

HOW TO CONSTRUCT PERFORMANCE MEASURES

A Guide for Grant Applicants to the Walton Family Foundation's
Education Program



WALTON FAMILY
FOUNDATION



This guide is designed to help grantees and Program Officers as they work together to **establish quality performance measures**. Please review the following information prior to developing or revising performance measures.

I. Philosophy

How does the Walton Family Foundation approach strategic learning and evaluation?

Our organization is committed to the practice of strategic philanthropy, including both structured planning as well as evaluation and learning. This approach informs all of our grantmaking strategies and our efforts to learn from our own work and the work of our grantees. Through embracing this approach, we aim to hold ourselves accountable for achieving short-term goals and ensure progress toward longer-term, sustainable outcomes.

Grant evaluation is an important component of this approach, and performance measures are the backbone of grant evaluation.

What are performance measures and why do we use them?

Performance measures are statements that describe the direct products and services delivered by a program (**outputs**) as well as the impact of those products and services (**outcomes**). Performance measures identify:

1. **WHAT** will change or be accomplished through the program
2. **WHO** will create the change or accomplishment
3. **WHEN** the change or accomplishment will occur
4. **HOW MUCH** change will occur or what the level of accomplishment will be
5. **HOW WE WILL KNOW** the change occurred

We use performance measurement to help understand, manage, and improve the Foundation's work and the work of our grantees. More specifically, we use performance measures to:

- Help ensure **shared understanding** between the Foundation and our grantees regarding the purpose of a given grant. The process of developing performance measures (see Part 2, "Developing Performance Measures" below) provides an opportunity to clarify a funded project's goals and show how these align with the Foundation's strategic objectives.
- Convey the grant's **value proposition**. The performance measures succinctly convey the scope of the grant's activities and intended results. When the Foundation reviews grant applications for approval, Foundation staff review performance measures as they make assessments about what is being proposed relative to the amount being requested.
- **Focus effort appropriately**. During a grant's implementation, clear performance measures can help grantees and their program officers remain focused on priority activities, outputs, and outcomes.
- Provide a basis for **evaluating performance** and supporting **learning and improvement**, both for grantees and for the Foundation. (See below, "How do we use performance measures?")

How do we use performance measures?

Performance measures are the backbone of WFF's approach to grant and grantee performance evaluation, which in turn is fundamental to how we make decisions about adapting priorities, approaches, and other aspects of work at all levels, from individual grants through program initiatives and strategies.

The primary data source for grant and grantee performance evaluation is grantee reporting (including supporting documentation). All WFF grantees are required to provide narrative and financial reports, on a timeline that is specified in each Grant Agreement. As part of the reporting process, grantees must assess progress against the agreed grant performance measures and supply the evidence specified in the 'How we will know' element of the measure. This

information is reviewed by Program Officers and, as appropriate, staff within the Strategy, Learning & Evaluation Department (SLED) and used to support grant-level evaluation.

The Foundation uses findings from grant evaluations to support learning and improvement in the following ways:

1. *At the level of individual grants...* grant evaluations help inform whether changes may be needed for projects that are continuing and can highlight lessons learned so that new projects can benefit from the information gained under a previous grant.
2. *Looking across grants...* Program Officers and SLED staff can spot patterns or particular areas of performance or non-performance by grantees, which can then inform the way Program Officers approach their work.
3. *At the level of Program strategy...* grant evaluations help contribute to the assessment of the Foundation’s progress toward meeting a Program’s strategic objectives.

How many performance measures should we have?

The number of performance measures included in each Grant Agreement should reflect the level of funding, the length of the grant period, and the type and complexity of work being conducted. The performance measures are not meant to capture every detail of the work required to implement a project. Instead they serve as a representative sample of the most important outputs and outcomes that reflect the theory of change. Grantees should consider the following guidelines:

<i>Grant Amount Per Year</i>	<i>Length of Grant Period</i>		
	1 year	2 years	3 years
Less than \$100K	3 outputs & 1 outcome	4 outputs & 2 outcomes	5 outputs & 3 outcomes
Between \$100K and \$500K	4 outputs & 2 outcomes	5 outputs & 3 outcomes	6 outputs & 4 outcomes
More than \$500K	5 outputs & 3 outcomes	6 outputs & 4 outcomes	7 outputs & 5 outcomes



Note: These are guidelines; some grants may require more or fewer performance measures, depending on the nature of a particular project.

II. Developing Performance Measures

Grantees are responsible for generating a set of draft performance measures as part of the initial proposal development process. These draft measures are then reviewed by the grantee's Program Officer, revised (as necessary) in collaboration with the grantee, and approved by the Strategy, Learning & Evaluation Department (SLED).



