



HOW TO CONSTRUCT PERFORMANCE MEASURES

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



This guide is designed to help grantees and Program Officers as they work together to establish quality performance measures that support continuous learning and improvement

April 2022

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 our grantmaking strategies and our efforts to learn from our own work and the work of our grantees. Through this approach, **WFF and our grantees remain accountable for learning and strategic adaptation in service of social and environmental impact.**

Performance measures are an important tool for how we approach strategic learning and evaluation here at WFF.

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:



WHAT

will change or be accomplished through the program



WHO

will create the change or accomplishment



WHEN

the change or accomplishment will occur



HOW MUCH

change will occur or what the level of accomplishment will be



HOW WE WILL KNOW

the change occurred

We use performance measurement to help understand, learn from, and improve the Foundation's strategies and the work of grantees. **High quality performance measures should:**

Be grounded in a shared understanding of the theory of change guiding the work and how success will be defined, including what information grantees currently collect and find valuable;

Emphasize the key outcomes that will drive longer-term impact;

Focus on collecting information that provides feedback on progress and the theory of change, including key assumptions and hypotheses; and

Provide support for the development of new insights and lessons that inform strategic shifts and course corrections.

At WFF, performance measures serve a variety of functions in support of ongoing strategic learning, including:

- 1 Generate actionable insights about strategic shifts or adjustments that may be needed for continuous improvement and greater impact;
- 2 Inform conversations with WFF staff at interim points in the grant and at the close of a grant;
- 3 Ensure that new initiatives (developed by grantees or WFF) can benefit from the insights gained through prior projects; and
- 4 Inform WFF learning efforts across strategy areas to better understand how the Foundation's approaches may need to be adjusted.

All WFF grantees are required to provide a final narrative and financial report, on a timeline that is specified in each Grant Agreement. As part of the reporting process, grantees assess progress toward 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 learning and improvement - both for grantees and WFF - in the following ways:

- ▶ **At the level of individual grants...** data on key measures helps to inform adjustments or course corrections that may be needed.
- ▶ **Looking across grants...** information that is collected across a portfolio of grants can reveal patterns and provide important insights.
- ▶ **At the level of strategy...** in some cases data from these measures contribute to WFF's understanding of progress toward meeting broader strategic objectives.



Note: Performance measures should NOT be used as a substitute for a more detailed work plan that captures a wider array of activities that may be supported by grant funds, or for project management toward meeting specified objectives. Rather, the measures developed in the grant application should be viewed as a tool that supports learning and strategic adaptation in service of advancing the impact of both the grantee and the Foundation.

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 are the most important outputs and outcomes that reflect the theory of change.**

When developing performance measures, please keep the following points in mind:



Start by articulating what success will look like for this grant through a small number of key outcomes, and how you'll measure progress toward those goals.



In many cases the intermediate outcomes in a theory of change can provide the strongest starting point for developing performance measures.



Once the outcomes are in place, consider the 1-2 outputs that you see as critical to achieving those results.



Consider how you might use the data collected on these measures to draw important insights and lessons that can inform your work along the way, including hypotheses you are most interested in testing.



Longer term grants (more than 1 year) and larger grants (>\$500k) often entail more complex theories of change and will therefore have a larger number of measures.

In general, a grant should have more outcomes than outputs in the performance measures section. This will allow for adaptive management of the grant so the grantee can determine the best path to achieving the outcomes of the grant.

Grant Amount Per Year

Length of Grant Period

	2 YEARS OR FEWER	3 YEARS OR MORE
<i>Less than \$250K</i>	1 output & 2 outcomes	2 outputs & 3 outcomes
<i>Between \$250K and \$1M</i>	2 outputs & 3 outcomes	3 outputs & 4 outcomes
<i>Above \$1M</i>	3 outputs & 4 outcomes	4 outputs & 5 outcomes

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).

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 outcomes and outputs



2 Identify targets for each outcome and output



3 Identify a measurement strategy for each target



To assist grantees in developing strong performance measures, WFF now provides an online tool called [The Metrics Bank](#). This resource includes hundreds of pre-developed, customizable metrics, sortable by program, initiative, and grant objective. 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.


