



By Steve Pereus

# Using Data-Driven Methods to Improve School District Efficiency and Effectiveness



Most districts in the state of Ohio are faced with more challenges and opportunities than they have seen in a long time. Major cuts in state revenue, rising health care costs, increased competition, resistant and often suspicious taxpayers, Senate Bill 5 and myriad other changes present challenges for even the most financially stable and astute districts. So where do Ohio's public schools and their school business leaders go from here to solve their financial problems?

Dealing with these challenges will take a number of creative strategies, changes and solutions. But the single most effective step district leaders can take is to start using data-driven methods to measure, assess, and improve district efficiency and effectiveness. *Why?* Data-driven improvements methods, when used strategically, provide the greatest return on investment and fastest, systematic path to financial health, change and continuous financial improvement.

---

## What is a Data Driven Performance System

Data-driven methods here refer to the use of a process, measures and framework for using data in decision making, performance evaluation and improvement. Key elements of data driven decision making and improvement include: 1) a consistent system for measuring performance in every area, 2) reliable and

consistent peer benchmarks or standards, 3) root cause analysis, 4) a framework for presenting data in a way that makes it easy to use and 5) a process for using the results to make decisions, take actions and attain the desired outcomes.

---

## Why Use Data-Driven Methods

The main reason for using data-driven methods is that they work. Businesses have used data driven methods for years to drive change, improvement, quality and innovation. Experience in education, business and a wide range of organizations proves that data driven methods help leaders continuously and systematically improve performance. Many notable authors, such as Jim Collins in *Good to Great*, show how the use of facts and data has been a pillar of high performing companies. Most of the great improvement gurus of our time, such as Edward

---

Deming, were great proponents of data improvement methods. The education field, however, has been very slow to adapt the use beyond a means for improving test scores.

---

## 8 Steps for Using Data

So what does it take to start using a data driven process for decisions, assessment and improvement? Here are the key steps. Notice that improvements come from using data in decision making as well as daily operations. Cost savings will come in the form of singles, doubles, and a few triples and homeruns.

### 1 Gain Consensus on the Use of Data Driven Decisions with the Superintendent and Board

The use of data driven decision making requires the full support of the superintendent and board of education. Everyone should agree in principle that the use of data has the potential to benefit the district. Failure to appreciate how data can help will limit the reception to the idea. Involve managers wherever possible.

### 2 Gain an Understanding of Your Performance and Trends

You need to know where you stand on measures of efficiency and effectiveness so you can see the complete improvement potential in your district. You can either develop or acquire the measures and data needed to assess performance or hire a consultant or service. The best measures integrate different sources of data like financial and operating so spending and efficiency can be linked.

### 3 Compare Performance to Standards

Once you can measure the performance of every department, you will need standards to compare your district and department efficiency, effectiveness and performance to. Gather standards that are relevant and comparable to your district and make sure you aren't comparing yourself to a group of lower performers. Strive to learn who is the best-in-class in every facet of operations because best-in-class performers will most likely be the best performers.

### 4 Analyze Data and Count the Cost of Inefficiency

Use your measures and peer standards to identify gaps in performance and understand performance differences. And most importantly, start asking questions. Has performance improved, remained flat or stayed the same? What are the reasons behind the change in performance? Is your district doing better than, the same as or worse than peers? Why? What is the impact of these differences and how big is the improvement opportunity?

### 5 Present and Share Data in an Easy to Use Way

Whether you are using the results of your analysis to make budgeting decisions, or solve spending problems, you will need to present the data in a way that is easy to use. A powerful and simple tool — the performance scorecard — presents information in a way that makes data easy to understand and use. Whatever you do, just keep it simple and easy to use.

### 6 Make Staff Aware of Issues and Engage them In Improvement

Awareness is the first step to improvement. Share the results and measures with the superintendent, board, managers and staff. What issues came out of the assessment? Where are costs too high or too low? What can the manager and employees improve, change and control?

### 7 Develop One Page Action Plans

Business managers and treasurers cannot make the changes all on their own. Responsibility for some changes has to be delegated to managers and employees. Use the benchmarks and measures to set specific measurable goals for each department. Ask for a one page action plan with measurable goals, a strategy and actions for achieving specific targets with timelines.

### 8 Track Results Quarterly and Annual

Start using data to manage and lead. Ask for a report on the specific measures of improvement in each area and keep measuring every quarter. One of the mistakes we often make is to assume that because we made a budget cut or change that the result “sticks.” By measuring performance quarterly and annually you will know if performance is on trend or off. Fail to measure performance and you won't have any idea. Your focus on measurable results will keep everyone else focused.

---

## Examples

*Peer Based Analysis Benchmarking* — Application of Steps 1 to 4 in a county-wide benchmarking effort exposed cost savings that averaged \$220 – \$492/student in operations and administration. The district with the lowest cost per student overall had 33% of the best practice performance while the district with the highest cost had the lowest percentage share of best practices (21%).

The importance of best practices stood out in every area. Here is an example. Facilities costs for the best performing were \$1.1/sq. ft. below the highest cost district. Moreover the best performer stood out in 7 out of 9 key performance categories, including highest productivity per full time employee in custodial, maintenance and grounds.

*Involving Leaders and Staff* — The author has extensive experience using steps 5 – 8 in a large urban district, school clients, as a board member and COO of a small business. In every single case, leaders and employees within these organizations did not know what level of performance could be achieved, how they were measured or how they were doing. Shining the light on both performance trends and external standards in every case generated forward progress, cost savings and a sense of achievement. 🍷