To assist grantees in developing strong performance measures, **WFF will soon launch an online tool called *The Metrics Bank***. This resource includes hundreds of pre-developed, customizable metrics, sortable by program, initiative, and grant objective. It can also be searched by keyword. *The Metrics Bank* was developed using real performance measures from WFF grants made over the past several years. **We highly encourage grantees to take advantage of this resource when developing draft performance measures.**

The metrics bank will be launched in 2019.

Three basic steps for constructing good performance measures

The process of developing performance measures includes three basic steps, which are described in detail below:

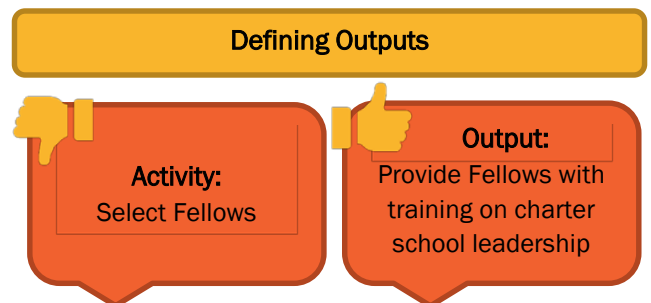
1. Identify key outputs and outcomes;
2. Identify targets for each output and outcome; and
3. Identify a measurement strategy for each target.

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Identify key outputs and outcomes.

The first step in writing good performance measures is to define a funded program's key **outputs** and **outcomes**. These statements should describe **WHO** will do **WHAT** (two of the five elements of a strong performance measure). As noted earlier, the number of outputs and outcomes will vary based on the complexity of the work and on the length and amount of the grant.

- **Outputs** refer to the products, programs, and services that grantees are planning to deliver or produce during the grant period. Output measures **do not include activities** that an organization undertakes to produce outputs (e.g., hiring staff). Rather, **they refer to the steps along the way that lead to creating important, measurable, and enduring change**. This distinction is important because a focus on activities provides an incomplete picture of the theory of change.



As shown in the diagram above, an organization may want to report that it selected Fellows for their new charter school leadership program (an activity); however, that alone is not the output that leads to change. Instead, it is what the Fellow program does that truly matters (e.g., trains leaders) and that should be the focus of a grantee's output measures.

- **Outcomes** involve some level of change related to knowledge, attitudes, capacity, opinions, or behavior that results, at least in part, from the outputs of the program. For example, outcomes could describe changes in public opinion, student performance, or school quality. Outcomes are by their nature outside of a grantee’s control because they are focused on the impact of the work, not the execution.

EXAMPLE: Creating new charter school leaders

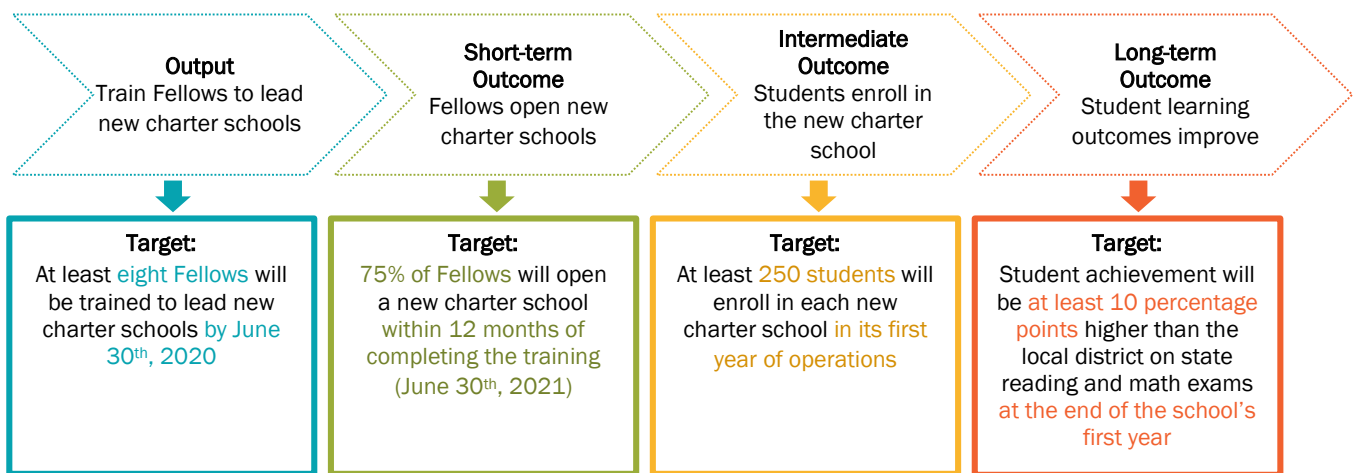
To help grantees think through the outputs and outcomes for their grant, the diagram below includes an example for a program intended to create new charter school leaders. Each output and outcome builds off the other as a series of causes and effects (i.e., what will happen first, as a result this will happen next, and so forth) that are expected for this example program.