1

Identify key outcomes and outputs

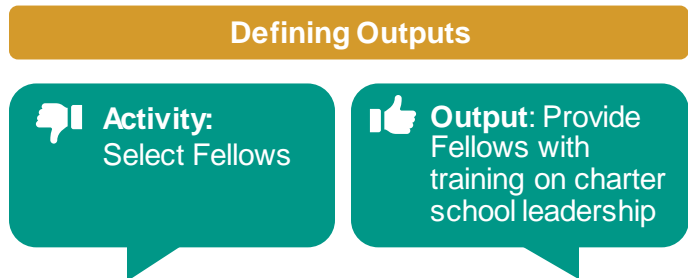
The first step in writing good performance measures is to define a program or organization's key outcomes and outputs. These statements should describe WHO will do WHAT (two of the five elements of a strong performance measure). As noted earlier, the number of outputs and outcomes will vary based on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

Outcomes involve some level of change related to knowledge, attitudes, capacity, opinions, behavior or social/environmental condition that results, at least in part, from the work of the grantee. 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 questions that might help you develop outcomes include:

- What changes do you expect as a result of your major categories of work during the grant period?
- Are these outcomes a logical result of your work?
- Will you be able to accurately identify if this change has occurred?

 **Note:** Outcome measures can be particularly challenging to identify for complex social change work. The SLED team is available to help grantees and Program staff identify potential performance measures for key goals 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.

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. In the example, one output leads to a series of outcomes that build off one another 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.



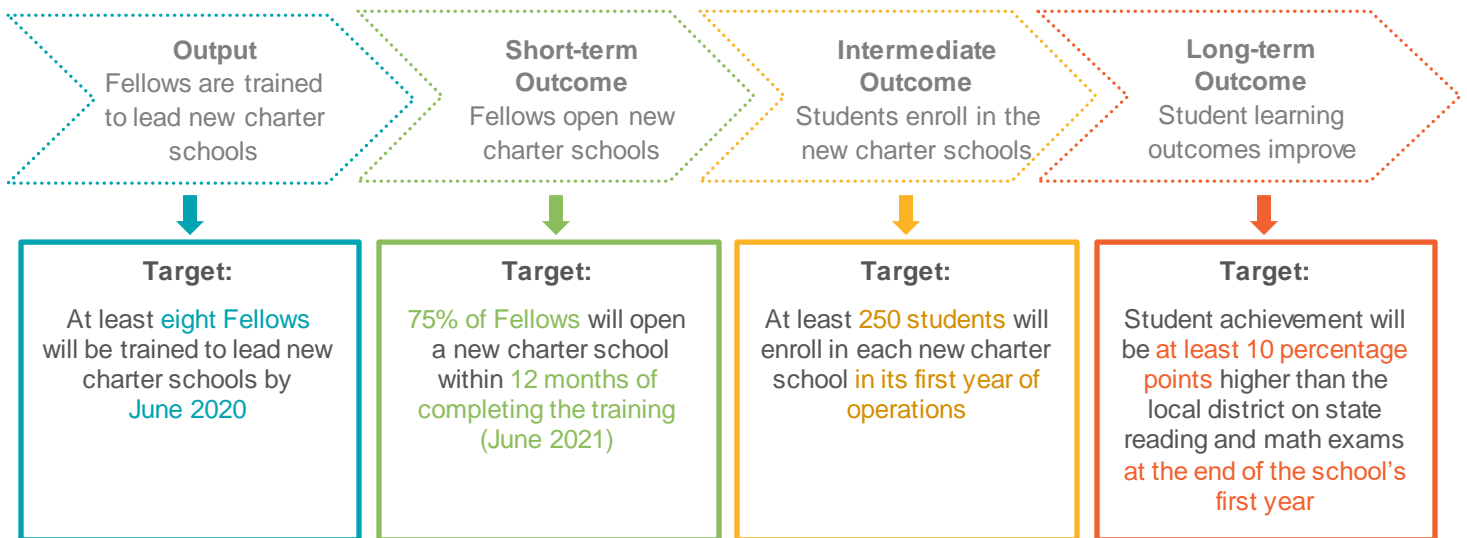
 **Note:** Not every funded program will have performance measures tied to longer-term outcomes, depending on the duration of the grant. Outcomes occurring beyond the grant period should not be included in grant performance measures

