

## Question One – Deeland Police (Example 2 - Weak Answer)

To: CEO of the Department for Internal Affairs

From: The Performance Management Consultant

Date: 1<sup>st</sup> Sept 20X5

Subject: Review of the CSF and KPI for Deeland Police and Performance Management issues at Deeland Police

Introduction:

This report addresses the requirements of the CEO of Department for Internal Affairs regarding his instructions for CSFs and KPIs in Deeland Police. Afterwards it provides an evaluation of value for money for the services provided using the 3E approach and finishes with the view on the use of the league tables in measuring the performance of Deeland Police.

(i) the CSFs and KPIs for Deeland Police

In order to assess the CSF and KPI we must begin from the ministers' new mission statement for DP which is 'to protect the community and prevent crime while providing a value for money service'. In order to achieve this the CEO has identified 4 new key areas for action, however the minister indicated these were too vague and suggested the following CSFs:

1. Greater protection and more support for those at risk of harm
2. Be better at catching criminals
3. Reducing the causes of crime by increased involvement with local communities
4. Create a task force to develop skills in detection and prosecution of virtual crime

The reasons why the areas cannot be used as CSFs are as follows:

1. If we define the area as 'protecting and supporting those at risk of harm' this is too general, and it will be able to build appropriate KPI and there is a risk that the mission of the minister will not be addressed.

By providing different CSF (greater protection and more support for those at risk of harm), there is a possibility to propose a KPI which will establish a starting point and then follow on the improvements.

- One KPI given from the annex is the number of crimes reported. If the number of crimes reported is decreasing this may mean that we are improving the protection and support to those at risk from harm.
- Second KPI would be number of crimes reported/number of police officers and admin staff. This would signal that the 'support' part for crimes reported is higher.

2. The second are again too broad but by changing to 'be better at catching criminals' we can design appropriate KPI.

2 KPI that can be proposed for this CSF are:

- Number of crimes solved in the year (which in the appendix shows decreasing trend) and speaks in favour of ministers' critique of the previous government.
- Response to an incident within the allocated time – of this percentage is increasing there may be a better chance for catching criminals.

3. Third area is again too vague.

- The KPI for this CSF is number of complaints addressed. If complaints are addressed early on there will less motivation or reason for crime.

4. The change for the fourth CSF makes it more specific. The proposed KPIs can be:

- Training department for 'develop skills in detection and prosecution of virtual crime'
- Number of trainings delivered
- Number of crimes identified

(ii) an evaluation of the value for money service provided

Value for money is the approach which is used for the evaluation/assessment of the work of especially non-profit enterprises and it consists of analysing 3 E.

The explanation for the 3 E are as follows:

1. Economy – this means achieving targets with minimum costs, that is minimising the purchase costs or costs of inputs without compromising the level and quality of service.
2. Efficiency – is the relation of inputs v outputs. In this case, if with the same level of inputs, we achieve higher outputs or for the same level of outputs we use less inputs.
3. Effectiveness – means achieving the stated targets of the DP.

Using Appendix 1:

- Cost of police force has increased from 2,203 million (20X3) to 2,248 million in 20X5, meaning that the economy perspective is worsening.
- Efficiency (see calculation in spreadsheet) shows % crimes solved as decreased from 58.42% in 20X3 to 55% in 20X5.

(iii) the use of league tables in measuring the performance of Deeland Police

Performance tables in principle are creating competition by providing a benchmark. However, in this case the benchmark is done with neighbouring country which may have completely different economic, political, social and legal environment which are the factors

which can influence the results. This can be demotivating for the police officers, especially if they are bad in comparison). There could also be demotivation as the police officers would not be able to affect all the factors that may contribute to these tables and on they may be judged only on the final targets.

### Summary of marks:

<b>Technical:</b>	
Part i	4
Part ii	5 (3 on WP, 2 on SS)
Part iii	4
<b>Total technical marks</b>	<b>13</b>
<b>Professional:</b>	
Communication	3
Analysis and Evaluation	1
Scepticism	0
Commercial Acumen	1
<b>Total professional marks</b>	<b>5</b>
<b>Overall total</b>	<b>18</b>

### How could this answer have been improved?

1. The requirement for (i) asked justification of why the CSFs had been refined and justified recommendations of up to TWO KPIs for each CSF. Limited marks were scored because little justification of the points being made was provided. It is important to always add the 'why' to points. KPIs must link to the CSF to gain credit so thinking carefully about what a CSF is trying to achieve is vital when determining how it should be measured.
2. Make sure, if the CEO has made a specific request (in this instance not to offer more than two KPIs per CSF), that this request is followed as this will affect the professional skill of communication.
3. Take care with the calculations to not make silly errors, which could have been avoided with consistent use of the spreadsheet functionality.
4. Answers in APM expect more than just writing down knowledge/definitions and the response to the VFM requirement (part ii) did not supply any evaluation of whether the Deeland Police provided a VFM service. Linking the data together and to the 3Es would have scored more technical and more Analysis and Evaluation marks as the points are being supported with evidence from the scenario.
5. Part (iii) lacks structure in responding to the requirement and so provides a limited answer to the use of league tables. This then limited both the technical and Analysis and Evaluation marks which could be awarded. A better approach would have been

to assess the advantages and disadvantages of league tables, including in the latter the impact on police officer behaviour.