Note: Not every funded program will have long-term outcomes, or even intermediate outcomes, depending on the duration of the grant. **Outcomes occurring beyond the grant period should not be included in grant performance measures.**

2 Identify targets for each output/outcome.

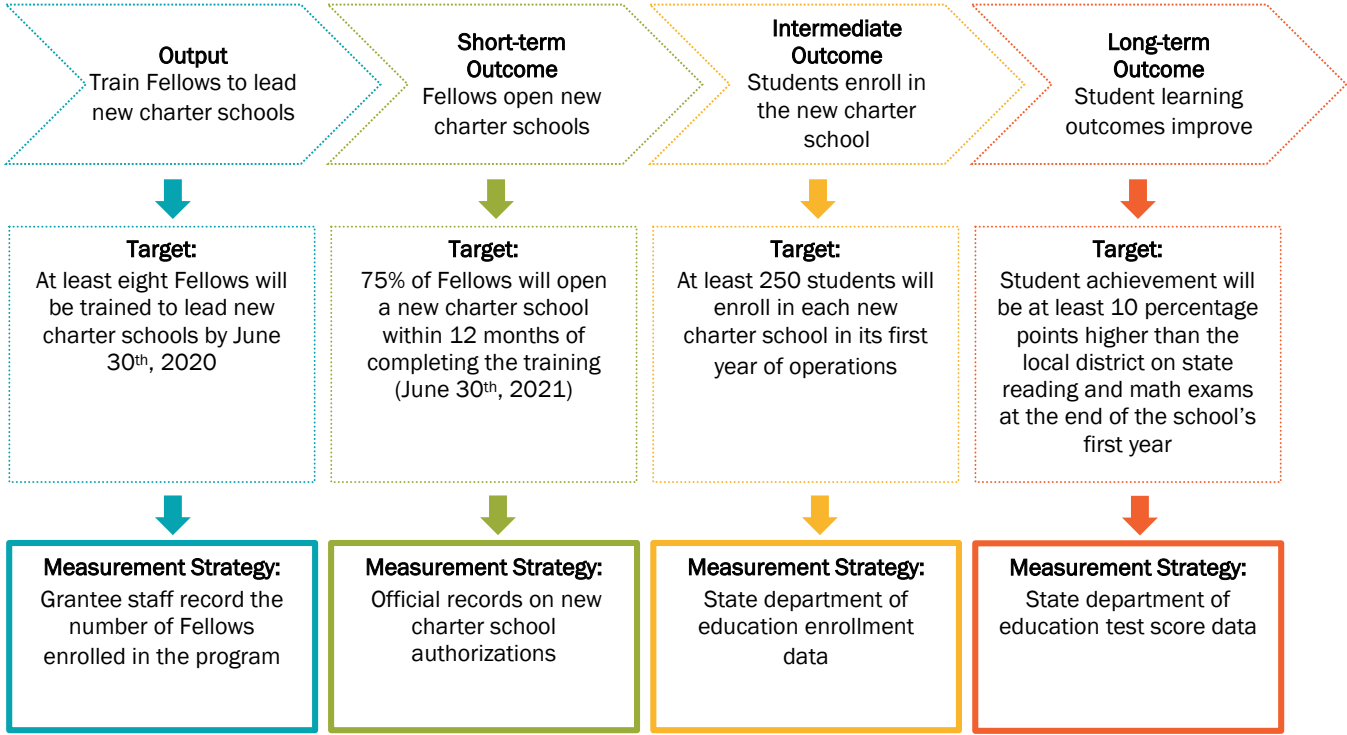
Once the outputs and outcomes are identified, grantees need to determine the numerical target of **HOW MUCH** of a particular accomplishment (for output measures) or change (for outcome measures) will demonstrate success and **WHEN** the change or accomplishment will take place. Grantees should set targets that are ambitious yet achievable. The merit of a program is not always judged by the program’s ability to meet each and every target, but by the extent to which progress is made towards the proposed targets. The following diagram includes sample targets for each of the outputs and outcomes identified for the example program presented in step one.



