience

Examination of health helped to define improvement initiatives for performance management

Improvement areas		Initiatives
	a Strategic vision and direction	▪ Establish standard for fact based communication of strategic initiatives anchored in police logic ▪ Anchor top 5-10 strategic priorities amongst middle managers through new processes
	b Standardiz-ation, processes and tools	▪ Increase standardization of work processes ▪ Streamline business support function delivery to core business
	c Execution and follow up	▪ Standardized approach for target cascading ▪ Strengthen reporting processes
	d Individual performance	▪ Implement KPI and monitoring systems at the department level and employee level ▪ Strengthening HR processes to develop employees and managers

SOURCE: McKinsey client experience

NYPD achieved significant performance improvements, but realized a need to focus on organizational health

Accomplishments of the last 10 years

- Crime fighting and counterterrorism
  - 46% reduction in violent crime
  - 49% reduction in subway crime
- Organization
  - Extremely dedicated senior staff
  - 1000+ new officers in counterterrorism
- Technology
  - Over 450 miles of network cable connect more than 100 police precincts and facilities

Challenges for the next 10 years

- Loss of ~6,000 uniformed officers, fiscal limitations
- Leadership changes in the City
- Evolving threats, tools, and technology

Charting a path forward with NYPD2020

- **Developing higher performing talent**
  - All members more motivated, productive
  - Junior supervisors increased professionalism
  - Senior leaders enhanced coaching, mentoring
  - Robust talent management system
- **Improving collaboration with the Department**
  - Better dissemination of information and coordination of investigatory efforts
  - Greater emphasis on Community Relations
- **Keeping the City safe**
  - Refined crime fighting strategies (e.g., IT enabled intelligence-led policing, emphasis on community affairs)
  - Ensure the NYPD can respond should an attack occur

NYPD 2020 launched 11 organizational health initiatives to develop and launch across the three aspirations

	Initiatives
1 Developing higher performing talent	▪ Refining recruiting standards to ensure the NYPD is focused on the right skills, capabilities, and backgrounds ▪ Better defining career paths for civilians ▪ Revamping supervisor training with a focus on growing world-class leaders ▪ Refining the processes to assess and advance supervisors ▪ Creating a culture of discipline and praise
2 Improving collaboration within the Department	▪ Better dissemination of vital information across bureaus and divisions within NYPD ▪ Expanding investigatory coordination among bureaus and divisions ▪ Placing greater emphasis on Community Relations
3 Keeping the City safe	▪ Conducting a comprehensive personnel staffing needs assessment to ensure the Department's resources are aligned with its priorities ▪ Refining CompStat metrics and process ▪ Maintaining the edge in counterterrorism by sustaining investment in technologies and intelligence-gathering capabilities

For each aspiration, move to implementation with an action bias

ILLUSTRATIVE

Aspiration 1: Higher performing leaders and police officers

- All members more motivated, productive
- Junior supervisors increased professionalism
- Senior leaders enhanced coaching, mentoring
- Robust talent management system

1 Develop portfolio of initiatives

- Identify and eliminate financial disincentives to promotion
- Overhaul training Sergeants receive upon promotion
- Etc…

2 Prioritize initiatives for implementation

- Rate each initiative on 2 dimensions
  - Potential impact
  - Ease of implement-ation (cost, dependencies)
- Order initiatives by relative scores in both dimensions

3 Implement in priority order

- Assign responsibility and resources
- Develop action plans, schedules
- Agree to goals and metrics
- Monitor implementation

Continuously re-assess initiatives to maximize success

- Put resources behind initiatives that are succeeding
- Cancel initiatives that are not meeting goals and cannot be fixed

Let's discuss: How would your police organization score?

Direction	The vision for your police organization's future is widely understood by employees
Leadership	The leaders of your police organization provide good guidance and inspiration
Environment & Values	There is a good atmosphere at your police organization
Accountability	Employees at your police organization know what they will be held accountable for
Coordination & Control	Your police organization exercises adequate control over its core business activities
Capabilities	Your police organization attracts highly talented students and professors
Motivation	Your police organization's leaders and employees are highly motivated
External orientation	Your police organization consistently meets the needs of its society
Innovation	Your police organization changes/improves at a greater rate than other police organizations

SOURCE: McKinsey organization practice

Agenda

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16:30	Wrap up

Synthesis and debrief

- **What common themes** (challenges and opportunities) across your police forces have we identified today?
  - For transformations
  - For performance management
  - For health management
- **What is required to address them** going forward?
- **What learnings** from the cases can be **transferred to your organizations?**

Managing Performance through Transformations

DAY 2
09 April 2013

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McKinsey&Company

Yesterday we discussed performance transformation through the lenses of performance and health

Performance

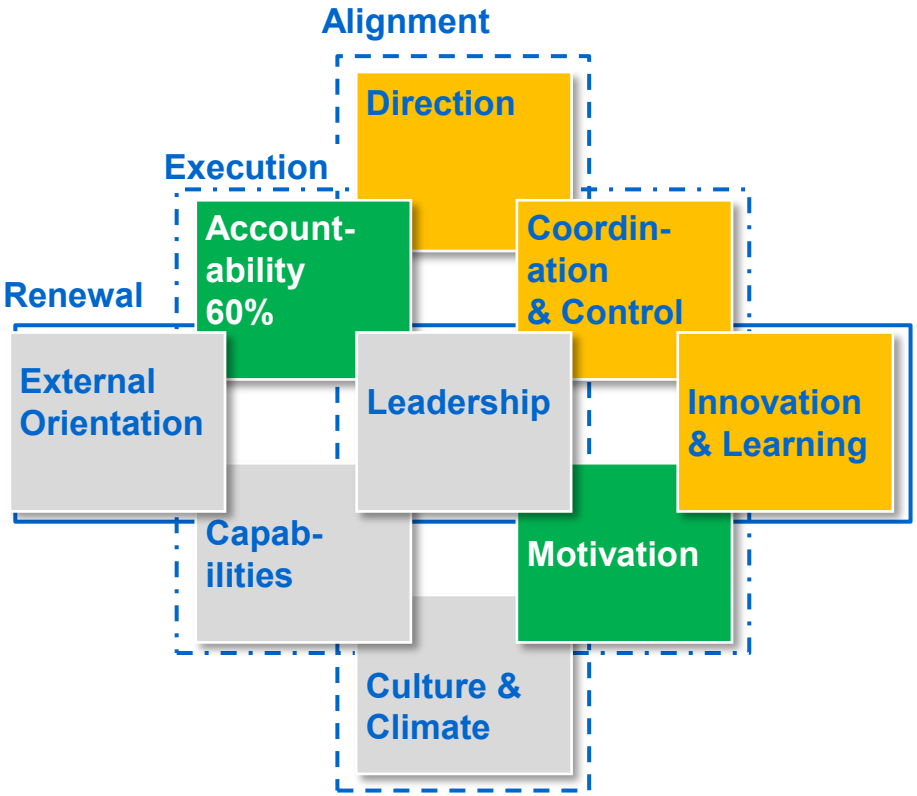
What an organization delivers to stakeholders in terms of operational and financial results

