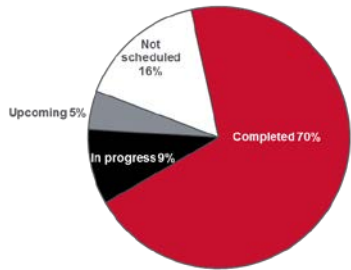




ZBR Program Dashboard

PROGRAM PERFORMANCE: HEADLINE MEASURES

How much did we do?

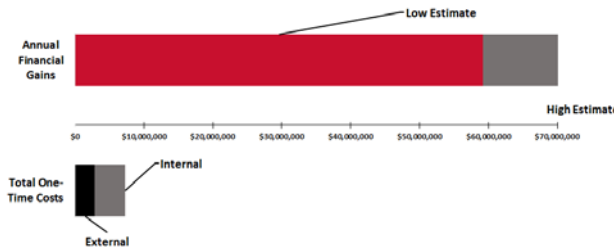


Proportion of City Services Reviewed through the ZBR Program
(measured by % of 2017 gross operating budget)

Story behind the data:

- To date, ZBRs have been completed on 70% of City services, measured by the 2017 gross operating budget. The program is on track to meet the goal of reviewing 80% of City services by 2020.
- Looking forward, the focus of the ZBR program in 2018 will continue to be on The City's internal services.
- These services have smaller budgets but are key drivers of whole organization efficiency. As such, the maximum value to be gained from these reviews lies not inside each business unit but in the business relationships and processes between them – and those they serve.
- Opportunities for improvement within internal-facing business units will continue to be identified and addressed through functional or service-based ZBRs, while cross-cutting opportunities now have a home within the Shared Challenges of the Internal Services ZBR.
- Improvements in these areas will have far-reaching benefits across the corporation.

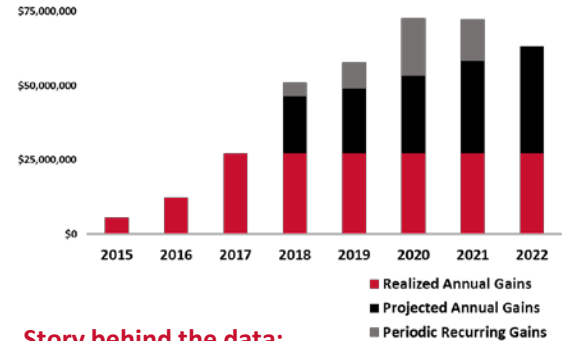
How well did we do it?



Story behind the data:

- The total annual financial gains identified by the ZBR program to date are between \$59 million (low estimate) and \$70 million (high estimate) after full implementation. Financial gains include cost savings, productivity gains, cost avoidance and increased revenue.
- Efficiency and effectiveness improvements go hand-in-hand. Beyond the financial gains, over half of the ZBR recommendations identify advances such as improved service outcomes, higher customer satisfaction and increased employee morale.
- The estimated cost of undertaking the nine completed ZBRs was around \$7 million, including the pilot project with Fleet. This includes internal costs (staff time) and external costs (consulting contracts). This does not include costs associated with implementing the recommendations.
- Comparing costs and financial benefits, there have been about \$9 in annual financial gains identified per one-time \$1 spent on the program. This graph includes Recreation ZBR costs and gains as of this report, and IT ZBR costs and gains up to December 2017; additional costs and gains identified through the IT ZBR will be added at the end of 2018.
- The annual financial gains include annual gains plus the periodic recurring gains which are averaged over the implementation period.

Is anyone better off?



Story behind the data:

- A forecast for financial gains from the first eight completed ZBR projects is shown above (data as at Dec 2017). These figures will be updated in the next program status report. Financial benefits are more than budget savings – they also include cost avoidance, increased revenue, and improved productivity. The forecast gains from the Recreation ZBR, will be included once implementation planning has been completed.
- This forecast shows that the majority of the annually recurring gains from the first eight ZBR projects will be realized by the end of 2018. As additional ZBR projects are completed, projections for future gains will increase accordingly.
- In addition to annual financial gains, which recur every year, a number of recommendations identify recurring cost avoidance or other gains which are realized at different frequencies. These are identified as periodic gains.
- Business Units that have completed ZBR projects in the past are now adapting their tracking to regularly report on and forecast financial gains. The degree of accuracy in predictions will improve with time as this becomes an upfront requirement for Business Units completing their ZBR projects.



