Assets for Independence University

AFI Performance Management

Wednesday November 7, 2007

8:30 a.m. – 10:00 a.m.

Session Agenda

Description

AFI grantees often ask: What is the norm for outcomes, such as enrollment, attrition, and asset purchases? This session provides an overview of the AFI Performance Management Initiative. Grantees and OCS staff have worked to develop targets for key AFI implementation points and tools to help grantees plan and execute their projects cost effectively and with maximum success. Concepts introduced in this session will be built upon in other project management sessions throughout the day.

Agenda

- What is Performance Management?

- AFI Performance Management Initiative

- Generalized Framework Components

- New AFI Performance Management Framework

- ## Presenter Bios

Kate Blunt
Federal Consulting Group, U.S. Treasury Department

Kate Blunt is an Associate Senior Consultant with both the Treasury Department's Federal Consulting Group and Weidner Consulting. Her most recent engagements include: 1) assisting with the development of a comprehensive performance measurement system for the AFI program; 2) conducting a comprehensive customer value analysis, including phone and on-line surveys as well as focus groups, to shape the strategic direction and business operations of the Rosslyn, Va., Business Improvement District; and, 3) with Weidner Consulting, implementing Managing for Results in Wayne County, Michigan and Las Vegas, Nevada.

Between 1993 and 2004, Kate was the Director of Strategic Planning at the Pension Benefit Guaranty Corporation (PBGC) and was responsible for integrating corporate-wide strategic, budget and workforce planning as well as directing a variety of customer service, re-engineering and change management efforts. While at PBGC, Kate established a sophisticated program measurement system based on a balanced scorecard approach including use of the American Customer Satisfaction Index, the Gallup Q12, and Weidner's Managing for Results methodology. She guided a team in developing PBGC's first Workforce Utilization Plan, sited by GAO in its 2003 "Key Principles for Strategic Workforce Planning" study. Kate oversaw successful PART and Baldrige organizational self-assessments, and implementation of the President's Management Agenda (four greens and one yellow; a 2004 OMB PART Score of 88 for strategic planning, 79 overall).

Kate is credited as the architect and leader of a corporate-wide culture change at PBGC resulting in some of the highest customer satisfaction scores in the federal government. She established one of the best customer feedback programs in the federal government using the results to initiate innovative customer service delivery improvements including measuring and improving internal service.

"Kate has been one of the most effective change agents within the Corporation. She has a clear organizational vision of a customer-driven organization that regularly measures its performance based on a balanced scorecard. Her leadership in this area takes on the multiple roles of analyst, cheerleader, negotiator and even prodder. She has been remarkably successful in balancing those roles." John Seal, Chief Management Officer, PBGC.

Just prior to joining PBGC, Kate spent four years as the Managing Partner of a Chicago consulting firm specializing in collaboration and leadership communication issues. Her focus was assisting businesses to improve team effectiveness, benchmark best practices, and streamline processes. Clients included Fortune 500 companies from the oil, banking and health care industries.

From 1979 to1989, Kate served as a senior executive for the U.S. Equal Employment Opportunity Commission, directing both the Milwaukee and Chicago Offices as well as serving in its Headquarters' Field Operations Office overseeing 49 field offices with @3000 staff. In 1988, under her leadership, the Chicago Office was designated a Quality Improvement Prototype by the President's Council on Management Improvement. She was also one of three

U.S. representatives selected by the German Marshall Fund to keynote an EEC Conference on "Working Women and Equal Opportunity" in London.

Cassandra Kauffman, Director, Community Programs
United Way of Greater St. Louis

Cassandra Kaufman is a Director in the Community Investment Division with the United Way of Greater St. Louis. She works in the Initiatives Department focusing on programs and services which promote financial stability and independence, IDAs, free income tax preparation for low-wage earners, predatory lending and foreclosure intervention, banking the unbanked and underbanked, and financial education. She has 16 years of experience in nonprofit administration and human services, over 11 as a staff member at the United Way.

Cassandra holds a BA from the University of Illinois at Urbana-Champaign, an MSW from the University of Missouri – St. Louis and a Graduate Certificate in Nonprofit Management and Leadership from the University of Missouri – St. Louis.

Her professional affiliations include: United Way of America Financial Stability Partnership National Steering Committee Member; President, University of Missouri—St. Louis School of Social Work Alumni Advisory Board; Missouri Association for Social Welfare (Missouri Asset-Development Coalition member); National Association of Social Workers—Missouri Chapter; Operation Weed and Seed St. Louis Steering Committee; Gateway EITC Community Coalition Steering Committee; GET CHECKING Advisory Committee and Educator; Metro St. Louis Foreclosure Intervention Task Force; and the University of Missouri Extension's Women's Financial Series Advisory Committee.