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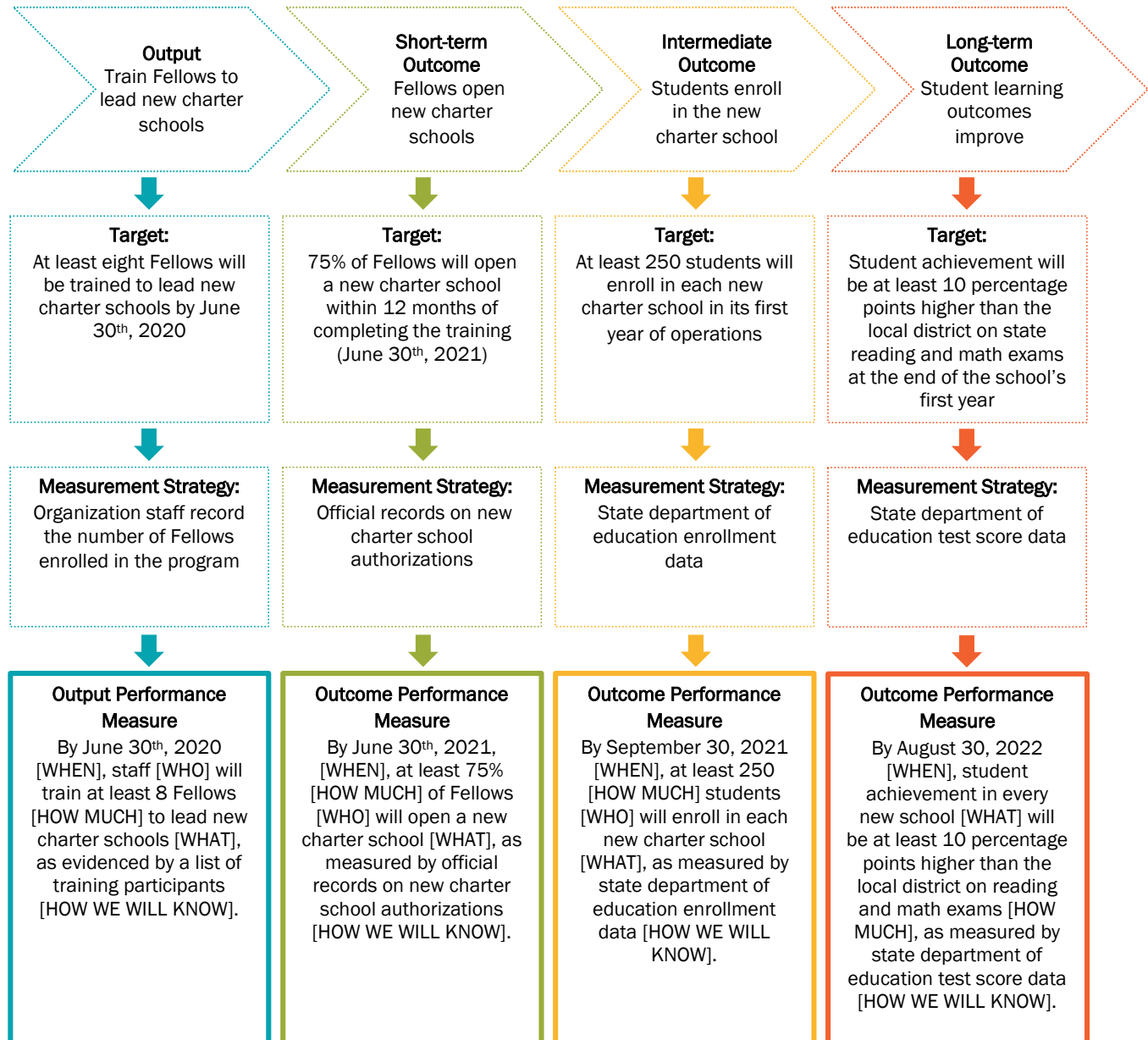
Identify measurement strategies.

The final step is to think about how the target for each output and outcome can be measured (the **HOW WE WILL KNOW** element of strong performance measures). In some cases, it may be difficult to measure outcomes (e.g., organization staff may not have access to certain groups impacted by the program). When this happens, grantees should attempt to find proxy measures or other indicators to confirm that intended outcomes of a program have occurred. The following diagram identifies potential measurement strategies to provide evidence for each of the outputs and outcomes for the example program.



Putting it all together: Writing good performance measures

Using the information generated above, grantees can combine the five elements (WHAT, WHO, HOW MUCH, WHEN, HOW WILL WE KNOW) to write clear performance measures for each output and outcome. Building on from the example presented above, below are sample performance measures for each output and outcome:



Conclusion

Performance measures are a core element of WFF's approach to evaluation and learning. We look forward to continuing to partner with our grantees to better understand the most effective ways of addressing the problems we seek to work on together.