ZBR Program Dashboard

DATA DEVELOPMENT LIST

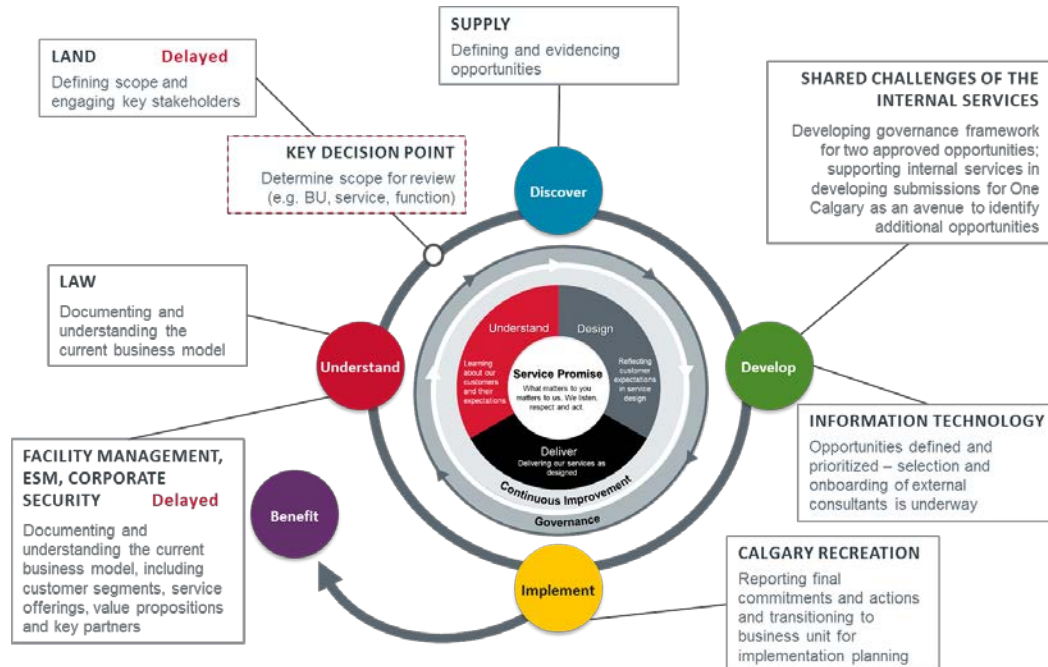
Work towards forecasting when full benefits will be realized from each ZBR is planned for the next update of financial benefits.

Additional work is underway to improve tracking of service effectiveness gains and options for measuring the ZBR program objective of building capacity for service improvement within the organization.

With an eye to developing measures which can assess capacity building within Business Units as well as across the Corporation, staff involved in the implementation of past ZBRs have been engaged to identify key options and opportunities.

STATUS OF ZBRs PLANNED AND UNDERWAY

Mapping ZBRs to the Continuous Improvement Process





ZBR Program Dashboard

ZBR PROJECT IMPLEMENTATION TRACKER							
Business Unit	Reported to PFC	Current Status of Recommendations			Financial Benefits - Annual Gains		Annual Gains Realized To Date
		Total Recommendations	Number Being Implemented	Number Complete	Low Estimate	High Estimate	
Fleet (pilot project)	July 2012	8	0	8	-	-	Implementation Complete
Parks	July 2014	6	2	4	\$4.3M	\$4.3M	\$2.4M
Roads	Oct 2014	5	1	4	\$1.4M	\$1.9M	\$10.2M
Water Services	Mar 2015	5	5	0	\$2.4M	\$6.1M	\$8.6M
Fire	Nov 2015	4	4	0	\$14.1M	\$15.1M	\$5.0M
Calgary Transit	June 2016	7	5	2	\$10.3M	\$11.1M	\$1.1M
Water Resources	Sept 2016	4	4	0	\$17.0M	\$20.5M	-
Calgary Building Services	Nov 2016	4	3	1	\$3.2M	\$4.6M	-
Recreation	June 2018	8	8	0	\$2.0M	\$2.2M	-
IT	Jan 2018 (1 st report)	TBD	1	1	\$4.6M*	\$4.6M*	-
ZBR Program Total		51	33	20	\$59.3M	\$70.4M	\$27.3M

ZBR Program Dashboard

KEY MILESTONES



The **Parks ZBR** is nearing full implementation. In conjunction with Recreation, Parks has developed a Sports Field Strategic Plan which will partially deliver on the last recommendation to increase cost recovery for Parks' playfields. The balance of savings has been found in other areas.



While implementation is still in progress, the **Roads ZBR** has already significantly exceeded the upper estimate identified by the ZBR review. All remaining financial gains are expected to be realized in 2018, with an additional \$3.8 million anticipated.



The **Water Services ZBR** implementation is well underway. With the financial gains realized in 2017, Water Services has exceeded the gains originally estimated. Some small additional financial gains of around \$0.3 million are expected in 2018.



The **Fire ZBR** implementation has so far resulted in \$5.0 million in annual gains. Fire is currently developing a Training Academy Master Plan, with additional annual revenue of up to \$200 thousand forecast starting in 2019.



The **Calgary Transit ZBR** implementation plan was completed in May 2017. Financial gains have started to be realized in 2017, with additional benefits being realized in each year until 2021. Implementation work on the Janitorial and Outside Maintenance recommendation and the Rail System Communications recommendation is complete and benefits were realized at the beginning of 2018.



Three of the recommendations from the **Water Resources ZBR** are being implemented with the first gains being realized. An implementation plan is presented in Attachment 3.



Substantial progress has been made on all recommendations in the **Calgary Building Services ZBR**, with financial gains expected to begin in 2018.



A summary report on the **Recreation ZBR** is included as attachment 4. This review is now complete, and implementation planning has already begun through One Calgary.



The **IT ZBR** has begun implementation of one recommendation (Right Device) and is currently onboarding external consultants to develop business cases on a number of other opportunities. The completed recommendation is Improved Customer Understanding, which was completed in 2017 while other opportunities were still being defined.



The **Shared Challenges of the Internal Services ZBR** has two opportunities already approved for business case development. Foundational work is underway in alignment with the One Calgary process, with intensive work planned to start in the fall of 2018.



Next ZBR Program Report: December 2018