OmniSolve

Provider of Integrated Enterprise Solutions

Performance Management

OVERVIEW

Performance Management techniques provide a broader view of the organization's projects and activities by focusing on the impacts and outcomes rather than outputs. Our Performance Management methodology enables organizations to define their goals and activities such that they are measurable and aligned to the strategic objectives of the enterprise. Executives can, then, readily monitor the trend and snapshots of the organization's measures through scorecards and dashboards, and make appropriate adjustments.

Our Federal Government clients face additional, unique pressures, with a host of internal and external drivers pushing agencies towards greater accountability and achievement of performance objectives. These drivers are illustrated in the image below.

When managing performance, multiple dimensions must be considered, including:

- *Financial*
- *Operations*
- *Human Resource*
- *Technology*
- *Regulatory*

CHALLENGES

While there is a strong consensus that performance management must be addressed as an explicit organizational discipline, the challenges are significant. These challenges include:

- Not all key outcomes can be measured objectively.
- Those outcomes which can be measured may require substantial data collection overhead.
- Individuals and organizations are often resistant to initiatives which measure performance and create accountability.

- Executive management does not often provide continued, visible support for performance management.

The OmniSolve approach to performance management, described below, accounts for and overcomes these challenges.

APPROACH

OmniSolve Inc. (OmniSolve) applies a performance management framework which identifies and measures the key components of performance. We then implement processes which use metrics to improve results. This framework is comprised of a 7-step process:

- *Define Mission, Vision, and Goals*
- *Develop Performance Management Strategy*
- *Select Performance Metrics and Targets*
- *Identify Sources of Data*
- *Design Dashboard and/or Scorecard*
- *Define and Implement Process to Gather and Report Metrics*
- *Manage Performance*

Below is a brief summary of these steps.

Define Mission, Vision, and Goals

Performance metrics are driven from goals. In this first step, we work collaboratively with our client to either develop goals, or capture goals already in place. The Organizational mission and goals can be expressed along 4 dimensions which are used in a **balanced scorecard** – customer, operational, financial, and learning. While not required, the balanced scorecard has become a widely-used tool for performance management.

CLIENT BENEFITS

- *Performance Management can help an organization:*
- *Align activities to strategic goals and mission*
- *Provide objective means to measure resource and program performance*
- *Focus resources on most critical initiatives*
- *Provide visibility to ongoing initiatives and processes with quick summary views and detailed drill downs*

Internal Pressures

- Management needs to justify ROI to defend budget
- Internal desire to improve performance
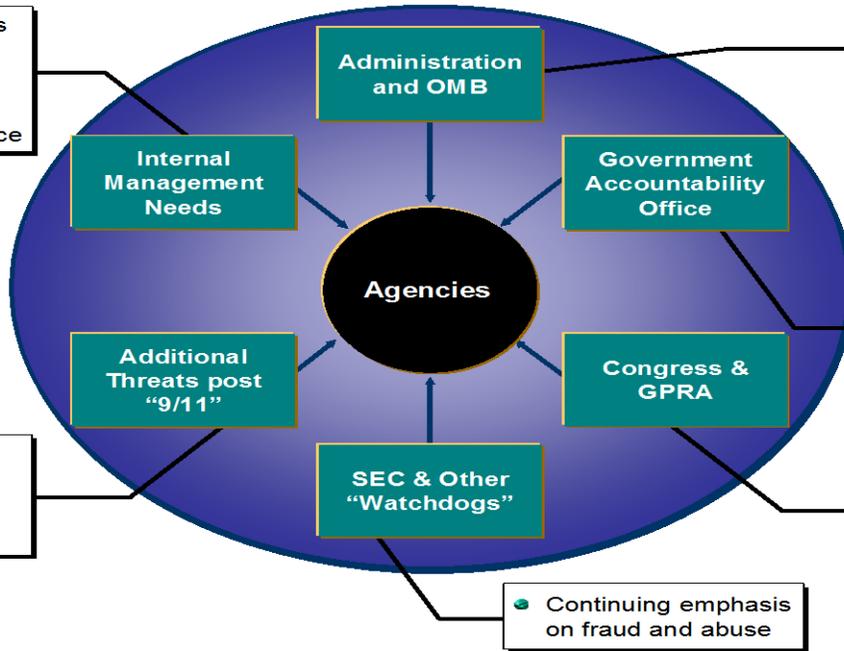
- New programs to prioritize
- Activity monitoring requirements

External Pressures

- Budget pressures
- President's Management Agenda (PMA) and PART

- GAO attention is on accountability in its series of "high-risk" reports

- Congressional oversight, reporting requirements (GPRA, GMRA, CFO Act, ITMRA), and shrinking discretionary funds

Agencies

- Administration and OMB
- Internal Management Needs
- Government Accountability Office
- Additional Threats post "9/11"
- Congress & GPRA
- SEC & Other "Watchdogs"

- Continuing emphasis on fraud and abuse

Develop Performance Management Strategy

Before proceeding with identifying metrics, creating dashboards/scorecards, and beyond, it is necessary to establish the performance management strategy which will guide the work. OmniSolve will work with client management to determine the level of investment, scope, resources, HR approach, and communications guidelines for performance management.

Select Performance Metrics and Targets

For each goal, we then determine a metric. The key criteria for selecting metrics are listed below. Our approach ensures that every proposed metric is filtered against these criteria. Metrics should:

- *Promote objectivity*
- *Link directly to goals*
- *Have targets*
- *Measure outcomes (or results) vs. activities*
- *Be easy to collect*
- *Have decision-making implications: they must be "actionable"*

Identify Sources of Data

During the process described in Step 3, we work with our clients to continually filter desired metrics against ease of capture and data cleaning. If a given metric requires too much overhead to collect, it should be re-considered. At Step 4 in the process, after metrics selection, but prior to dashboard design, sources of data will be re-confirmed for accuracy, and level of data collection difficulty.

Design Dashboard or Scorecard

Dashboards (or "Scorecards") become the primary means for displaying performance data. The sub-tasks for designing the dashboard are:

- *Define stakeholder groups and determine information and levels of detail required by stakeholders*
- *Select the tool(s)*
- *Define status thresholds*
- *Finalize data roll-up/drill down hierarchy, determine views, create a set of dashboards*

Define and Implement Process to Gather and Report Metrics

The processes related to defining, customizing, and implementing the dashboard varies in their degree of detail and formality. Our key consideration is to ensure ease of administration as we work with our clients to develop these processes.

Manage Performance

Metrics themselves do not provide answers, but rather they suggest direction for analysis and further inquiry, and ultimately changes which improve performance. Metrics are indicators that tell you something may be wrong, and where to look. We develop processes to distribute reports, analyze results, take corrective action when results are below expectations, and then communicate the results.

EXPERIENCE

For an agency of the US Federal Government, OmniSolve created a performance management framework that spanned 6 divisions. We tied this framework to an existing performance management system and high level strategic goals, using these as a starting point to create more granular goals and metrics. We designed a dashboard and processes to maintain this dashboard, including an on-line collaborative environment shared by key participants.

COMPLEMENTARY SERVICE OFFERINGS

Other services offered by OmniSolve that complement this offering include:

- *Program Management*
- *Project Management*

For further information about the material presented in this document or to arrange a consultation, please contact:

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