



Demonstrating Value Through Service Plans & Budgets

Introduction

On 2018 March 21, Council passed a motion to direct Administration to return to the 2018 April 10 Priorities and Finance Committee with updated Principles reflecting something similar to the following: *"Incorporate the "Elements of Value" to citizens by incorporating, but not limited to: Inspirational value, Individual value, Ease of doing business value, Functional value, Table stakes value (ethical standards)"* (C2018-0304).

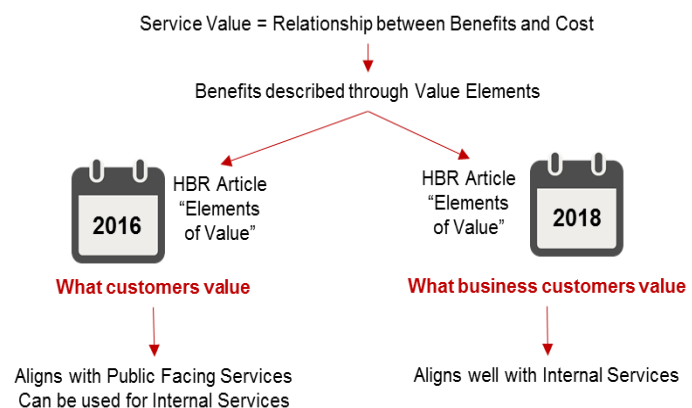
This attachment provides some additional detail on how these elements (One Calgary calls these value dimensions) of value are being incorporated within the service plans and budgets, in relation to the updated principles referencing service value within the cover report.

Background

In 2016 September, The Harvard Business Review (HBR) published an article titled "The Elements of Value – Measuring-and-delivering-what consumers really want", based on research conducted by Bain & Company. This article outlines elements that address consumer needs, categorized in four key categories – Functional Value, Emotional Value, Life Changing Value and Social Impact Value dimensions.

Further to the 2016 September article, The Harvard Business Review published a follow up article in the 2018 January-February issue titled "the B2B Elements of Value – How to measure-and-deliver-what business customers want", based on further research conducted by Bain & Company. This article outlines elements that address business customer needs, categorized in five separate categories – Table Stakes value, Functional value, Ease of Doing Business Value, Individual Value and Inspirational Value.

The two articles correspond to the diverse services The City offers – the 2016 consumer article corresponds to what citizens and customers value from the public facing services The City offers (e.g. Public Transit), while the 2018 B2B article aligns with what our Public facing services value from The City's internal service (e.g. Fleet Management). It's worth noting that there is a substantial overlap between the two lists.



How these are being used in building Service Plans & Budgets

In 2017, definitions were created for each (referred to at the City as Value Dimensions) listed in the 2016 September article. Additional dimensions relating to The City were also added; e.g. Resilient, Reconciliation, Fairness and Equity.

Through 2017, both public facing and internal services were asked to review the list of dimensions (based on the 2016 article) and choose up to five dimensions they believe to be

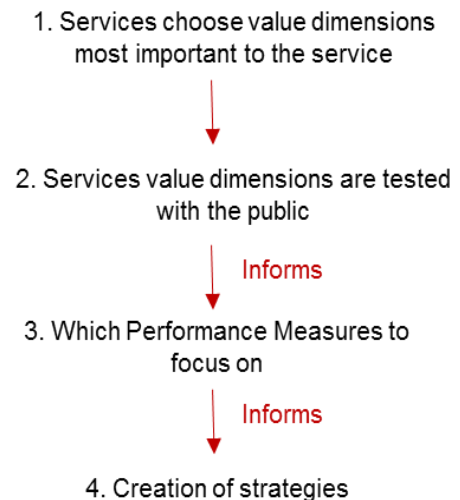


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most important to the customers of their service and to citizens. They were also asked to provide a definition of how the dimension relates to their service.

Moving forward, the dimensions of value will be used for the following purposes:

1. Services choose the value dimensions most important to their Service (2017).
2. From 2018 April 2 to 22, an online engagement tool open to all members of the public and the Citizens' View Panel, will have an opportunity to rank which dimensions of value are most important to them.
3. Citizen input on value dimensions, in conjunction with other citizen research and Council's Directives will help to inform services in developing outcome related (results based) performance measures tied to the dimensions of value (in Results Based Accountability™ format) for inclusion on the service pages of their plan and budget.
4. How the service is performing on the key performance measures related to key value dimensions will inform the development of strategies to maximize value related to the dimensions most important to citizens and customers.



Other Connections

Concurrently with this work, MBNCanada (Municipal Benchmarking Network Canada) undertook a strategic value review of service areas, which included an action for the Board to identify a value proposition statement and value dimensions for each of the 36 (broad) service areas within MBNCanada, with conceptual ideas for measurement.

The City shared the list of the dimensions of value and definitions developed based on the 2016 HBR article, along with the process The City was undertaking. MBNCanada adopted (the majority of) The City's list of value dimensions and completed a similar process to identify value dimensions for each of the 36 service areas. The City will review the alignment between the dimensions identified through both processes.

The City of Calgary is one of 10 cities in the 100 Resilient Cities (100RC) network – Pioneered by The Rockefeller Foundation in May 2016. 100RC is a global network of cities working to address some of the biggest challenges facing cities. Foundational to building resilience in our organization and in the community will be to consider and integrate “qualities” of resilience (i.e., reflective, resourceful, inclusive, integrated, robust, redundant/diverse, flexible) and introduce those qualities (a resilience lens) into our strategic planning processes. The resilience qualities are reflected throughout the value dimensions and Strategic Plan principles.



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Next Steps

The majority of the work done thusfar has focused on services identifying value dimensions corresponding to the 2016 September HBR consumer article. Now that the 2018 article, focusing more on the value dimensions important to business customers has been released, the One Calgary Program will work to include these additional dimensions as options for internal services to use as dimensions of value for their customers.

Current list of value dimensions being used by services (adapted from the 2016 HBR article for public sector):

Functional Value	Emotional Value	Life Changing Value	Social Impact Value
Affordability	Accessibility	Heirloom	Self-Transcendence
Availability	Attractiveness	Equity	Environmental
Avoids hassles	Fun/Entertainment	Fairness	Reconciliation
Connectivity	Prevention	Motivation	Resilient
Convenience	Therapeutic Value	Provides Hope	Sustainability
Informs	Wellbeing	Self Actualization	
Integrates	Wellness		
Legislative Compliance			
Organizes			
Quality			
Reduces effort			
Reduces risk			
Reliability			
Responsiveness			
Safety			
Saves time			
Simplifies			
Variety			



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Additional Value dimensions that are currently being introduced adapted for public sector use from the 2018 HBR B2B article include:

Functional Value	Ease of Doing Business	Individual Value
Innovation	Configurability	Reputational Assurance
Scalability	Expertise	
Improved Top Line	Flexibility	
Cost Reduction	Integration	
	Risk	
	Transparency	
	Reach	
	Commitment	
	Cultural Fit	
	Simplification	

References:

Almquist, E. and J. Sr., and Bloch, N., *The Dimensions of Value*, Harvard Business Review, September 2016.

Almquist, E., Cleghorn, J., and Sherer, L., *The B2B Dimensions of Value*, Harvard Business Review, February 2018.