6. Generally, the responses are too brief for the number of marks available. Careful consideration should be given to the mark allocation and the number of developed points required to score a passing technical mark. Developing technical answers will also score professional marks as it will more effectively demonstrate the skills being assessed.

### 3E calculations

	20X5	20X4	20X3	Marks
Number of crimes solved in the year	297,954	300,934	303,943	
Number of crimes reported in the year	541,735	530,900	520,282	
% of solved crimes	55.00%	56.68%	58.42%	1 mark
Cost of police force for the year (\$m)	2,248	2,226	2,203	
Number of crimes solved in the year	297,954	300,934	303,943	
Cost for a crime solved	132.54	135.19	137.97	0 marks (transposed the ratio)
Number of police officers	37,930	38,005	38,400	
Crimes solved per police officer	7.86	7.92	7.92	1 mark

### Question Three Coruisk – (Example 2 - Weak Answer)

(a)

Coruisk must choose suppliers who are reliable and produce on demand, so maybe Coruisk should just choose one supplier to work closely with. The supplier who despatches in full-load quantities may need to be discarded as Coruisk does not want to have a high inventory of dresses as it may become obsolete.

Quality should be the agenda as priority for Coruisk as Ericht is the only customer therefore has no time to produce faulty products.

JIT offers short production runs, where employees can spot the mistakes instantly and correct them to minimise waste.

Coruisk should perhaps market its own products.

(b)

Prevention costs should be invested in to prevent problems down the line like the costs of non-conformance.

Coruisk should reduce external costs and reducing product recalls would in turn reduce handling complaints.

#### Summary of marks:

<b>Technical:</b>	
Part a	4
Part b	2
<b>Total technical marks</b>	6
<b>Professional:</b>	
Analysis and Evaluation	1
Scepticism	0
Commercial Acumen	1
<b>Total professional marks</b>	2
<b>Overall total</b>	8

#### How could this answer have been improved?

1. The scenario clearly identified two areas of focus for part (a). These areas should have been used as headings in the solution to give the answer structure and focus the candidates' thought process on the implication of JIT on each area.
2. More detail needed to be provided for each area, including developing points by relating them to Coruisk's situation. The requirement was worth 13 marks and so a more detailed response was required. This would have helped score more technical

marks and more professional marks especially in Analysis and Evaluation for giving a more thorough assessment of the introduction of JIT and in Commercial Acumen by recognising the practical and commercial issues facing Coruisk.

3. Part (b) was light in both volume and application which meant it scored limited technical marks and zero professional marks. The requirement clearly asked how quality costs would change in relation to JIT and gave a quality cost report to help the discussion. To improve this answer the technical points needed to be developed and linked to JIT with data taken from the quality cost report. If this had been done it would have scored more technical marks and demonstrated the ability to use the data to support points made, for which Analysis and Evaluation marks would have been awarded.

### Question Three Totalig – (Example 2 - Weak Answer)

(a)

When deciding which performance metrics to use evaluate whether the business has performed successfully it is essential to establish a direct link between the measures.

The measures must be specific, easily understandable for the key stakeholders and available for the organisation for measuring. It is inefficient to set up measures that are complicated and no information available to assess performance. Organisations need effective measures.

Relying on financial information does not provide a realistic picture about much value the organisation created for its customers. Financial measures are easily manipulated by management.

Targets must be time-bound so it is clear to everyone what is the time horizon. It is essential to have a mix of short and long-term targets to avoid a focus on short-term objectives to the detriment of long-term goals.

Overall business objectives must be broken down into lower-level targets to ensure goal congruence and everyone working towards the organisation's main objectives.

Targets must be realistic and agreed beforehand so that people feel motivated. Managers and staff need to be motivated.

(b) see spreadsheet

Summary of marks:

<b>Technical:</b>	
Part a	3
Part b	3
<b>Total technical marks</b>	6
<b>Professional:</b>	
Analysis and Evaluation	1
Commercial Acumen	0
<b>Total professional marks</b>	1
<b>Overall total</b>	7

How could this answer have been improved?

1. Ensure all performance models are learned and understood as the syllabus clearly states that a question will come from Syllabus Area D (see syllabus applicable from September 2022-June 2023). This response indicates that there is not much known about VBM.

2. The scenario clearly identified four areas of focus for part (a). These areas should have been used as headings in the solution to give the answer structure and focus the candidates' thought process. This would have helped score more Analysis and Evaluation marks for showing a reasoned assessment of VBM for Totaig.
3. Use of the scenario and application of points to Totaigs' situation would have scored both more technical and professional marks, particularly in relation to Commercial Acumen.
4. Take care with the calculations to not make silly errors, which could have been avoided with use of the spreadsheet functionality.
5. Ensure that any conclusion offered on a financial result explains the relevance of that result as that is what is key for the user. This is the culmination of the numerical evaluation.

	\$'000	
Operating profit	10,000	
Advertising cost	450	1 mark
Provision	200	0 marks - adjusted the wrong way
Tax	-1,870	
Tax relief on interest	-330	1 mark
NOPAT	8,450	
Capital employed + less provision	89,444	1 mark
$89444 \times 0.09 = 8049.96$		
$EVA = 8450000 - 8049.96 = 8441950.04$		0 marks - calculation error (CE is in \$000)
EVA is positive		0 marks for <b>Analysis and Evaluation</b> as although provided a calculation, the conclusion is not appropriate as it doesn't explain the relevance of a positive EVA