Michael Goeken, Special Projects Manager
Community Initiatives, City of San Antonio

Mr. Goeken has more than 35 years of business, academia and government experience. Since employment with the City in 2000, Mr. Goeken has worked in various areas related to human services for working families. At the department level he developed and managed all program performance measures for all services provided directly by the department as well as those provided by as many as 55 contracted agencies. He is a Certified Workforce Development Professional and has also managed a $25 million Youth Opportunity grant that provided education, job training and employment services to more than 2,300 at-risk youth in the City's Empowerment Zone.

Mr. Goeken is currently Special Projects Manager with the City of San Antonio's Department of Community Initiatives. He manages the City's Family Economic Success Program, which offers city and county residents numerous asset building, debt reduction and asset protection services to help working families achieve home ownership, post-secondary education and a better quality of life. He currently oversees the Individual Development Account program, the Earned Income Tax Credit Outreach and Volunteer Income Tax Assistance programs, the Auto Ownership, Auto Refinance, financial literacy and Housing Assistance/Housing Counseling programs.

Mr. Goeken has been the CEO, CFO or COO of a variety of organizations and has experience in both the public and private sectors, including both state and city government. As a former Assistant Department Director at Texas A&M University he has a wealth of administrative

experience in state government and grant operations. Additionally, as the former Publisher of the San Antonio Business Journal and the CFO of the San Antonio Light newspaper, he is very experienced in the development of community relations, targeted outreach programs and the power of collaborative program efforts.

Mr. Goeken holds a bachelor's degree in management, an MBA in business computing science and a Master of Science in accounting – all from Texas A&M. He presently serves as an adjunct faculty member for the Alamo Community College District and teaches a wide range of courses in business and computer information systems. He is well versed in training techniques and curriculum development, and is recognized as a lead resource for faculty in the area of distance learning.

Mr. Goeken was born in Bellefonte, PA but became a Texan very soon thereafter. He has lived and worked in Europe for more than 10 years as both a military officer and a civilian and currently resides with his wife in San Antonio.
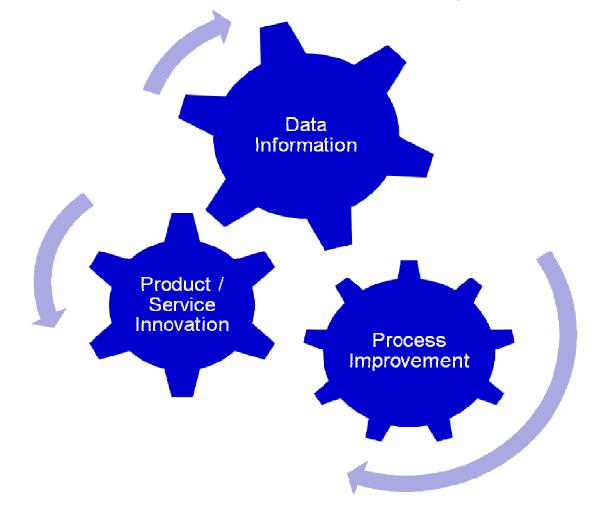
Session Handouts

The following materials are provided for use during this session:

- AFI Performance Management Initiative

- Generalized Framework Components

- New AFI Performance Management Framework

- Key Elements of Performance Management: Federal National Performance Review

Performance Management

Data Information > People Involvement > Product/Service Innovation > Process Improvement

AFI Performance Management Initiative

OCS and grantee leaders have establish a set of expected outcomes and a series of performance indicators for AFI.

The statements of expected outcomes and the performance indicators can be useful for every grantee. Grantees can use this information to tell the AFI story and assist in managing day-to-day in the field. OCS can use them to identify best practices, spot areas for improvement, and to help focus training and technical assistance.

Expected Outcomes for the Overall AFI Program

The expected outcomes highlight the fundamental results that the public can expect from the program overall. They are as follows:

Expected Outcome A
Increase in the amount of annual AFI IDA savings participants use for an asset purchase.

Expected Outcome B
Increase in the number of participants who withdraw funds for an asset purchase.

Expected Outcome C
The degree to which participants improve their economic situation, measured by income, net worth, and asset retention at two and five years after the asset purchase. (OCS is working to develop a methodology for collecting the best information for this expected outcome.)

Expected Outcome D
Increase in the ratio of AFI IDA savings to the cost of project services supported with AFI grant funds at the end of years one and five of the project.