2 Identify targets for each performance measure

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 performance of a program is not judged by the number of targets met, but by the extent to which progress is made towards the proposed targets and the insights that are gained about what worked well and where strategic adjustments were needed.*

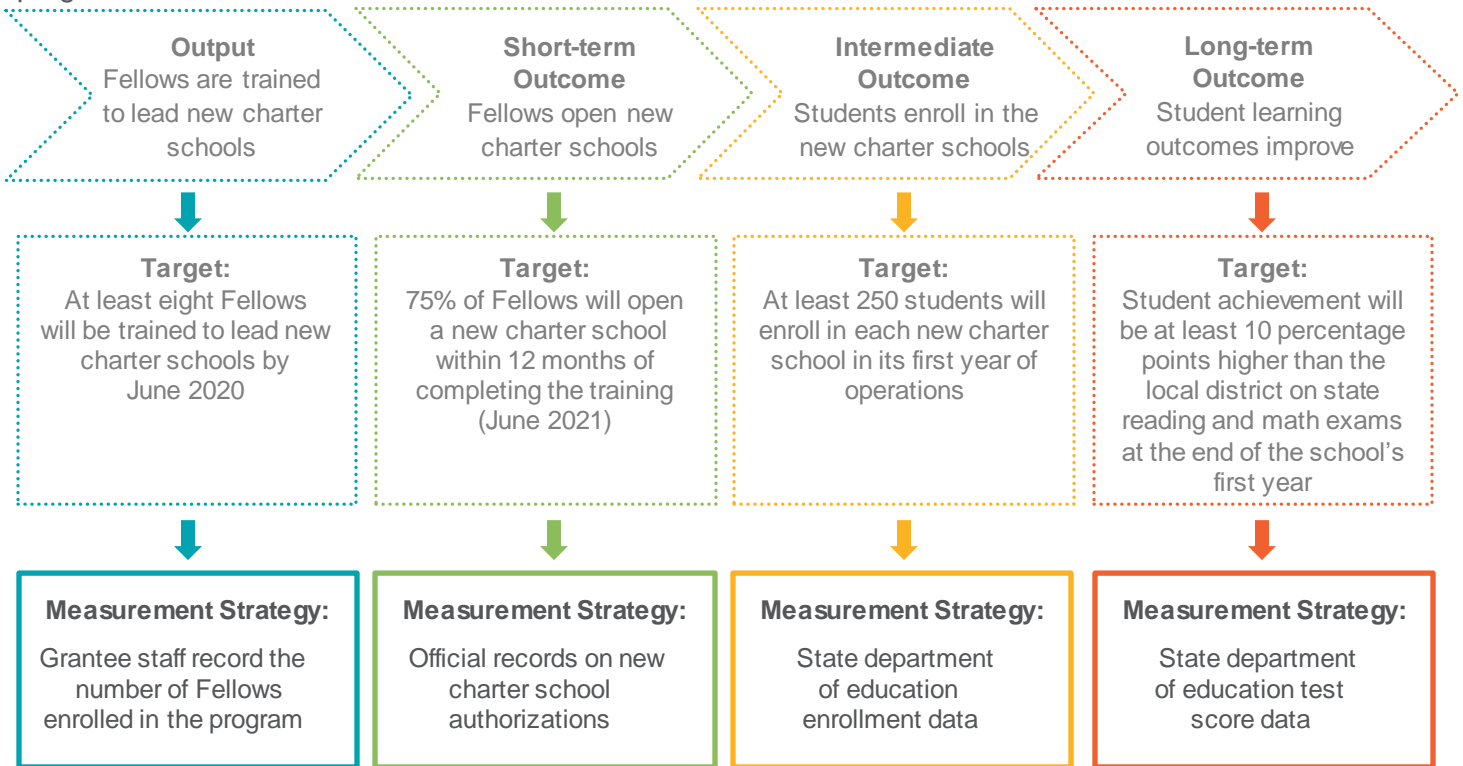
We recognize that changes in outcomes are often not directly within the control of our grantees. Meaningful social and environmental change takes time, is unpredictable, and does not always go as planned. The intent of setting targets for outcome measures is not to cast blame or judgment when they're not met; but rather to ground deeper discussions about what level of change is possible and to better understand why some goals were achieved or unrealized by the end of the grant.