Health

The qualities, attributes, and actions today that help sustain performance tomorrow

We learnt from the experiences of our peers from NYPD and the Danish Police, and discovered that there are great similarities across police organizations

COMPSTAT
Introduced by NYPD in 1994

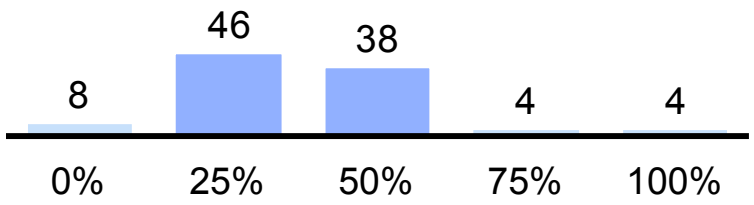


SOURCE: McKinsey

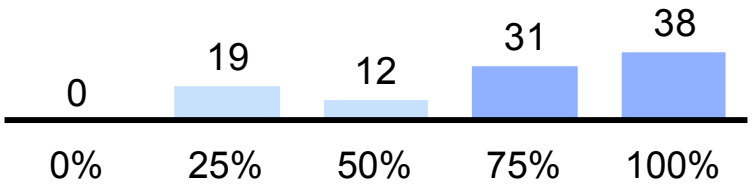
Performance is managed more than health, though transparency on this dimension could also be improved

Percent

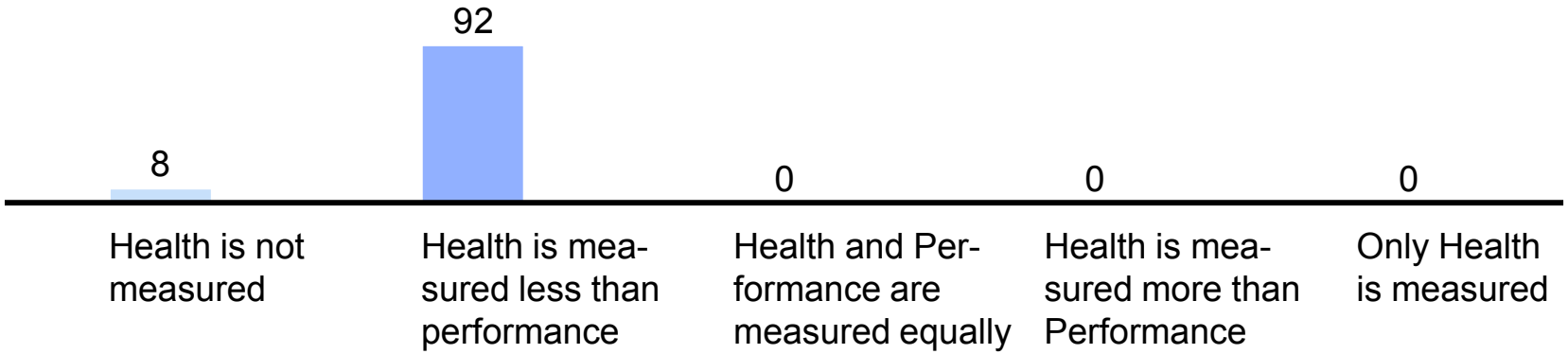
What share of employees would be able to name and explain the top 3 performance objectives of your organization?



What share of the performance objectives in your organization are measurable?



What extent are health metrics defined and measured relative to performance metrics?

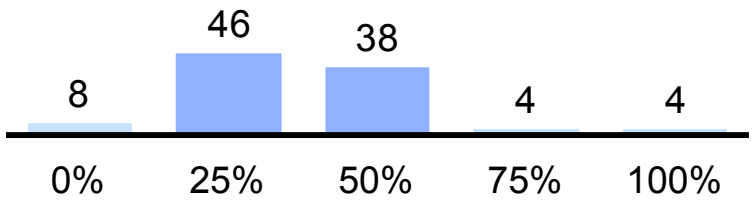


SOURCE: Participant survey

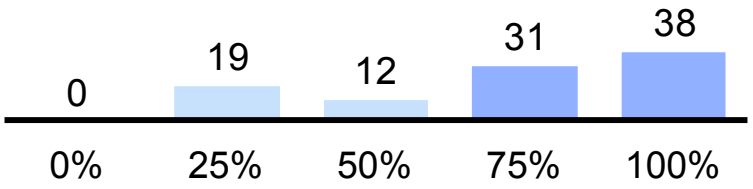
Performance is moderately well defined and tracked at the top-levels but meaningful cascading to patrol level is challenging

Percent

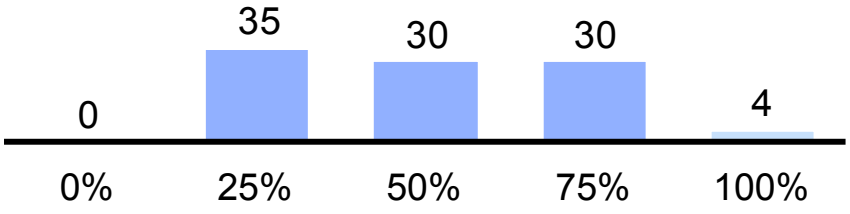
What share of employees would be able to name and explain the top 3 performance objectives of your organization?



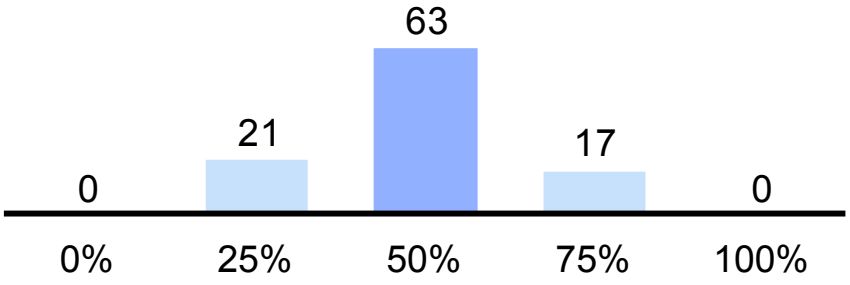
What share of the performance objectives in your organization are measurable?