AFI Performance Indicators

In addition to the statements of the expected outcomes, OCS and grantee leaders have established a series of 25 key indicators that OCS and individual grantees can use for day-to-day management. The indicators are rooted in activities and tasks that every AFI grantee performs when implementing their AFI project. When grantees use indicators to measure the impact they are having, they are in a better position to know exactly where they are doing well and where they need improvement. For example, they can better spot where they may need more staff or more resources to have a higher-performing AFI project.

The AFI performance indicators include several that OCS is using in its day-to-day management of its staff. These indicators help OCS track the quality of services provided to all AFI grantees.

Each of the AFI key indicators is tied to one of four categories of fundamental program activities.

Key Activity #1
Participant Recruitment and Management of IDA Savings/Withdrawals and Purchases.

Key Activity #2
Participant Training and Counseling.

Key Activity #3
Timely Awarding of Grants and Effective and Responsive Grantee Support.

Key Activity #4
Timely and Accurate Program Reporting and Monitoring.

Process Used for Developing Management Targets for the AFI Performance Indicators

OCS uses a five-step process for setting management targets for each of the series of performance indicators, as follows:

Analyze the data
OCS reviews and analyzes data AFI grantees submit for the annual data report. It reviews the data for trends, identifying what the "typical" grantee reported at the end of each project year. OCS also examines data reported by a small number of "best practice" grantees.

Develop Options
Based upon this analysis, OCS develops two or three options for annual and overall targets for each indicator.

Target Setting Discussions
OCS presents the data, its analysis, and several options to the AFI grantee leader group for reactions, input and suggestions.

Finalize the Targets
Based upon the group's input, OCS adjusts the targets and finalizes them. To date, OCS has used this process for establishing initial targets for five performance indicators.

Assist Grantees with Using the Indicators
OCS will provide training and technical assistance to grantees on using the indicators for program management.

OCS is continuing with the target-setting process with plans to establish initial targets for all 25 indicators within the coming months. All interested grantees are welcome to participate in the target setting discussions with OCS.

Generalized Framework Components

Illustration A shows the core elements of the new framework for AFI performance management. It is presented here to familiarize grantees with the framework's elements and to show relationships between the elements.

The framework is designed to ensure that OCS and grantees focus their attention, resources, and management expertise on achieving the AFI program-wide expected outcomes. The outcome statements are items OCS reports to Congress, the Administration's budget office, and the public about the status of the AFI program. Because they are so important, the program-wide expected outcomes are given the most prominent place on the framework – across the top!

The columns located under the outcome statements represent each category of key activities and tasks that support the expected outcomes. Each column contains individual indicators for which targets are set -- data are collected and analyzed for each indicator. Grantees can use these indicators in day-to-day management of their AFI projects.

Finally, the conceptual framework shows special initiatives that OCS is managing and supporting to help grantees achieve their program goals. OCS sponsors these initiatives to enable grantees to improve performance. As grantees provide more and more improvements in their performance of key activities, the overall program outcomes will improve.

Expected Outcomes
The framework helps OCS and grantees focus attention and effort on the program's fundamental goal and expected outcomes overall. The outcomes are displayed across the top of the framework diagram. All activities and initiatives are designed to improve these outcomes.

Program Activities
The framework highlights the fundamental program activities and tasks for which grantees and OCS are responsible. Each category of activity is represented by a column that supports the expected outcome statements. The illustration shows columns for two fundamental activities.

Performance Indicators
Each activity category is composed of a number of functions and tasks. The framework includes "performance indicators" for each of these functions and tasks. The number of performance indicators varies from activity category to activity.

New AFI Performance Management Framework

Illustration B is the new framework for AFI.

This framework focuses specifically on the overall goal of AFI: Increasing family stability and self-sufficiency through the accumulation of assets using a matched savings/investment program.

Statements of the expected outcomes developed by OCS and grantees are shown across the top of the framework. The four columns below the statements of expected outcomes illustrate the fundamental tasks and activities that grantees perform in their implementation of their AFI project. They contain statements of 25 performance indicators.

Along the bottom of the framework are six initiatives that the AFI program is implementing to enhance performance. These initiatives feed into the performance indicators, tracking how the funds invested in the new initiatives are related to program outcomes.

OCS and grantees have set initial targets for five (of the overall list of 25) indicators:

Indicator 1A
The number of AFI project participants who complete their overall asset purchase.

Indicator 1B
The number of people engaging in program activities that prepare them to enter into the savings program.

Indicator 1C
The number of IDAs opened.

Indicator 2A
The number of AFI IDA participants who complete economic skills classes.