The following diagram includes sample targets for each of the outputs and outcomes identified for the example program presented in step one.



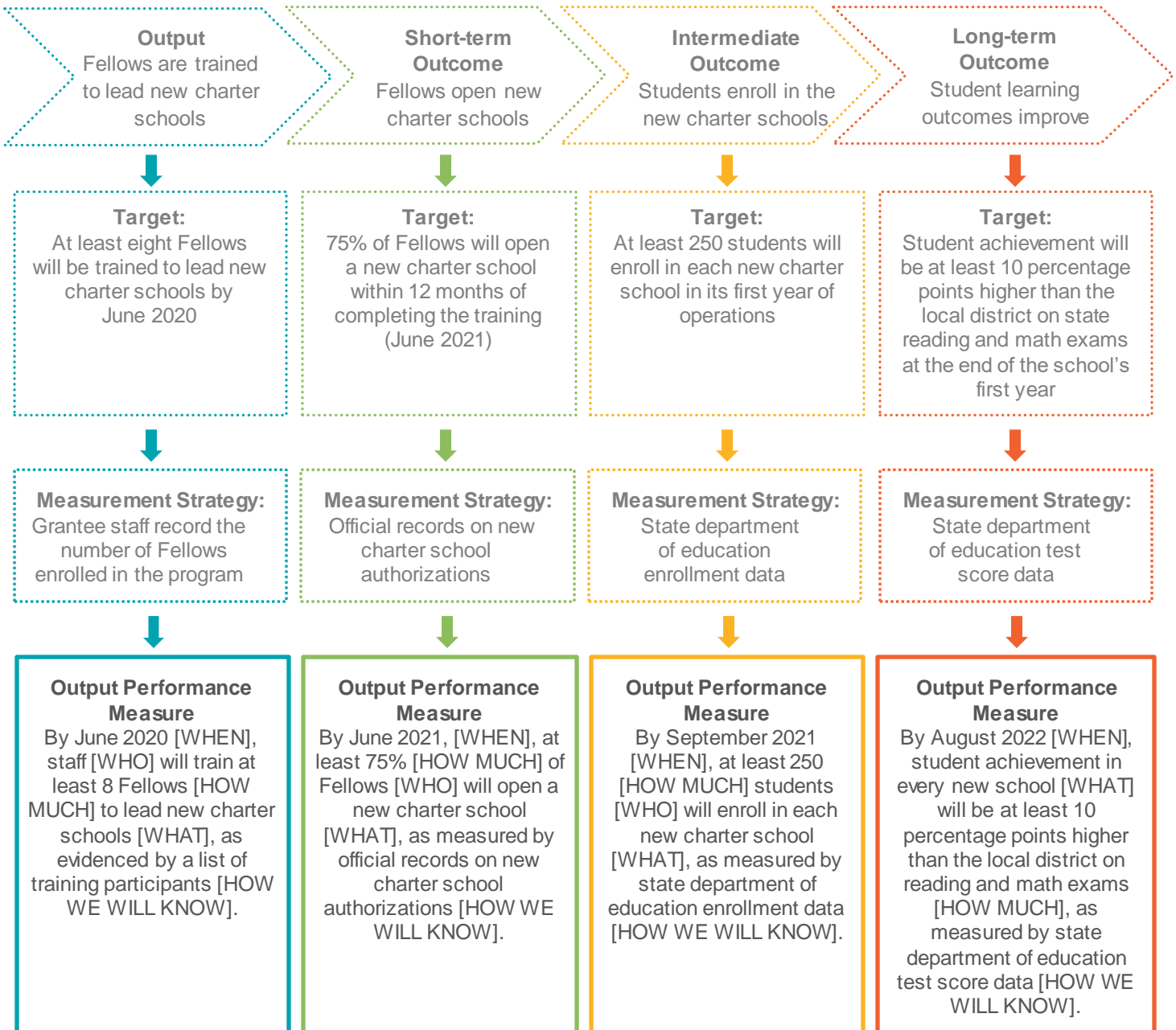
3 Identify measurement strategies

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 information or 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 strategic learning that is in service of continuous improvement and impact. 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.