What share of performance targets are cascaded through your organization?



What share of performance targets are tracked using metrics meaningful to frontline?

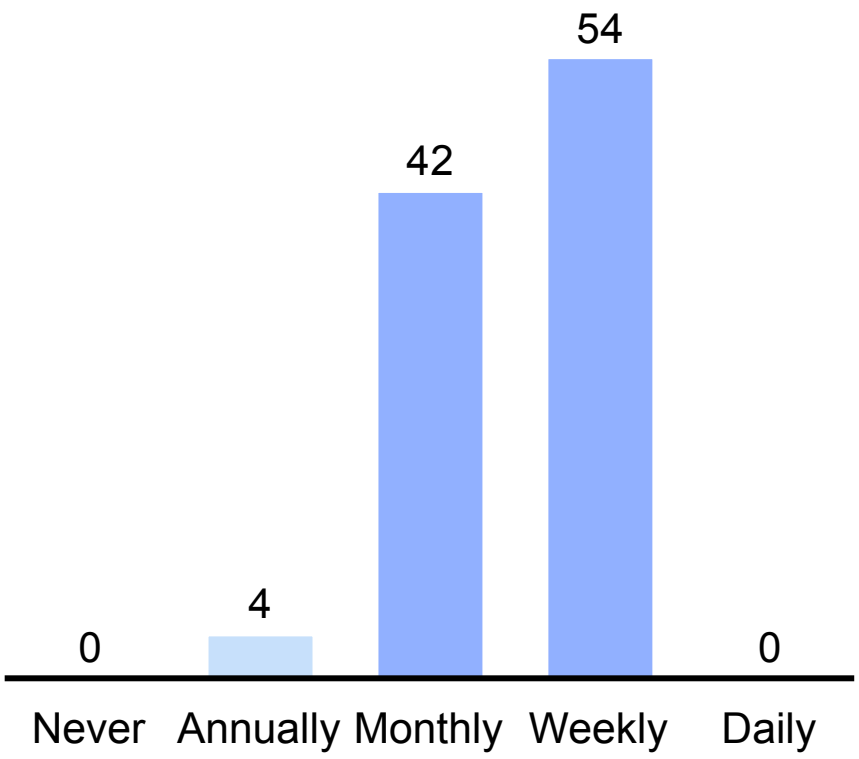


SOURCE: Participant survey

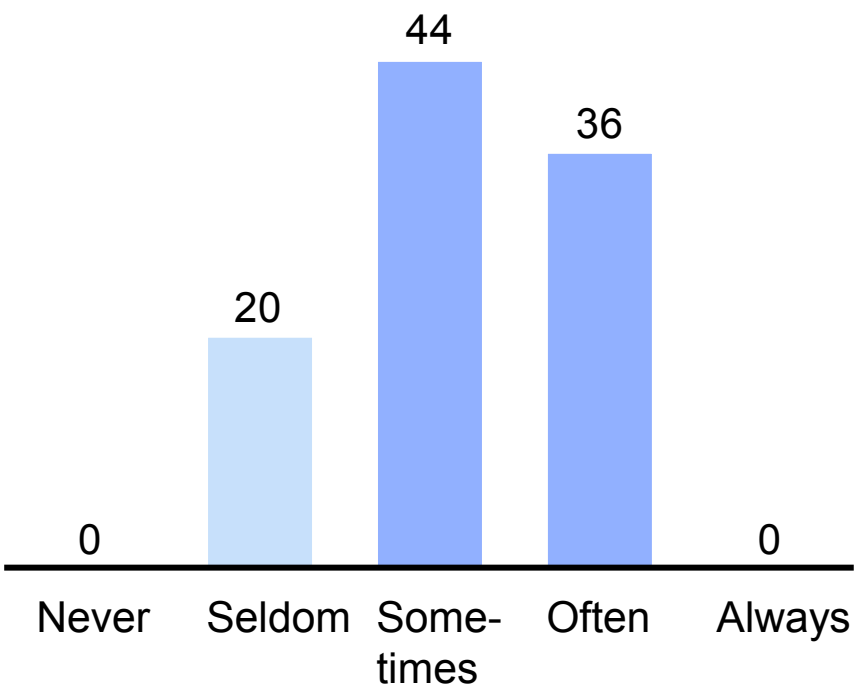
Follow up and consequence management for performance is seen as frequent but the link to reward and consequence is less clear

Percent

What extent are results regularly followed up on?



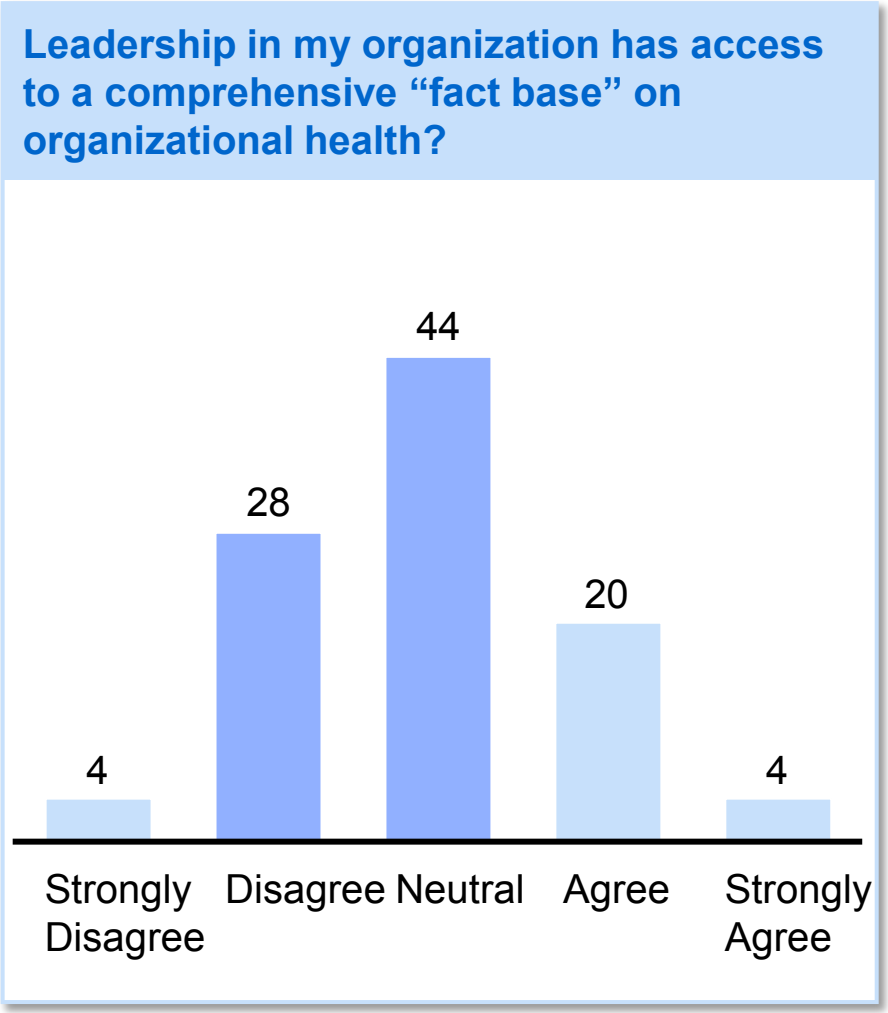
To what extent are results linked to concrete actions and consequences?

