

For the Common Good

2000 Fact Sheet: Outcome Management

OUTCOME MANAGEMENT: A Shifting Mindset

For the Common Good is a statewide project with the goal of facilitating the formation of local interagency linkage teams throughout Ohio. The local teams focus on improving services to at-risk youth and adults through the development of collaborative interagency linkages. Initiated in 1990 as a result of the Family Support Act of 1988, the project has now expanded its focus to all workforce development efforts and operates under the direction of a team composed of state-level staff.

In December 1999, the Common Good initiated a relationship with The Rensselaerville Institute (TRI) an independent, non-profit organization. Located in Rensselaerville, New York, TRI's mission is to help "...grow outstanding communities and organizations ...by providing the tools and mindsets for leading change, solving problems and seizing opportunities..." Elliot Pagliaccio, a Senior Consultant, has served as TRI's primary resource to the Common Good. Elliot, a former not-for-profit Director and district director to a U.S. Congressman, provides a wealth of knowledge from both the public and private sector. Elliot has met with members of the State Team on several occasions and has conducted two workshops for Common Good Local Linkage Teams, other collaborative groups, and state agency staff members.

In addition to their work with the Common Good, Elliot and TRI have also partnered with the Ohio Department of Development and its staff, using outcome-based frameworks with two separate initiatives Transitional (e.g. supportive) Housing for the Homeless, and local community action programs.

A Shift to Outcomes

Outcome management is a key component of the mind shift called the Outcome Framework. The Outcome Framework is a new way to distribute money and to manage for results. Several key assumptions associated with this changing paradigm are

- New **THINKING** requires
New **CONCEPTS** require
New **WORDS**

- **PEOPLE** – Not plans or even money – get things done



- **PLANNING and DOING** are inseparable
- **PARTNERSHIP** of investor and implementor is essential

The outcome management framework uses performance targets to enable an organization and operating units within it to perform at the highest possible levels. This approach is different because process (e.g., activities and procedures) is de-emphasized and the results-performance targets are in the foreground. Everyone in the organization is focused on achieving the performance targets.

So, what are the related benefits of this approach? Well, there are two. "**One is in impact.** Groups with a results focus and the freedom to reach it almost always outperform those who pledge best efforts. **The second gain is in morale.** People who are successful in reaching and helping customers generally are happier than those who are not. And in performance targets terms, morale and productivity are inseparable."

The sections that follow provide an overview of the performance target outline – the process through which answers to key questions are derived and managing for results begins.

Outcome Statement

What is the overall end state that organizational leaders are working to ultimately accomplish for your program? The answer(s) to this question is captured in your program's outcome statement. Set or approved at the executive or board level of an organization, the outcome statement (sometimes referred to as a purpose or mission) helps guide line managers in their development of performance targets. And what are performance targets? Performance targets are the specific changes in customer behavior, condition or satisfaction that an implementor (e.g., you and your staff) seeks to achieve. These performance targets must be directly linked to your program's outcome statement, be verifiable, yet narrow enough to be directly achieved by the implementor team.

Your Customers

The second set of questions in the target outline process revolves around your customers. It is important that your customers be clearly defined. For purposes of this process, customers are defined as "...people who directly interact with an [your] organization's product and its implementers." Your customers generally have a need or problem or are behaving in a way that your investor (e.g. your funding source) seeks to **change**. Remember the performance targets? Well, "these **changes** are the performance targets that define success for your efforts." The following question relevant to your customers must be answered: "Who are the customers, described characteristic, and conditions, and behaviors for your program?" Two typical customers reflecting important customer variations should be profiled as a part of developing the answer to this question. complete response to the question will provide in depth information about the program's customers. It will be used to guide the answer to the all encompassing question: "Who are the customers for the selected program and how many customers do you plan to serve in the coming program year?"

Common goals...
Common customers...
Common needs...
Common challenges...

