The Basic Concepts of True Value Metrics

CONTENTS

DISCUSSION DRAFT
Peter Burgess
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The Basic Concepts of True Value Metrics

This part of the book contains three sections: (1) the Table of Contents at the Chapter level (2) A Table of Contents with detail within the chapters; and, (3) a section where each of the chapters are described in a short paragraph (about 50 words).

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Characteristics of TVM Data

TVM Starts With Data

Data centric everything

Data that gets used ... scaling down

A different set of perspectives

Nature of data

Representation of reality

Materiality ... don't sweat the small stuff

Materiality ... relevance of data

The relational construct

Ubiquitous

Data of many different types

Data need to be believable

Detailed data ... no more tyranny of the average

Beyond proxy measures of performance

Dataflow

Dataflow Architecture is Important

Data acquisition

Design to collect data locally

Use data many times

Use locally ... simple analysis, practical use

Use same data for oversight and accountability

Then use data for academic study

Keeping data costs low

Ubiquitous mobile technology infrastructure

Data transmission

Data storage ... and efficient access to use everywhere

Easy Data

Data Acquisition is Expensive

Use what is available!

Easy data are everywhere

Data repositories and documentation centers

Walking around ... observation and perception

Not more and more data ... more information

Advanced common sense

Some Data Distinctions

Transient and Permanent Data

Permanent data

Much of the balance sheet is permanent data

Transaction Data

Change is the aggregation of transaction data

Executive data ... summary data

Helps the understanding of large amounts of data

Qualitative Information

More of This Than Anything Else

And not much of great utility

These data not easy to use
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Analysis

Data Without Analysis is a Waste

Analysis releases the power of data

Making metrics useful

Making analysis fast and useful

Analytical codes

Analytical codes are basis for organizing data

Account codes

Budget codes

Program codes ... Organization codes ... etc

Place and time analysis

Analysis Independent of Permissions

Analysis About Cost, Price and Value

Cost, Price, Value Relationships

Three key numbers: cost, price and value

Cost and price

Cost and value

Price and value

What is the cost?

Cost efficiency ... how much actual was relative to standard

Cost effectiveness ... How much value for the cost?

Quantifying Value

Standard value is key to efficient analysis

Price as a proxy for value

Value is everywhere

Examples in every sector

Things that impact value are everywhere

Good health has high value

Low crime has high value

Efficient public transit systems have high value

Analysis of the Value Chain

Source of Profit/Value Adding

Impact in different parts of the value chain

Who wins and who loses in the value chain?

Powerful

Follow the money!

Examples ... value chain for goods and services

From raw material to final consumer in petroleum

From raw material to final consumer in coffee

Within the service sectors ... banking and finance

Within the service sector ... retail

Sports and entertainment sectors

Examples ... value chain analysis over time

Education

Examples ... value chain between sectors

Infrastructure

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Chapter 8 - Using True Value Metrics

- Dataflows From Anyone … Anywhere
- You Can Help!
- There are many different ways to help
- Data acquisition very important
- What role do you want to play?
- Paradigm shift is driven by people
- Join the TVM network
- Who you are is very important
- Become a data contributor and friend of TVM
- Security … privacy
- Share … collaborate
- Build critical mass … build a movement?
- Social networks
- Focus on things you know

Linking TVM data with technology
- Use easy data to make lists
- The first work … get some easy data organized
- Start making “skinny” lists
- If the list already exists, improve it!
- Use technology to organize data and get it stored

Getting Data About Community
- Community Is Primary Focus
- Choose a community
- Community identification is critical
- More easy data about the community
- What are some main facts of importance?
- Digging deeper … about progress
- Data … simple analysis
- Needs, resources and constraints
- Time and place information

Acquiring Data About Organizations
- What organizations operate where?
- And what do they do?
- If the organization want to participate
- Extending Corporate Social Responsibility
- If the organization does not want to participate
- Big business and its impact
- Not for profits … their impact
- Are you part of a church … religious organization?

Acquiring Data About Activities
- Without activities there is no progress
- What is going on in your neighborhood?

Establishing Standard Values
- Building the Standard Value Database
- Standard Value is a Key Element
- Many people need to engage with this
- Building the standards
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Chapter 1 - Introduction and Context
This chapter sets out to introduce the writer, establish his credibility in this subject area and set the context for the development of True Value Metrics (TVM) or something like it. Though the book is very critical of established metrics and global socio-economic performance, the book aims to be optimistic about a future that uses better metrics!

Chapter 2 - How True Value Metrics Improves Quality of Life
This chapter introduces the way TVM puts data at the center of everything … but data that are about value as well as just about money. This chapter introduces the framework for analysis that is used in TVM and how with this framework there can be more decision making utility without catastrophic data overload.

Chapter 3 - Data Types and Attributes
Data is at the center of TVM … but exactly what data? This chapter describes different characteristics of data that are used by TVM, and the importance TVM puts on knowing about time and place in connection with all the data.

Chapter 4 - Analysis Methods
This chapter is about the ways in which TVM data are used in analysis … the importance of the value component as well as the money component. This chapter shows how the basic money accounting framework is used and how a community perspective is different from an organization perspective.

Chapter 5 - State, Progress and Performance
This chapter goes into more detail about the three core elements of TVM analysis … the state, the progress and the performance. These are modifications of the core business accounting idea of balance sheet and profit and loss account that enable the value aspect of society to be part of a similar construct. The chapter also includes the value version of costs, revenues and profits or losses.

Chapter 6 - Entities for Value Analysis and Reporting
This chapter describes the change in perspective that there is with TVM compared to the organization perspective that dominates business money accounting, and organization centric performance analysis. TVM makes people and the performance of the community central to the metrics.

Chapter 7 - Enabling Technology
This is a short chapter. This chapter does not attempt to describe technology, but merely to alert the reader to the idea that technology is extremely powerful and can enable data analysis in ways that were impossible just a few years ago. It also alerts the reader to some of the issues that are emerging related to information infrastructure.

Chapter 8 - Using True Value Metrics
This chapter is a primer on how TVM can be used by anyone anywhere. For some readers this may the the only chapter they bother with … so it aims to be practical while having enough of the driving concept of TVM embedded in the practical guidance. (A LOT OF WORK TO DO ON THIS CHAPTER!)

Chapter 9 - MISC220 (not circulated!)
This section of the text is misc material moved out of the main text, but not yet deleted. It also has a collection of simple quotations, most of which appear in the main text.