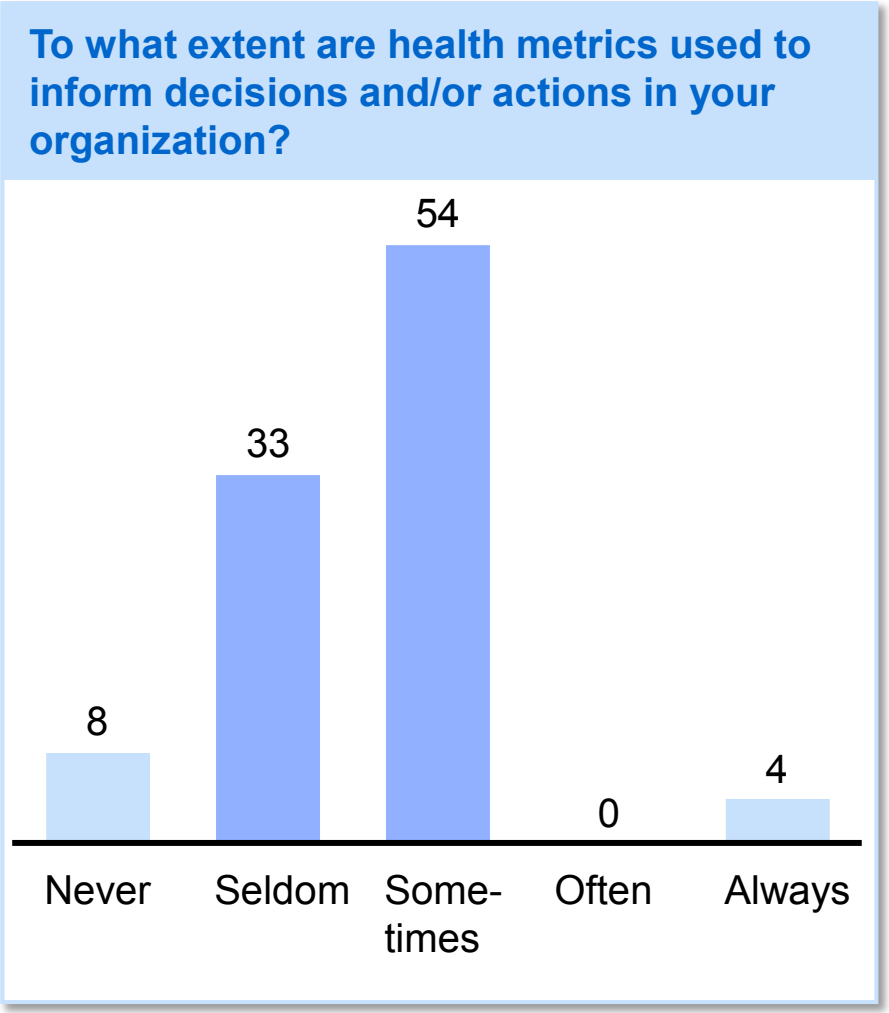


SOURCE: Participant survey

The health fact base could be further developed and better used for decision making