Performance Targets

What defines success? The answer to this question will be revealed in your performance targets. Performance targets, those specific changes in customer behavior, condition or satisfaction that an implementor seeks to achieve are defined in the following four steps: (1) Indicate all areas of change you seek in your customers. This may include educational, social, employment status, and medical condition. (2) Describe the baseline for each of the behavior areas noted in the areas you've just listed. This is called the "no -program" baseline (e.g., "Without intervention, the following might happen."). (3) List the targeted behavior changes that you desire. This is where you must specify the degree of customer behavior change you hope to affect in each change area. It is best to set a target that is "doable" with a stretch. (4) Specify how you (and perhaps your customer as well) will verify target achievement for each area of change noted earlier in this section. Your responses to these four steps will guide your answer to the overriding performance targets question "What are your **PERFORMANCE TARGETS** for these customers for the year and how will you know if you reach them?" Performance targets must relate back to investor outcomes (e.g. the desired outcomes of your funding sources) and what the leaders of your agency set out to accomplish. To ensure a match between the performance targets and the outcome proposal, you must answer the question, "What is the evidence (data, research or experience) that connects your Performance Target to the accomplishment of your Program's Outcome Statement?" Give this question consideration prior to moving to the next section.

The Product

The product is the program or service with specific core features that is offered to a customer. It is the vehicle for getting to the target and is a critical factor in reaching the performance target. Products should be designed with specific core features that include such elements as intensity and duration, essential elements that must always be incorporated, comparative advantages over other products, delivery considerations, and details of customer involvement. A list of the core features that are essential for the product to be effective with the target customers should be the major outcome of the product section. Once

the list is compiled, the core features should be organized under the following subheadings: Intensity/Duration, Essential Elements, Comparative Advantage Over Other Products, Customer Involvement, Delivery Strategy, and Other Core Features.

The People

"Who drives your vehicle?" In other words, who is responsible for delivering the product? It is important that you have an understanding of the people who deliver your product. First, describe the key persons for your project by **name** and **function**. Second, give consideration to the set of people TRI refers to as intermediaries – those persons outside the implementing organization who are critical in reaching and serving customers, but over whom you have no control. Describe the intermediaries by **name** and **role played** for your project. The responses you provide will help guide your answer to the following: "WHO is primarily responsible for delivering the product and reaching the performance targets...the Key Person(s)? Describe the most important intermediary if there is one."

Financial Resources

Financial resources are simply that part of the process where you must account for the amount of financial support received by your program and how the money will be spent. TRI recommends the following general categories: **Program Revenue** (State/Federal, City Gov't, Fund Raising, Other), **Total Projected Revenue** (sum of the sources of revenue) **Program Expenses** (Personnel, Contractual, Other Direct, Agency Overhead), **Total Project Expenses** (sum of all the expenses).

Milestones

Effectively established milestones provide programs and their investors a way to track progress and ensure that the initiative is on course to reach the performance target. They also provide assistance in making course corrections if programs find they are off-track. The milestones process is complex, and this summary will provide merely a brief overview of the critical role that milestones play in the outcome management process. The first step in defining milestones requires an outline of your product steps and customer milestones for your program. A product step can be thought of as an implementor step –

something you complete. Each product step has a corresponding customer milestone – something your customer will complete. Second, of those people entering in the first quarter, how many will reach each milestone and in which quarter? Answers to the questions will guide the response to the final overriding question. Of those persons currently in service (if there are any), how many will reach each milestone and when?

Defining Your Target

This is it – the final step in setting performance targets. In this step, you must project the **number** of people who will achieve the **desired behavior change**. This projected number and desired behavior change will be the performance target for your program.

Final Thoughts

This *Fact Sheet* has provided an overview of the outcome management process. Implementation of the process involves the steps outlined here and takes place over a period of time. The material on which the fact sheet was based was drawn from TRI's *Outcome Management Performance Target Workbook*. The Common Good project acknowledges TRI's willingness to share the information on the outcome management framework with the Common Good Local Linkage Teams and other collaborative groups.

Additional Information

For additional information on TRI's products, services, and publications, please check their website at the following URL: www.tricampus.org

For the Common Good is supported by funds from the Ohio Department of Education, Office of Career-Technical and Adult Education. For further information, contact Susan Imel, Center on Education and Training for Employment, 1900 Kenny Road, Columbus, OH 43210-1090: (614) 292-8606, or (800) 848-4815, extension 2-8606; E-mail: imel.1@osu.edu. To review the full text of this case study or to review prior Common Good publications, check the project web site at the following URL: <http://literacy.kent.edu/CommonGood> David Cofer developed this Fact Sheet

