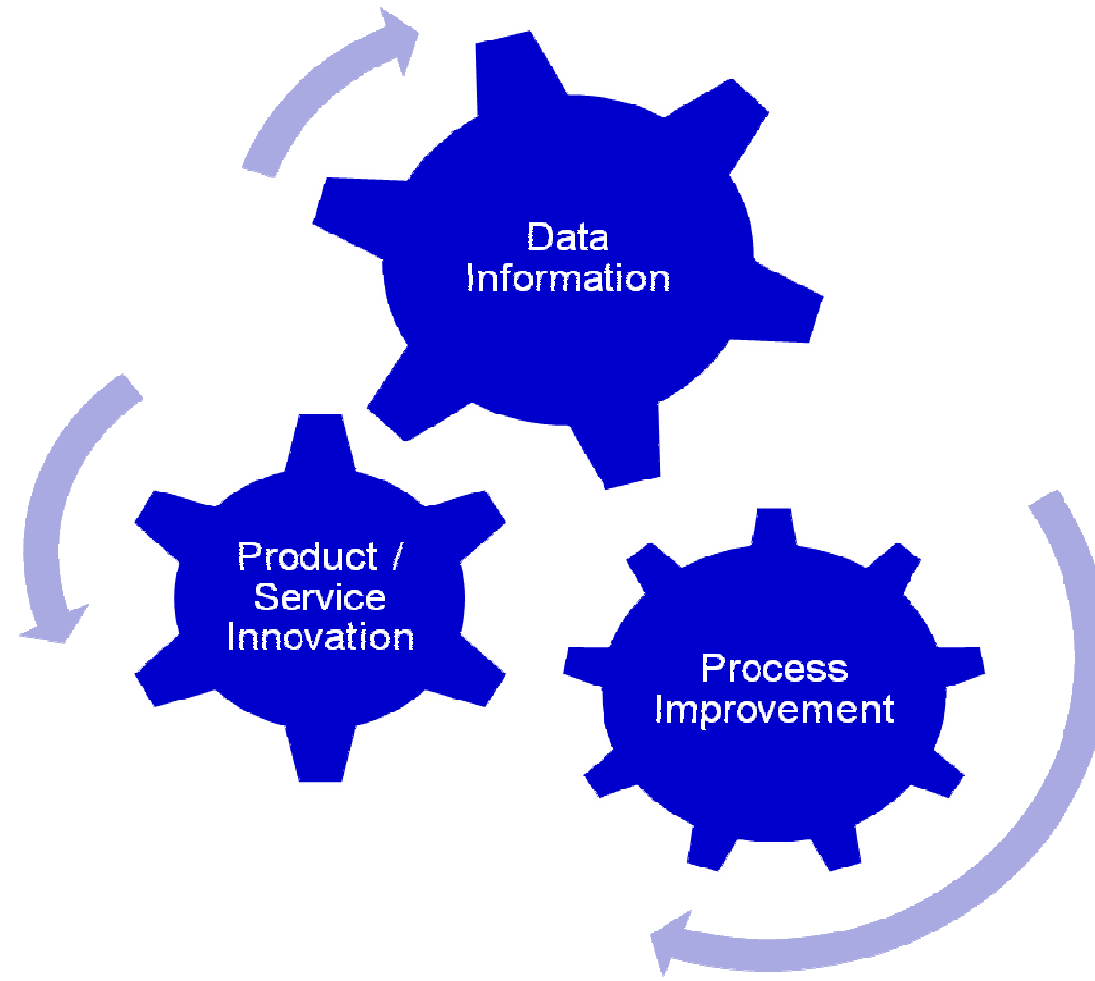


Performance Management

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



AFI Performance Management Initiative

OCS and grantee leaders have established 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.

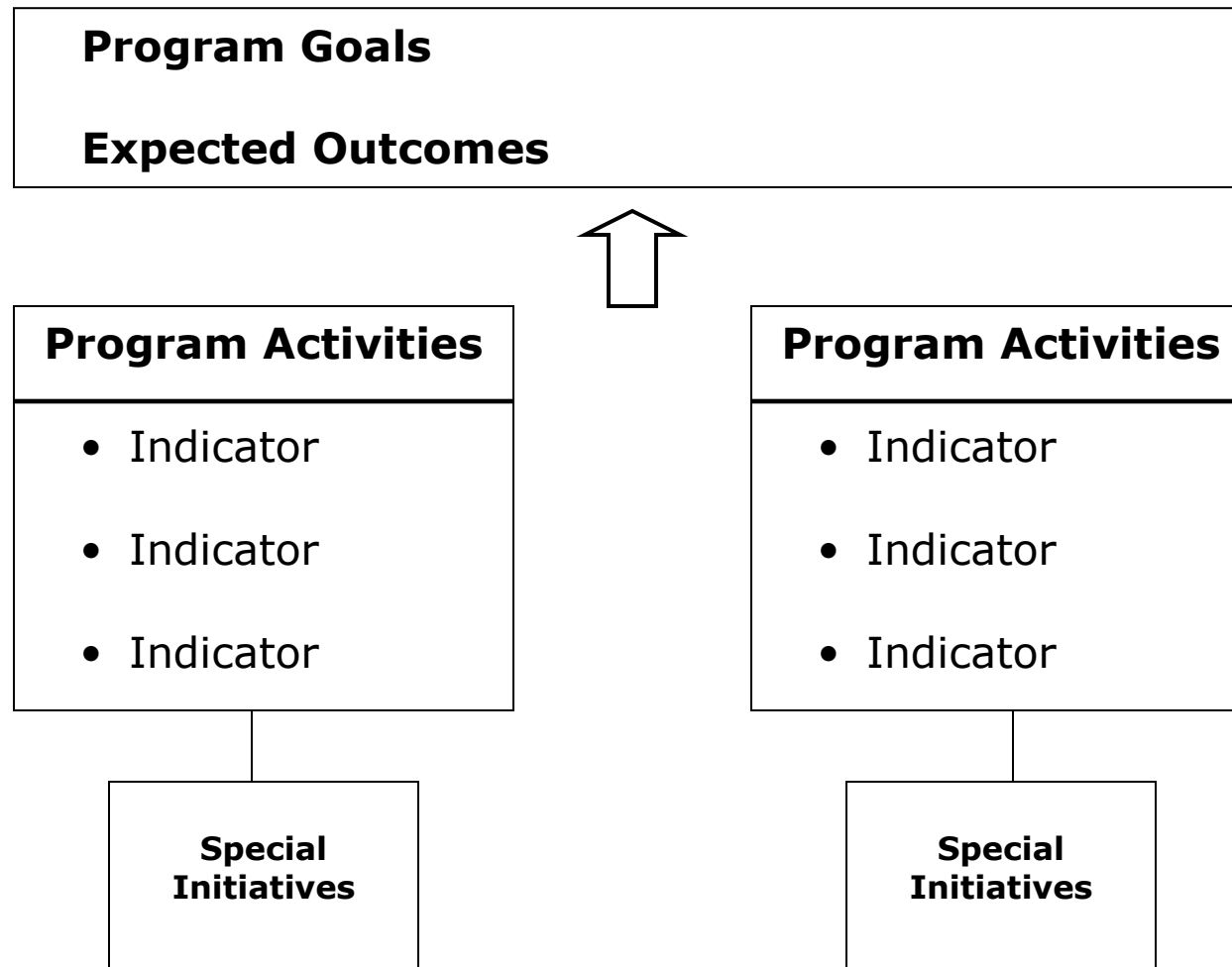
Indicator 2A

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



(Continued from previous page.)

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 is 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.