Percent

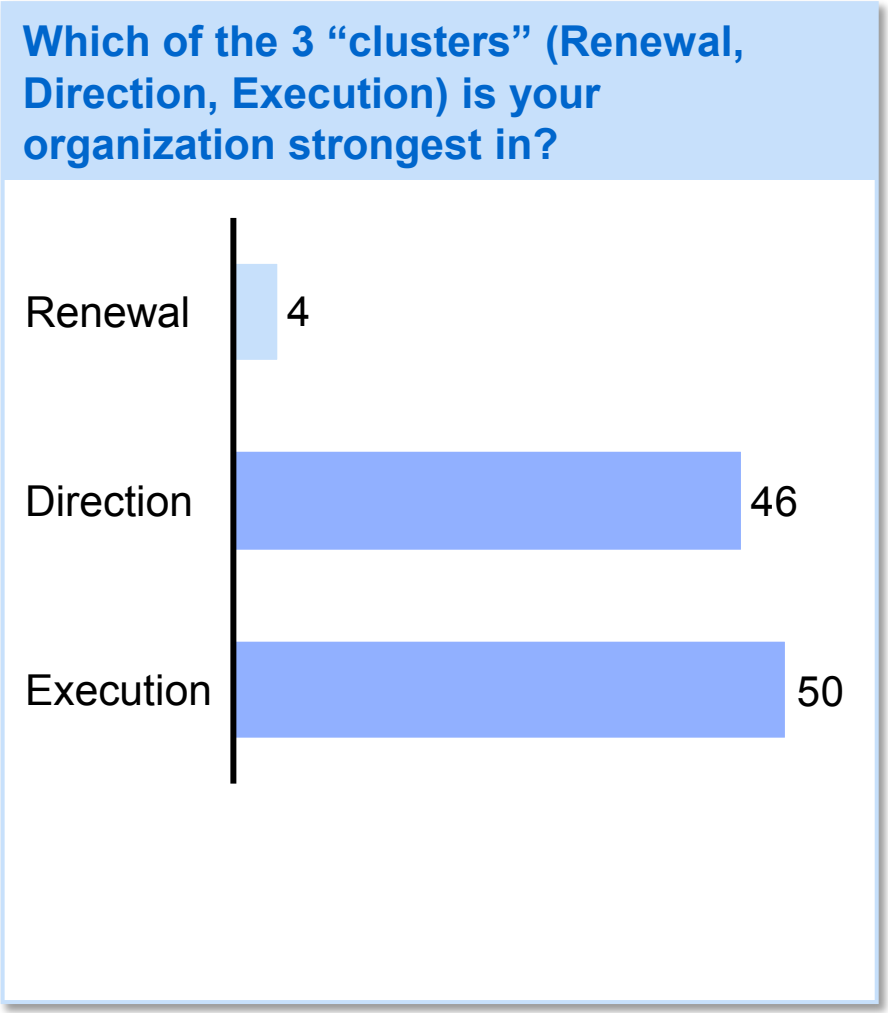


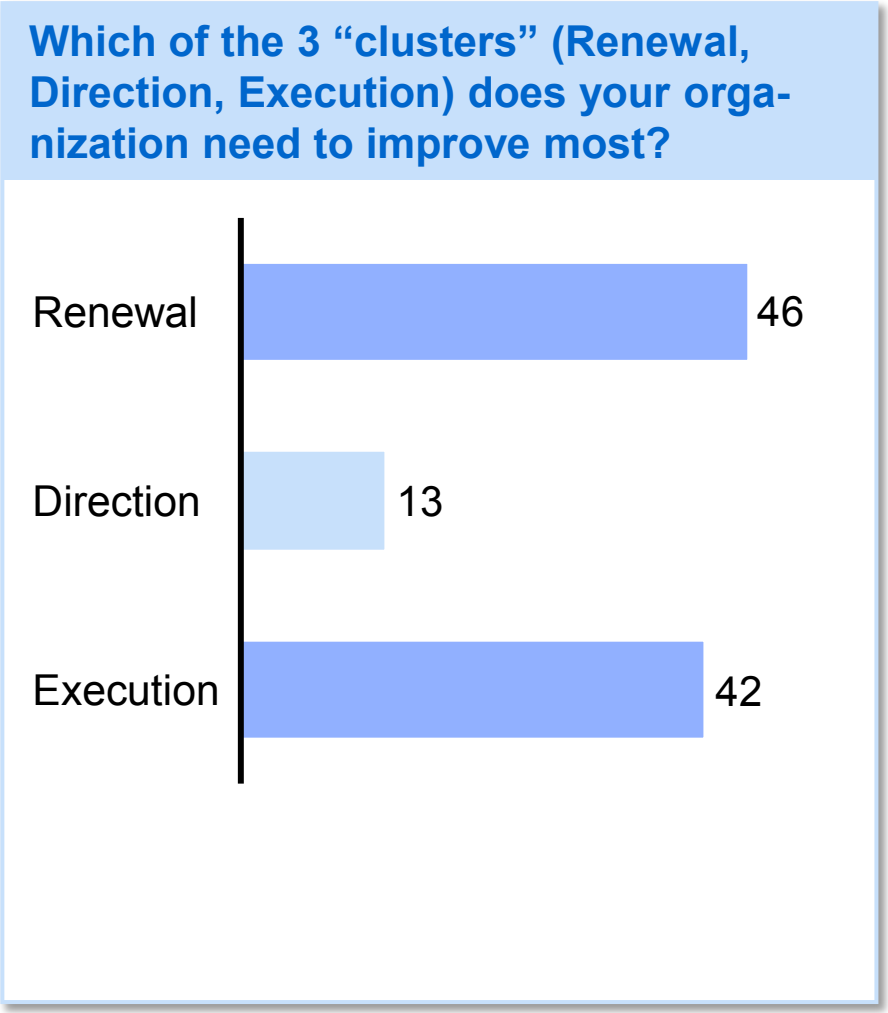


SOURCE: Participant survey

In terms of health, two main areas of focus going forward: Renewal and Execution

Percent





SOURCE: Participant survey

Underlying drivers most in need of improvement are Leadership and Innovation & Learning

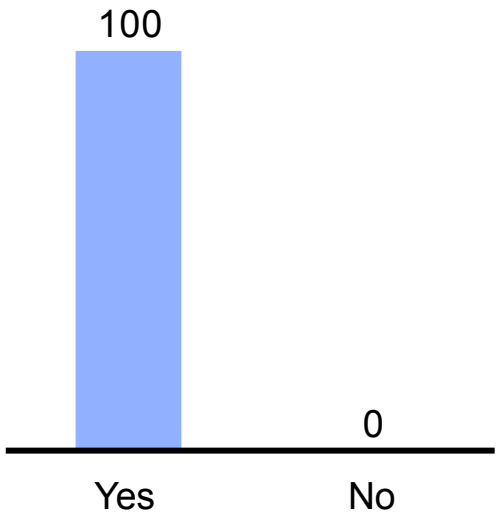
Percent

SOURCE: Participant survey

You told us: The case for change is clear and all of you have recent transformation experience

Percent

Has your organization undergone a transformation program in the past 2 years or are you planning to begin one?

