

## II. Definitions of Terms

**Factor:** An important contributor to a result; provides one cause-effect link to a result within a strategy map.

**Goal:** A target for improvement assigned to an indicator - e.g. decrease average trip time by 5%. (This round of Priority Based Budgeting has not asked teams to set goals.)

**Indicator:** A report or signal, based on one or a combination of measures, that allows the observer to know whether performance is in line, ahead of, or behind expectations – e.g. “Average trip time” as an indicator of mobility.

**Measure:** The concrete mechanism by which data is collected. One or more measurements may be combined to report or signal performance (i.e. several measures of trip time can be assessed and averaged for “average trip time”).

**Strategy map:** A visual representation of the pathway to the result. Using words or images, it helps viewers understand the cause-effect connection between actions or factors and the result. Backed by evidence, it quickly communicates what is known to work in accomplishing the result.

**Strategy:** A strategy is a set of actions chosen by an organization to achieve a result. A strategy is based on an understanding of (or assumptions about) the cause – effect connection between specific actions and specific results. “Being strategic” means choosing actions from among the options available that you believe will have the greatest or most direct affect on a result or multiple results.

**Purchasing strategy:** Reflects the priority results team’s theory, backed by evidence, of what holds the greatest leverage to produce results the team is seeking. High level restatements of what a priority results team is looking for, providing guidance to departments in formulating creative offers for the results teams. Purchasing strategies turn into the major solicitations inside the RFP.

**RFP:** Each team will incorporate the result and the purchasing strategies they have chosen into a “request for proposals (RFP).” Traditional RFP’s ask responders to meet certain specifications. In contrast, priority based RFP’s ask responders to deliver certain results. It asks potential responders to identify how they would deliver the expected results, and at what price. Responders will have a lot of latitude in what to propose – and indeed, may propose more than one “solution.”