Indicator 2B
The average number of AFI IDA participants who complete at least 2 hours of asset specific training.
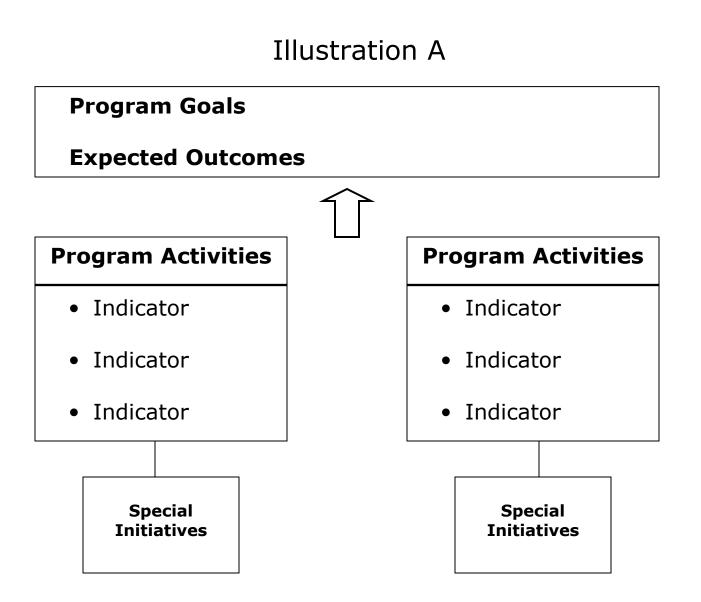
Illustration A

Program Goals
Expected Outcomes

Program Activities
• Indicator
• Indicator
• Indicator

Program Activities
• Indicator
• Indicator
• Indicator

Special Initiatives

Special Initiatives

AFI

Illustration B
Overall Goal for the AFI Program: Increase family stability and self-sufficiency through accumulation of assets using a matched savings and investment program.

Statements of Program-Wide Expected Outcomes
A. The annual amount of AFI IDA savings participants used for an asset purchase.
B. The number of participants who withdrew funds for an asset purchase.
C. Degree to which participants improve in their economic situation, measured by income, net worth and asset retention at two and five years after asset purchase.
D. Ratio of AFI IDA savings to cost of project services supported with AFI grant funds at the end of the first and final years of the project (in dollars).

Key Activity 1:

Participant Recruitment and Management of IDA Savings and Withdrawals

1.A Number of participants acquiring asset goal

1.B(i) Number of IDAs opened

1.B(ii) Number of people on the waiting list to open an IDA

1.C Number of people engaging in program activities that prepare them to enter into savings program

1.D Average time to complete asset purchase

1.E Number of account closings for reasons other then asset purchase

1.F Number of participants who have reached their savings goals

1.G Total savings deposits

OCS Initiative
Implement enhanced outreach efforts

Key Activity 2:

Participant Training and Counseling

2.A(i) The number and percentage of AFI IDA participants completing economic skills classes

2.A(ii) Number and percentage of all participants completing economic skills classes

2.B(i) Number and percentage of AFI IDA participants completing asset-specific training

2.B(ii) Number and percentage of all participants completing asset-specific training

2.C(i) Number and percentage of AFI IDA participants receiving specialized/advanced financial education or one-on-one counseling

2.C(ii) Number and percentage of all participants receiving specialized/advanced financial education or one-on-one counseling

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Key Activity 3:

Timely, Responsive Awarding of Grants and Effective Grantee Support

3.A Number and dollar amount of awards granted / number and dollar amount of funds awarded to sub-recipients

3.B(i) Average time to set up electronic funds transfer process

3.B(ii) Average time for responding to a grantee request for a grant drawdown / average time for a distribution to a sub-recipient

3.C Average time to complete a grantee request for a modification or extension

3.D Grantee / sub-recipient satisfaction: with award process and with training/technical assistance provided

OCS Initiative
Form new and creative partnerships with related federal programs and private sector organizations

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Key Activity 4:

Timely and Accurate Program Reporting and Monitoring

4.A Ratio of IDA savings to cost of services (after 2-3-4th years)

4.B Ratio of dollar amount and in-kind services raised to federal grant amount spent

4.C Rate of drawdown of federal dollars

4.D Timely submission of accurate reports by grantee / sub-recipient

4.E Timeliness and accuracy of Annual Report to Congress

4.F Percentage of critical grantee / sub-recipient project goals achieved

OCS Initiative
Implement a grant monitoring process

OCS Initiative
Enhance data collection capabilities (AF12)

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2.D Asset Leverage --

(i) Total sales price and total mortgage price of homes purchased with IDA;

(ii) Total estimated cost of certificates and degrees for IDA used to purchase higher education;
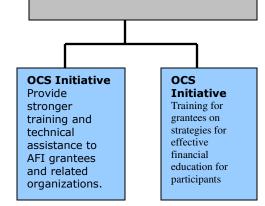
(iii) Total part-time and total full-time jobs created or retained for IDAs used for small business; iv. Total loans and equity leveraged for IDAs used for small business.