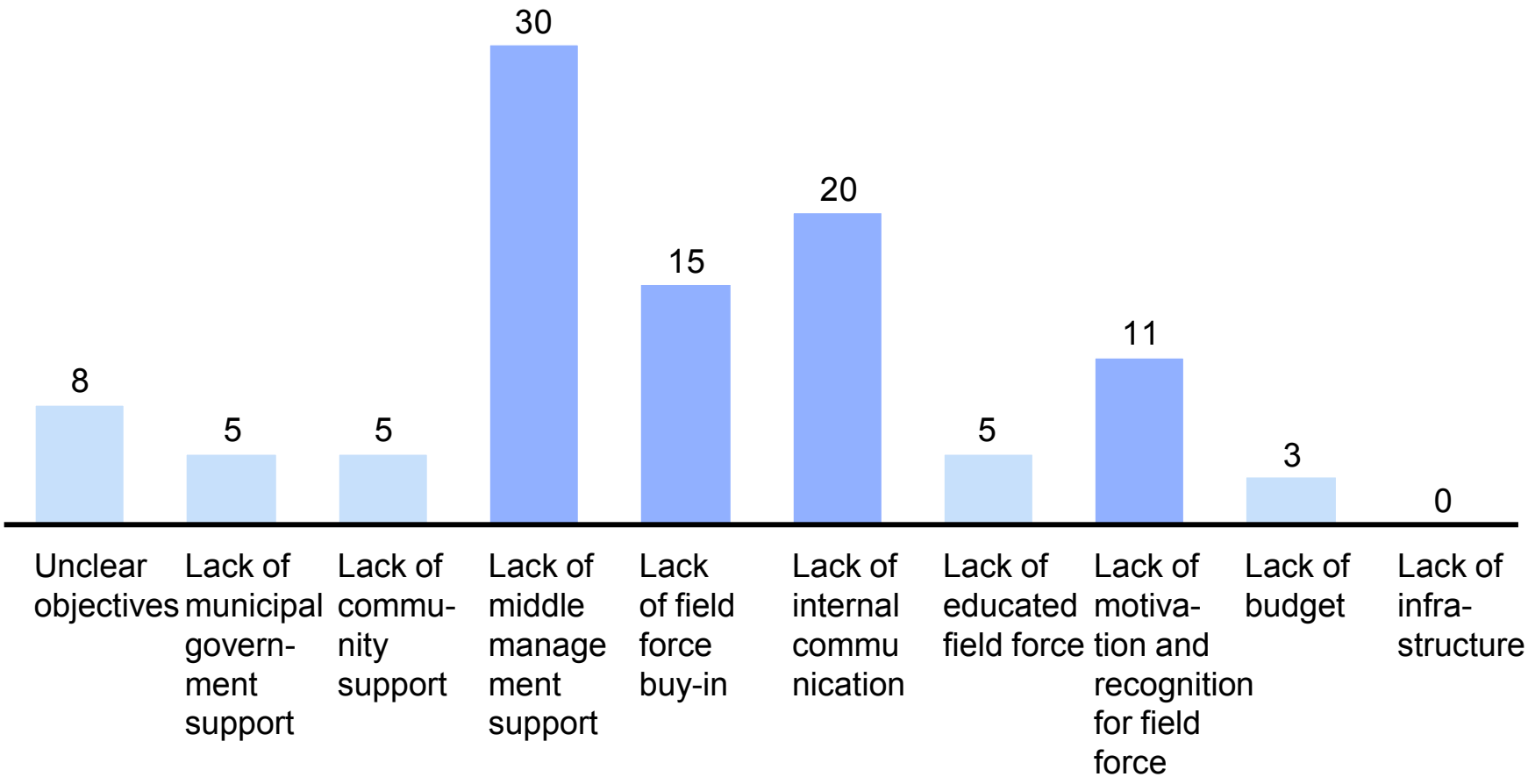


SOURCE: Participant survey

Most important barriers to address are buy-in, communication and motivation in the cars

Percent

What are your organization's three primary obstacles to effective performance transformation?



SOURCE: Participant survey

You have identified priority Performance and Health challenges and opportunities that the community should work on

Performance

1. How do we improve our understanding and shaping of the political boundary conditions?
2. How should we define our objective function and ensure we measure it effectively at a granular level and at high frequency?
3. How do we best link strategic priorities with available resources?
4. How do create an integrated financial and operational performance management system?
5. How do we defined KPIs that drive value and are meaningful and relevant to the officer on the street?
6. How strong should the link between KPI performance and recognition?

Health

7. If and how should police organizations measure and manage health? (different to satisfaction)
8. How and when should health be an objective decision criteria?
9. How do we recruit, develop and retain the leadership talent to lead through transformations?
10. Specifically how do we ensure ownership and commitment in middle-management and first line leadership?
11. How do we strengthen internal communication; more of the same or something different?
12. How do we improve our ability to continuously renew our organizations to sustain performance in a changing environment

SOURCE: Participant discussion

Managing Performance through Transformations – Workshop summary

April 2013

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Topic of the break-out: Managing performance through Transformations

- Participants discussed the opportunities and challenges of transforming performance management and leadership in police organizations and identified the common themes for change (opportunities and challenges) across police forces

- The discussion was structured across three topics:
  1. Establishing the case for change and Principles of performance transformations
     - What are the common factors today that make change a requirement?
     - Introduction to the principles of performance management and leadership
     - Discussion on the overarching transformation challenges faced by police organizations
  2. Performance management in police organizations
     - How do police organizations drive performance management today and what are the opportunities and challenges they face?
  3. Measuring and managing organizational health for Police
     - How do police organizations manage health today and what are the opportunities and challenges they face?

- The discussions were supplemented by insights from NYPD's Compstat and NYPD2020 programs shared by Patrick Timlin and Katie Lemire, as well as experiences from the Danish Police's recent organizational health review

- Live voting technology was used to collect and quantify participants perceptions of performance and health today to establish a fact base for further discussion and reference

SOURCE: Copenhagen Police Symposium

1. Establishing the case for change revealed new, but equally compelling, challenges

- **Compstat was initiated as a response to severe crime rates in New York city**
  - The early 1990's saw dramatic increases in crime rates in New York city which became a focus area for media, politicians and the public
  - The NYPD needed to transcend to new levels of efficiency and efficacy in order to solve the NYC crime problems
  - Compstat was established to provide leaders with a sound fact base for performance management to drive transformational change across the NYPD organization

- **Today, police organizations face new challenges, and an equally strong case for change**
  - 100% of participants indicated that they are in the midst of a transformation program or are about to begin one
  - Participants agreed that the need for transformation in police organizations today is being driven by increasing public demands for services combined with decreasing resources as many police organizations, like other public services, are being asked to deliver more for less

SOURCE: NYPD, Copenhagen Police Symposium

1. Principles of performance transformations were discussed and main challenges identified

McKinsey and Company frames organizational transformation across five stages, along which equal focus on performance and health is required

- Performance management is a well establish concept within public and private organizations, however, the concept of health management is less well understood
- Long term studies of transformations indicate that 70% of transformations fail to achieve target impact mainly due to organizational health challenges building the case for equal focus on performance and health to achieve sustained transformational change

Participants highlighted the main transformation challenges in police organizations

1. Managing political boundary conditions

- Due to high levels of political involvement in budget and strategic decisions it is important to develop clear plans to ensure an effective negotiation position when setting the agenda
- Participants highlighted 'step 0' which is: where are we allowed to go by politicians?

2. Setting the goal

- "Setting the goal is hard due to broad set of objectives"
- "It is difficult to set the right goals – and make it operational and meaningful to the force"

3. Assessing where to go

- "At NYPD, the assessment phase was the hardest. It is uncomfortable to dig into what you are not good at and difficult to motivate people to do it"

4. Organizational health challenges

- Lack of middle management and field force support and buy-in
- Lack of internal communication
- Lack of motivation and recognition of field force

5 Stages of Transformation

1. **Aspire** – Where do we want to go?
2. **Assess** – How ready are we to go there?
3. **Architect** – What do we need to do to get there?
4. **Act** – How do we manage the journey?
5. **Advance** – How do we keep moving forward?

SOURCE: McKinsey, Copenhagen Police Symposium

2. NYPD shared performance management learnings and current status in police organizations was discussed

NYPD achieved significant improvements in crime rates between 1990-2009 through accurate and timely data collection and follow-up

- Murders decreased from 2,200 to 471
- Robberies decreased from 100,000 to 18,525
- Major Crimes Committed decreased from 700,000 to 106,071
- Total crime down 76%

In addition to tracking and review of intelligence, leadership development, empowerment and external cooperation were important success factors

- Giving precinct commanders more flexibility and responsibility
- Making middle management responsible for identifying and addressing problems via a coordinated and strategic response
- Developing strategic plans to address specific types of crimes
- Cooperating with others (e.g., prosecutors, analysts, tax and health departments, etc.) to broaden solution scope

Discussions with NYPD representatives identified relevant insights for police organizations

- Do not make the entire program about numbers. Leadership, motivation, systems and processes are essential
- Accountability needs to be immediate. Performance results should be reviewed in real time, not every 6-12 months
- Avoid tracking everything, track what makes sense
- Don't focus efforts too narrowly. Small offences are as important in establishing citizens' sense of safety and order
- Beware of silo mentalities in police organizations which can create barriers to effective execution in the long-term

Discussions show that performance is moderately well managed in Police organizations today, but it could be improved

- 92% of participants said that Performance is managed more than health
- However, transparency on performance could also be improved
  - According to participants, less than half of employees would be able to name and explain the top 3 performance objective of their organization
- Performance is moderately well defined and tracked at the top-levels but meaningful cascading to patrol level is challenging
  - In most participants organizations 50% or less of performance targets are tracked using metrics meaningful to the frontline
  - In participants' organizations, the share of targets that are cascaded varies greatly, ranging from 25-75%
- Follow up on performance is frequent (monthly or weekly), but the link to rewards and consequence is less clear

SOURCE: NYPD, Copenhagen Police Symposium

3. While performance is a relatively well established concept, health is less commonly understood and measured

Organizational health measurement is not the same as an Employee Satisfaction survey

- Organizational health indicates to what extent the organization is able to deliver on its targets and mandates, the dimensions of which may or may not be correlated to employee satisfaction
- The Organizational Health Index is one way to define and measure organizational health in a structured and standardized manner according to the McKinsey definition: Public sector health is the ability of an organization to lead, align, execute, and renew itself in line with the broader society
- The framework measures leading health indicators across 9 dimensions 37 practices which provide transparency on the trajectory of the organization

Organizational Health review of the Danish police revealed strengths in Accountability and Motivation and improvement opportunities in Direction, Coordination & Control and Innovation & Learning

- The Danish police have used the results to identify four priority improvement areas; 1. Strategic vision and direction; 2. Standardization of processes and tools; 3. Execution and follow-up; 4. Individual performance

NYPD has achieved significant performance improvements through Compstat, but realized a need to focus on organizational health going forward

- Based on the belief that "you have to go big" with organizational change, the NYPD 2020 launched 11 organizational health initiatives to develop and launch to 1. Develop higher performing talent; 2. Improve collaboration within the department ; 3. keep the City safe
- A shared challenge is to secure buy-in at all levels to drive change, which the NYPD is addressing by working to identify the next generation of leaders and involve them in developing the change program to ensure that "the organization owns the change, rather than having it done to them"

Discussions identified common health challenges and opportunities across police organizations today

- Developing and using a health fact base for decision making versus relying on subjective criteria
- Communicating effectively to mobilize: "Good communication cannot be misunderstood"
- Creating a shared identify and definition of police success from leadership to the front line
- Improving organizational Renewal and further improving strength in Execution
- Building competencies in underlying health drivers, especially Leadership and Innovation & Learning

SOURCE: Danish Police, McKinsey, NYPD, Copenhagen Police Symposium

At the end, participants identified priority Performance and Health challenges for police organizations to address in future work

Performance

1. How do we improve our understanding and shaping of the political boundary conditions?
2. How should we define our objective function and ensure we measure it effectively at a granular level and at high frequency?
3. How do we best link strategic priorities with available resources?
4. How do create an integrated financial and operational performance management system?
5. How do we defined KPIs that drive value and are meaningful and relevant to the officer on the street?
6. How strong should the link between KPI performance and recognition be?

Health

7. If and how should police organizations measure and manage health? (different to satisfaction)
8. How and when should health be an objective decision criteria?
9. How do we recruit, develop and retain the leadership talent to lead through transformations?
10. Specifically how do we ensure ownership and commitment in middle-management and first line leadership?
11. How do we strengthen internal communication; more of the same or something different?
12. How do we improve our ability to continuously renew our organizations to sustain performance in a changing environment