2.E Number of participants before classes and at asset purchase who have checking/savings accounts

2.F Number of participants before classes and at asset purchase using non-traditional financial services

2.G Number of participants before classes and at asset purchase who use budget/savings plans

2.H Change in credit scores from account opening to asset purchase

OCS Initiative Provide stronger training and technical assistance to AFI grantees and related organizations.

OCS Initiative Training for grantees on strategies for effective financial education for participants

Key Elements of Performance Management:
Federal National Performance Review

Excerpt from "Serving the American Public: Best Practices in Performance Measurement." June 1997, National Performance Review

The National Performance Review (NPR) was a Federal government initiative from a few years ago that focused on performance measurement and management. One of NPR's reinvention initiatives has been to foster collaborative, systematic benchmarking of best-in-class organizations, both public and private, to identify best practices in a wide range of subjects vital to the success of federal agencies in providing high-quality products and services to our principal customer—the American people.

The following is an excerpt from an NPR publication that lists its key findings concerning performance management.

Leadership is critical in designing and deploying effective performance measurement and management systems. Clear, consistent, and visible involvement by senior executives and managers is a necessary part of successful performance measurement and management systems. Senior leadership should be actively involved in both the creation and implementation of its organization's systems. In several public and private organizations studied, the chief executive officer not only personally articulated the mission, vision, and goals to various levels within the organization, but was also involved in the dissemination of both performance expectations and results throughout the organization.

A conceptual framework in needed for the performance measurement and management system. Every organization needs a clear and cohesive performance measurement framework that is understood by all levels of the organization and that supports objectives and the collection of results. Some of the benchmarking partners used a balanced set of measures methodology to organize measures and align them with their overall organizational goals and objectives. The majority had a uniform and well-understood structure setting forth how the process worked and a clear calendar of events for what was expected from each organizational level and when.

Effective internal and external communications are the key to successful performance measurement. Effective communication with employees, process owners, customers, and stakeholders is vital to the successful development and deployment of performance measurement and management systems. It is the customers and stakeholders of an organization, whether public or private, who will ultimately judge how well it has achieved its goals and objectives. And it is those within the organization entrusted with and expected to achieve performance goals and targets who must clearly understand how success is defined and what their role is in achieving that success. Both organization outsiders and insiders need to be part of the development and deployment of performance measurement systems.

Accountability for results must be clearly assigned and well-understood. High performance organizations clearly identify what it takes to determine success and make sure that all managers and employees understand what they were responsible for in achieving organizational goals. Accountability is typically a key success factor, but one with multiple dimensions and multiple applications.

Performance measurement systems must provide intelligence for decisionmakers, not just compile data. Performance measures should be limited to those that relate to strategic organizational goals and objectives, and that provide timely, relevant, and concise information for use by decisionmakers—at all levels—to assess program toward achieving predetermined goals. These measures should produce information on the efficiency with which resources are transformed into goods and services, on how well results compare to a program's intended purpose, and on the effectiveness of organizational activities and operations in terms of their specific contributions to program objectives. Many of our partners cautioned against repeating their initial mistake: collecting data simply because the data were available to be collected, or because having large amounts of data "looked good." Instead, organizations should choose performance measures that can help describe organizational performance, direction, and accomplishments; and then aggressively use these to improve products and services for customers and stakeholders.

Compensation rewards, and recognition should be linked to performance measurements. Most partners link performance evaluations and rewards to specific measures of success; they tie financial and nonfinancial incentives directly to performance. Such a linkage sends a clear and unambiguous message to the organization as to what's important.

Performance measurement systems should be positive, not punitive. The most successful performance measurement systems are not "gotcha" systems, but *learning* systems that help the organization identify what works—and what does not—so as to continue with and improve on what is working and repair or replace what is not working. Performance measure is a tool that lets the organization track progress and direction toward strategic goals and objectives.

Results and progress toward program commitments should be openly shared with employees, customers, and stakeholders. While sensitive competitive financial and market share information generally must be protected, performance measurement system information should be openly and widely shared with an organization's employees, customers, stakeholders, vendors, and suppliers. Many of our partners maintained information on their performance objectives and specific progress toward these objectives on their organizations' Internet and intranet sites for real-time access by various levels of management, teams, and sometimes individuals. Most used periodic reports, newsletters, electronic broadcasts, or other visual media to set forth their objectives and accomplishments.