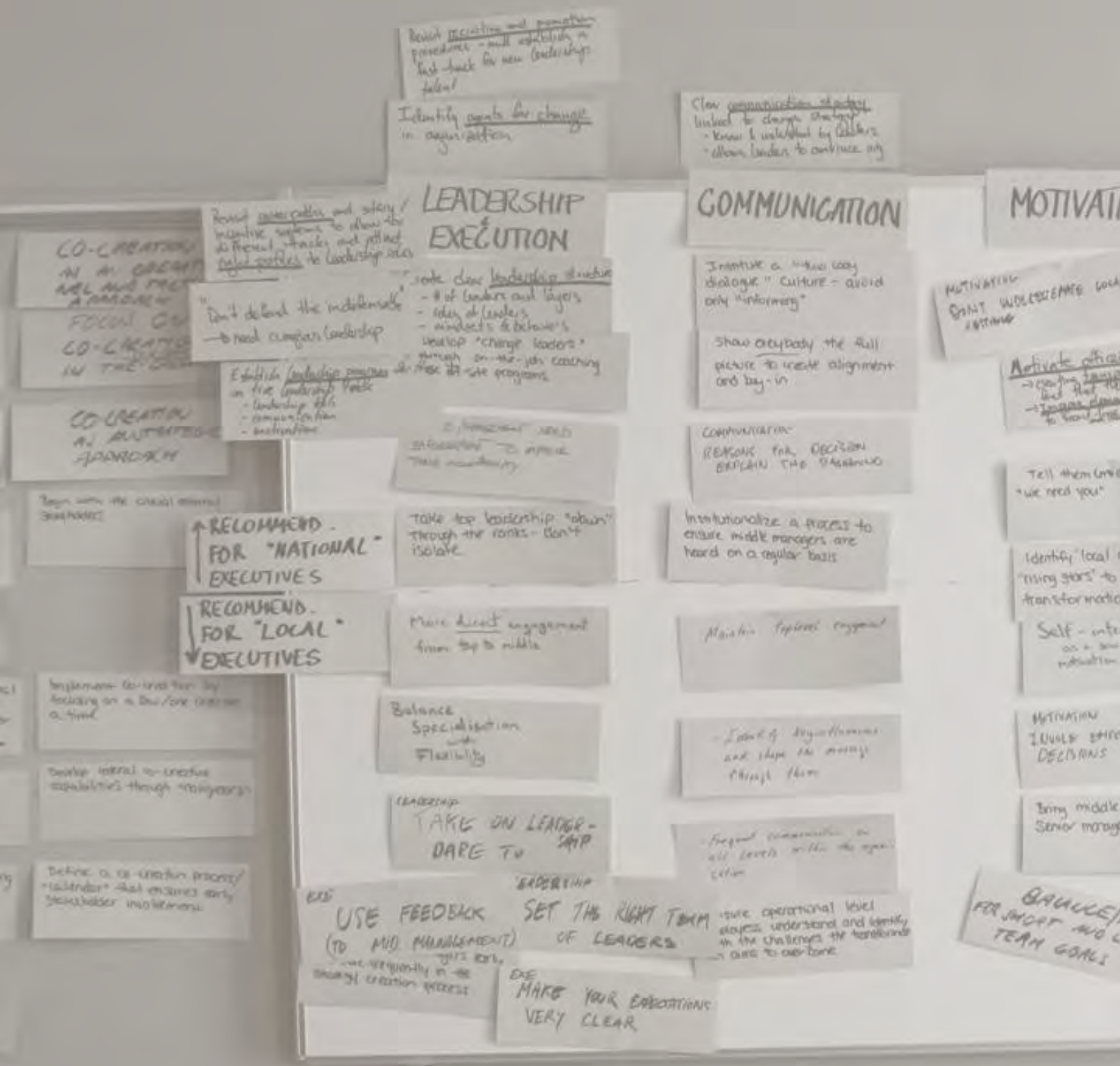
SOURCE: Copenhagen Police Symposium

Graphic Recording

Zoom and scroll through Erik Petri's poster on the next page

PERFORMANCE MANAGEMENT
SYMPOSIUM, COPENHAGEN, 3-7 APRIL, THE DANISH NATIONAL POLICE
OPENING REMARKS
SETTING THE STAGE
STRATEGIC CO-CREATION
PERFORMANCE MANAGEMENT
CYBER CRIME
RECOMMENDATIONS
LIST OF PARTICIPANTS
SYMPOSIUM COPENHAGEN 3-7 APRIL 2

Recommendations from the Symposium



Recommendations

Discussions at the symposium on performance management focused on how to develop performance management and how to handle the transformation needed. An important aspect of the discussions was how to deal with changing performance metrics when strategy and approach to policing changed, e.g., by developing co-creation and prevention. At the end of the symposium, the participants were asked to discuss and put forward recommendations to police executives on how to develop performance management and increase co-creation.

Recommendations – national executives (1/2)

Focus	Strategic and tactic approach	Implementation
Co-creation	• Take advantage of stakeholders' positive influences • Ensure clear focus and a common understanding of challenges • Motivate middle managers through inside use of co-creation • Establish benefit management and measurement • Mix of internal and external stakeholders in defining co-creation strategy and KPIs	• Start up with pilot projects and focus on internal processes • Implementation at national level will cascade down to local level • Allocate specific resources to co-creation • Define a co-creation process that ensures early stakeholder involvement • "Short and fat" co-creation processes
Leadership and execution	• Take top leadership "down" through the ranks to avoid isolation • Show courage for leadership role model • Revisit recruitment and promotion procedures • Revisit career paths and salary incentive systems to allow for different tracks and attract right profiles to leadership roles	• Develop "change leaders" through on-the-job coaching and off-site programmes • Motivate for empowerment of middle managers to improve accountability • Establish leadership programmes and "fast track" for upcoming leaders • Identify change agents in the organisation
Communication	• Ensure alignment between communication strategy and change strategy • Secure transparency to motivate buy-in and alignment	• Institutionalise a process to ensure middle managers are heard on a regular basis

Recommendations – national executives (2/2)

Focus	Strategic and tactic approach	Implementation
Motivation	• Improve elements that matter to front line • Secure alignment between roles and people	• Encourage middle managers to increase individual motivation • Identify “local mentors” and “rising stars” to lead through transformation • Allocate pilot projects to managers
Measures and metrics	• Keep some flexibility in targets, resources and agile organisation • KPIs should be meaningful for the organisation • Clear targets and break down to individual KPIs • Keep metrics and reporting simple • Work systematically with organisational health • Secure transparent metrics internally and externally	• Synchronise and simplify data systems and programmes • Ensure system consistency across districts
Others	• Dedicate time to individual performance management • Increase management competencies for recruitment, appraisal and training development	

Recommendations – local executives (1/2)

Focus	Strategic and tactic approach	Implementation
Co-creation	• Find internal ”ambassadors” for co-creation	• Focus on stakeholders’ gains • Focus on the primary stakeholders
Leadership and execution	• Increase direct engagement from top management to middle managers • Design for balance between specialisation and flexibility • Leaders need to take the necessary responsibility and show leadership courage • Pay attention to composition of people skills in leadership teams	• Make expectations transparent for the whole organisation • Involve middle managers early and more frequently in the strategy creation process • Organise structured feedback to middle management
Communication	• Identify key influences and shape the message through them • Frequent communication at all levels within the organisation • Ensure direct engagement from top management to middle managers	• Ensure that operational-level employees understand and identify the challenges the transformation aims to overcome

Recommendations – local executives (2/2)

Focus	Strategic and tactic approach	Implementation
Motivation	• Motivate officers through transparency in the organisation	• Use self-interest as a source of motivation • Ensure employees involvement before decisions • Bring middle managers to senior management meetings
Measures and metrics	• Ensure holistic approach to metrics and especially for individual performance • KPIs should be meaningful for the organisation	• Organisation has to work systematically with organisational health • Metrics should be transparent internally and externally